

**STATE OF NEW MEXICO
GALLUP-McKINLEY COUNTY PUBLIC SCHOOLS
FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTAL INFORMATION
WITH ACCOMPANYING AUDITORS' REPORTS
FOR THE YEAR ENDED JUNE 30, 2008**

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Official Roster
June 30, 2008

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Genevieve Jackson		President
Annie Descheney		Vice President
Dr. Bruce Tempest		Secretary
J. R. Thompson		Member
Joe DeLao		Member
	<u>School Officials</u>	
Ray Arsenault		Superintendent
Esther Macias		Assistant to the Superintendent
John Samford		Assistant Superintendent of Business Services
Theresa Mariano		Assistant Superintendent of Personnel
Dr. Ed Monaghan		Assistant Superintendent of Learning Services
Leonard Haskie		Assistant Superintendent of Support Services

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Table of Contents
 June 30, 2008

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Official Roster		3
Table of Contents		4-7
FINANCIAL SECTION		
Independent Auditors' Report		9-10
Management's Discussion and Analysis		11-17
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	19-20
Statement of Activities	A-2	21-22
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	23-24
Reconciliation of the Balance Sheet to the Statement of Net Assets		25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	29
Statement of Fiduciary Assets and Liabilities	D-1	30
NOTES TO THE FINANCIAL STATEMENTS		
		31-62
SUPPLEMENTARY INFORMATION		
Nonmajor Fund Descriptions	<u>Statement/ Schedule</u>	65-71
Combining and Individual Fund Statements and Schedules		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	72-90
Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	91-109
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Food Service Special Revenue Fund	B-1	110
Athletics Special Revenue Fund	B-2	111
Non-Budget Activity Special Revenue Fund	B-3	112
Non-Budget Scholarship Special Revenue Fund	B-4	113
Title I IASA Special Revenue Fund	B-5	114
Javits Gifted & Talented Students Special Revenue Fund	B-6	115
Entitlement IDEA-B Special Revenue Fund	B-7	116
Preschool IDEA-B Special Revenue Fund	B-8	117
Title VI IASA Special Revenue Fund	B-9	118
Education of Homeless Special Revenue Fund	B-10	119
Title II IASA (Math/Science) Special Revenue Fund	B-11	120

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Table of Contents
 June 30, 2008

	<u>Statement/ Schedule</u>	<u>Page</u>
Combining and Individual Fund Statements and Schedules (Continued)		
Statement of Revenues, Expenditures, and Changes in		
Fund Balance – Budget (Non-GAAP Budgetary Basis)		
and Actual:		
Fruits & Vegetables Special Revenue Fund	B-12	121
Title I Family Literacy Special Revenue Fund	B-13	122
Title IV Drug Free Schools Special Revenue Fund	B-14	123
Partnerships in Character ED Special Revenue Fund	B-15	124
Enhancing Education Through Technology Special Revenue Fund	B-16	125
Comprehensive School Reform Special Revenue Fund	B-17	126
Title V Innovative Education Program Special Revenue Fund	B-18	127
Title III English Language Acquisition Special Revenue Fund	B-19	128
Teacher/Principal Training & Recruiting Special Revenue Fund	B-20	129
Safe & Drug Free Schools & Communities Special Revenue Fund	B-21	130
21 st Century Community Living Centers Special Revenue Fund	B-22	131
Rural & Low Income Schools Special Revenue Fund	B-23	132
Title I School Improvement Special Revenue Fund	B-24	133
School Renovation IDEA & Technology Special Revenue Fund	B-25	134
Reading First Special Revenue Fund	B-26	135
Carl Perkins Secondary Special Revenue Fund	B-27	136
Teaching American History Special Revenue Fund	B-28	137
Bilingual Education Title VII Special Revenue Fund	B-29	138
Navajo Red/Corn Pollen Pathway Special Revenue Fund	B-30	139
JTPA Special Revenue Fund	B-31	140
Johnson O'Malley Special Revenue Fund	B-32	141
General Ed. Projects "Star Schools" Special Revenue Fund	B-33	142
Impact Aid Special Education Special Revenue Fund	B-34	143
Impact Aid Indian Education Special Revenue Fund	B-35	144
GRADS Child Care CYFD Special Revenue Fund	B-36	145
Title XIX – Medicaid 3/21 Years Special Revenue Fund	B-37	146
Child Care Block Grant Special Revenue Fund	B-38	147
TANF/GRADS Special Revenue Fund	B-39	148
Child & Adult Food Program Special Revenue Fund	B-40	149
Indian Education Formula Grant Special Revenue Fund	B-41	150
21 st Century Community Learning Centers Special Revenue Fund	B-42	151
Navajo Nations Special Revenue Fund	B-43	152
Technology Challenge Grant USDE Special Revenue Fund	B-44	153
Title V Indian Health Care Improvement Act Special Revenue Fund	B-45	154
Teacher Quality Enhancement Special Revenue Fund	B-46	155
Tobacco Use Prevention & Control Program Special Revenue Fund	B-47	156
Goals 2000 Parental Assistance Special Revenue Fund	B-48	157
Transition to Teaching Special Revenue Fund	B-49	158
Substance Abuse & Mental Health Services Special Revenue Fund	B-50	159
Carol M White Physical Fitness Special Revenue Fund	B-51	160
Native American Program Special Revenue Fund	B-52	161
Bill & Melinda Gates Foundation Special Revenue Fund	B-53	162
Save the Children Special Revenue Fund	B-54	163

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Table of Contents
 June 30, 2008

	<u>Statement/ Schedule</u>	<u>Page</u>
Combining and Individual Fund Statements and Schedules (Continued)		
Statement of Revenues, Expenditures, and Changes in		
Fund Balance – Budget (Non-GAAP Budgetary Basis)		
and Actual:		
Center for Ed & Study of Diverse Populations Special Revenue Fund	B-55	164
Parents as Teachers Special Revenue Fund	B-56	165
TANF PED Special Revenue Fund	B-57	166
Technology for Education PED Special Revenue Fund	B-58	167
Obesity Program Special Revenue Fund	B-59	168
TANF – Full Day Kindergarten Special Revenue Fund	B-60	169
Incentives for School Improvement Act Special Revenue Fund	B-61	170
Laws of NM 2005 Special Revenue Fund	B-62	171
Pre-K Initiative Special Revenue Fund	B-63	172
Indian Education Act Special Revenue Fund	B-64	173
Reading Improvement Initiatives Special Revenue Fund	B-65	174
Beginning Teacher Mentoring Program Special Revenue Fund	B-66	175
Breakfast in the Classroom Special Revenue Fund	B-67	176
Teacher Professional Development Fund Special Revenue Fund	B-68	177
Kindergarten Plus Special Revenue Fund	B-69	178
Pre-K Start Up Special Revenue Fund	B-70	179
Schools in Need of Improvement Fund Special Revenue Fund	B-71	180
School Improvement Framework Special Revenue Fund	B-72	181
Kindergarten – Three Plus Special Revenue Fund	B-73	182
State – 21 st Century Learning Center Special Revenue Fund	B-74	183
Pre-Kindergarten – Special State Special Revenue Fund	B-75	184
Libraries – SB 301 GO Bonds Special Revenue Fund	B-76	185
Center for Teaching Excellence Special Revenue Fund	B-77	186
Pathways Project UNM Special Revenue Fund	B-78	187
Parents as Teachers Special Revenue Fund	B-79	188
AP New Mexico Incentive Funding Special Revenue Fund	B-80	189
Office of Child Development Special Revenue Fund	B-81	190
Regional Quality Center Special Revenue Fund	B-82	191
Private Dir. Grants Special Revenue Fund	B-83	192
City/County Grants Special Revenue Fund	B-84	193
School Based Health Center Special Revenue Fund	B-85	194
Public Schools Capital Outlay Capital Projects Fund	B-86	195
Special Capital Outlay Capital Projects Fund	B-87	196
Special Capital Outlay State Capital Projects Fund	B-88	197
Special Capital Outlay Federal Capital Projects Fund	B-89	198
Capital Improvements SB-9 Capital Projects Fund	B-90	199
Public Building Energy Efficient Capital Projects Fund	B-91	200
Public School Capital Outlay 20% Capital Projects Fund	B-92	201
Bond Building Capital Projects Fund	B-93	202
Special Revenue Bond Capital Projects Fund	B-94	203
Debt Service Fund	B-95	204
Combining Balance Sheet – General Fund	C-1	205
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	C-2	206

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Table of Contents
 June 30, 2008

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Operating Fund	C-3	207
Teacherage Fund	C-4	208
Pupil Transportation Fund	C-5	209
Instructional Materials	C-6	210
Combining Balance Sheet – Middle College Charter School	D-1	211-212
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Middle College Charter School	D-2	213-214
Budgetary Comparison Schedule Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	D-3	215
Federal Stimulus Special Revenue Fund	D-4	216
Instructional Materials Special Revenue Fund	D-5	217
Title I Special Revenue Fund	D-6	218
Public School Capital Outlay Capital Projects Fund	D-7	219
 SUPPORTING SCHEDULES		
Schedule of Deposit and Investment Accounts	I	221-222
Cash Reconciliation	II	223-228
Schedule of Collateral Pledged by Depository	III	229
Schedule of Changes in Assets and Liabilities –Agency Funds	IV	230
 COMPLIANCE SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		232-233
 FEDERAL FINANCIAL ASSISTANCE		
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		235-236
Schedule of Expenditures of Federal Awards	V	237-239
Schedule of Findings and Questioned Costs	VI	240-246
Other Disclosures		247

(This page intentionally left blank)

FINANCIAL SECTION

Independent Auditors' Report

To the Board of Education
Gallup McKinley County Public Schools
Gallup, New Mexico
The Office of Management and Budget
and
Hector Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, budgetary comparison for the general fund and the aggregate remaining fund information of Gallup-McKinley County Public Schools (the "District") as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds and the budgetary comparisons for the major capital projects funds, the debt service fund, the component unit funds, and the nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gallup-McKinley County Public Schools, as of June 30, 2008, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United State 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 component unit fund of the Schools as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, the debt service fund, the nonmajor governmental funds and the component unit funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report date October 6, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 13 through 19 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 District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for 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 IV in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Gallup-McKinley County Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental funds financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements and the nonmajor governmental funds financial statements, taken as a whole.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 6, 2008

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2008

The information presented in this section of the Schools' annual financial report may be new to the reader. This information aligns with requirements of the Governmental Accounting Standards Board (GASB) that establishes accounting and reporting standards for governmental entities. With the issuance of GASB's Statement 34, a written narrative discussion and analysis of the financial performance of the Schools will be included. This section should provide an objective and easily readable analysis of the Schools' financial activities based on currently known facts, decisions, or conditions. The financial managers of governments (in this case, the Schools) are knowledgeable about the transactions, events, and conditions that are reflected in the Schools' financial report and of the fiscal policies that govern its operations. Management's discussion and analysis provides financial managers with the opportunity to present both a short- and a long-term analysis of the Schools' activities. Requirements established by GASB 34 are general rather than specific to encourage effective reporting by including only the most relevant information and, where appropriate, refer to the accompanying financial statements. Management will explain the Schools' financial position and include the reasons the position is improved, deteriorated, or the same when compared to the prior year. The analysis will be based on currently known facts as of the date of the auditors' report.

Introduction

The financial performance of the Gallup-McKinley County School for the fiscal year ended June 30, 2008 will be the subject of this discussion and analysis. The purpose is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

Financial Highlights

Key events for the fiscal year 2008 are:

- The Schools maintained a strong **A3** rating from Moody's Investor Services for the sale of General Obligation Bonds. During the fiscal year ending June 30, 2008, the Schools' debt management program produced a tax rate for debt at \$8,351 per thousand dollars of assessed valuation. This rate increased from \$8,113 in the prior year.
- Total Assets of Governmental Fund activity was \$343,552,120. (Ex. A-1)
- Total Liabilities of Governmental Fund activity was \$72,497,865. (Ex. A-1)
- Net Assets of Governmental Fund activity was \$271,054,255. (Ex. A-1)
- General Fund expenditures exceeded revenues by \$455,764 resulting in a year-end fund balance of \$8,210,269 (Ex. B-2)
- Requirements of GASB 34 required changes to the fixed asset accounting of the Schools. All assets, including real estate and buildings, were recorded and accumulated depreciation on these assets was also recorded in the conversion to this requirement. Capital assets of \$311,322,324 with accumulated depreciation of \$89,865,083 were recorded. (Note 7.)
- The Schools implemented the State mandates for an average 5.0% salary increase for all employees; an additional average 2% increase for professional service providers below \$60,000; the minimum \$50,000 salary for Level 3-A teachers; and the 0.75% increase in the employer's contribution to the Educational Retirement Fund.

Basic Financial Statements

This annual report introduces the Schools' basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The Statement of Net Assets and Statement of Activities are district-wide (government) information that presents both an aggregate view of the Schools' finances and a longer-term view of trends. The next level of information is in the fund level financial statements. A fund is an accountability unit used to maintain control over resources for specified activities or objectives. The fund financial statements will look at the Schools' most significant funds while combining all other non-major funds into a single summary.

STATE OF NEW MEXICO
 Gallup-McKinley Public Schools
 Management's Discussion and Analysis
 For the Fiscal Year Ended
 June 30, 2008

Government Wide Financial Statements

Statement of Net Assets – This is a District-wide statement including all assets and liabilities using an accrual basis of accounting. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Schools as a whole is improving or deteriorating.

Summary of Statement of Net Assets

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<u>Assets</u>			
Current assets	\$ 27,251,857	\$ 29,594,441	\$ 24,769,186
Capital asset	401,187,407	327,080,463	315,037,289
Accumulated depreciation	(89,865,083)	(83,067,520)	(75,020,448)
Other noncurrent assets	<u>4,977,939</u>	<u>6,104,371</u>	<u>4,040,051</u>
Total assets	<u>\$ 343,552,120</u>	<u>\$ 279,711,755</u>	<u>\$ 268,826,078</u>
<u>Liabilities</u>			
Accounts payable	\$ 3,006,007	\$ 1,647,885	\$ 678,600
Accrued interest	1,089,709	1,038,079	792,327
Other current liabilities	5,492,937	9,766,633	5,325,883
Long-term liabilities	<u>62,909,212</u>	<u>62,473,816</u>	<u>45,051,645</u>
Total liabilities	<u>72,497,865</u>	<u>74,926,413</u>	<u>51,848,515</u>
<u>Net Assets</u>			
Invested in capital assets	243,699,829	177,548,842	191,611,648
Restricted: Debt service	8,514,412	5,259,904	5,196,909
Restricted: Capital projects	2,079,137	11,263,667	3,631,264
Restricted: Other Purpose	6,245,936	1,154,156	-
Unrestricted	<u>10,514,941</u>	<u>9,558,773</u>	<u>16,537,742</u>
Total net assets	<u>\$ 271,054,255</u>	<u>\$ 204,785,342</u>	<u>\$ 216,977,563</u>

Statement of Activities – This is a District-wide statement that reports how the Schools' net assets changed during the fiscal year. This report compliments the Statement of Net Assets by being designed to show the financial reliance on various sources of revenue used for the functions or activities provided by the Schools.

Both of these statements, Net Assets and Activities, include activity of the Schools that may be classified in three distinct types:

Governmental Activities – All of the Schools' programs and services are considered governmental and include the instructional program, support services, operation and maintenance of plant, pupil transportation, and activities.

Business-Type Activities – Services of this type include services or goods offered with the intent to recover the cost of the services or goods provided. The Schools' Student Nutrition Program and Teacher Housing Program are reported as this type of activity. Both of these activities have been reclassified into Governmental Activities for the year ending June 30, 2008.

Component Unit Activities – Activities for which financial reporting is required within the primary unit (the Schools) but for which governance and oversight is assigned to the component unit. The Middle College Charter School is defined as a component unit of the Schools.

STATE OF NEW MEXICO
Gallup-McKinley County Schools
Management's Discussion & Analysis
For the Fiscal Year Ended
June 30, 2008

Summary of Statement of Activities

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<u>Revenues</u>			
Program revenues:			
Charges for services	\$ 1,892,419	\$ 1,943,526	\$ 2,004,992
Operating grants	43,370,978	10,879,035	61,819,275
Capital grants	43,060,379	297,980	2,406,960
General revenues:			
Property taxes	7,220,785	6,378,235	6,919,445
Federal and state aid	91,118,324	109,451,672	57,467,433
Other	(122,818)	<u>167,424</u>	<u>658,254</u>
Total revenues	<u>186,540,067</u>	<u>129,117,872</u>	<u>131,276,359</u>
<u>Expenses</u>			
Direct instruction	77,683,359	81,984,085	70,119,228
Instructional support	19,847,267	19,217,973	25,592,828
Administration	9,203,761	7,905,065	2,630,559
Business and support services	4,158,773	3,531,501	1,194,270
Operation/maintenance of plant	16,526,833	14,246,774	1,972,597
Athletic	-	-	1,474,127
Non-instructional support	353,338	-	563,161
Transportation	6,916,709	6,632,437	5,615,654
Food service	4,686,882	165,846	222,254
Community services	-	8,735	1,695,402
Depreciation, unallocated	-	-	557,669
Interest on long term debt	2,470,533	2,509,125	2,300,315
Business-type activities	<u>-</u>	<u>5,108,552</u>	<u>4,694,802</u>
Total expenses	<u>141,847,455</u>	<u>141,310,093</u>	<u>118,632,866</u>
Changes in net assets	<u>\$ 44,692,612</u>	<u>\$ (12,192,221)</u>	<u>\$ 12,643,493</u>

Fund Financial Statements

The Schools uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The Schools uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the Schools' most significant funds rather than the Schools as a whole. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The Schools' major governmental funds, as defined in GASB 34, are the General Fund, Debt Service Fund, Special Revenue Bond Fund, Impact Aid Add-On Fund, and Title I Fund.

Governmental Funds

Governmental funds encompass most of the Schools' activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported in the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

STATE OF NEW MEXICO
Gallup-McKinley County Schools
Management's Discussion & Analysis
For the Fiscal Year Ended
June 30, 2008

Governmental Activities

This statement of activity reports the cost of program services and the charges of services, and the revenues that are received to perform these services. The Statement of Activities (Exhibit A-2) for governmental activities, reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico Legislature and the operation of the Equalization Guarantee Formula for operational funding by the New Mexico Department of Education have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, administrative staff and maintenance staff. This represents 61.79% of the budgeted total revenue received in fiscal year 2008.

The State of New Mexico through the Public Education Department establishes annually a "Unit Value" that is used, along with student membership and the Equalization Guarantee Formula factors, to determine the amount of State support to be received by individual districts. The Unit Value has increased over the past several years; coupled with the Schools slowly declining student membership, funding from the State of New Mexico has been stable.

School District Funds

The Schools' total governmental funds had revenues of \$187,122,201, bond proceeds of \$5,500,000 and expenditures and other uses of \$192,564,289. The net change in the governmental fund balance for the fiscal year increased \$85,390. These governmental funds are accounted for using the modified accrual basis of accounting as required by the New Mexico Public Education Department. An adjustment was made for governmental capital assets that were understated in the amount of \$18,827,595 (see Financial Statements Note 19) as a result of unrecorded PSCOC construction in progress.

General Fund Budgeting Highlights

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The Schools follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, as defined in GASB 34 are the Bond Building Fund, Debt Service Fund, Special Revenue Bond Fund, and Public School Capital Outlay Fund.

The General Fund had final budgeted revenues of \$98,073,821 and actual revenue of \$99,146,481. Expenditures were budgeted at \$108,539,135 and actual expenditures were \$99,134,416. The difference between budget and actual expenditures was due to budgetary savings/requirements within the budget and the amount of budgeted emergency reserve and allowable cash balance. General Fund balance at year end was \$9,142,759.

STATE OF NEW MEXICO
Gallup-McKinley County Schools
Management's Discussion & Analysis
For the Fiscal Year Ended
June 30, 2008

Capital Asset and Debt Administration

Capital Assets

GASB 34 rules now require the Schools to depreciate capital assets. This is a significant change from prior fiscal periods. As of June 30, 2008 the Schools had \$311,322.324 invested in capitalized assets and had accumulated depreciation of \$89,865,083 (Notes to Financial Statements Note 7). The beginning capitalized value of assets was adjusted to add the historical cost or appraised value of buildings and land. A systematic process is in place that adds newly acquired capital assets, deletes capital assets that are disposed of and requires local school sites to verify possession of capital assets at individual locations. Adjustments have been made to recognize the result of construction in progress for PSCOC awarded projects (Notes to Financial Statements Note 19 and paragraph below).

The State of New Mexico provides public school capital funding through the Public School Capital Outlay Council (PSCOC). Current legislation that regulates distribution of funds calls for "matching" of capital funds between the district and State. The Schools match is 17% that is matched by State resources of 83% for capital awards from the PSCOC. The Schools intend to actively pursue grant awards for capital outlay from this source; awards are based upon the condition index of each facility, and the Schools have many facilities in the upper condition of need. During the fiscal year the major capital activity was the building of additional student instruction facilities.

Long Term Debt

The Schools may incur general obligation debt under the terms of Article IX, Section 11 of the New Mexico Constitution. The approval of such general obligation is dependent upon local voter approval and is limited to 6% of the assessed valuation of taxable property within the District. As of June 30, 2008 the Schools had outstanding General Obligation bonds in the amount of \$34,690,000 this included sales of \$5,500,000 during the year. The Schools is bonded to 84.97% of the legal limit of \$40,825,207 based on assessed property value of \$680,420,111.

In 2002, the New Mexico Legislature enacted the Teacher Housing Revenue Bond Act. This act permits issuance of Revenue Bonds for the purpose of providing residential housing facilities for teachers. The Revenue Bonds do not constitute a general obligation indebtedness of the Schools; revenue from allowable federal Impact Aid payments to the district along with net income from the housing activities provide the pledged revenue for repayment. The Schools authorized and has outstanding Revenue Bond principal of \$29,932,495 as of June 30, 2008.

STATE OF NEW MEXICO
Gallup-McKinley County Schools
Management's Discussion & Analysis
For the Fiscal Year Ended
June 30, 2008

FUTURE TRENDS

In September 2003, the voters of the State of New Mexico approved two Constitutional amendments that effect public school education. The provision that increases the percentage of interest distribution from the Public School Permanent Fund is designed to fund public school reforms. Since the State uses an Equalization Guarantee Formula, the additional distributions should increase the support for operational funding within the General Fund. The focus of the increased funding is to be the classroom rather than other functions.

Capital funding from State sources was not defined in a formula such as the operational fund prior to 1999. The Schools have received over \$130,987,990 in Public School Capital Outlay (PSCOC) funding since 2000/2001 through June 30, 2008. The Schools participated in successful litigation against the State in order to receive state supported capital outlay funding. A State District Court monitors the State's performance in this funding; a status hearing regarding the State's progress toward uniform and sufficient capital funding may occur at the order of the Court. Capital funding is expected to continue at current levels to assist the Schools in replacement, renovation and construction of school buildings. Separately, the Schools' long-range debt plan, anticipates a General Obligation debt above 90% to coordinate with State capital outlay funds and the required match of funds by the Schools.

The Public Education Department, under Legislative action, directed New Mexico School Districts to implement a Uniform Chart of Accounts (UCOA). The implementation will take place beginning July 1, 2006 and may change the comparison of financial statements for June 30, 2008 to prior periods. The implemented UCOA in New Mexico will allow alignment with reporting received by the National Center for Education Statistics (NCES) which compiles statistics to comply with No Child Left Behind (NCLB).

The Schools completed and approved a five-year Facilities Master Plan (FMP) in March 2006. This plan is compliant with the Public School Facilities Authority (PSFA) guidelines and serves as a working document for future facility needs within the District. The Total Cost of Capital Improvement Project recommendations to address existing needs in schools are \$320,871,967 in 2006 dollars. The Schools plan no growth related projects; demographic projections are for a declining school age population in McKinley County to 2015 with increasing school age populations in subsequent years. The Schools will continue to actively apply for Public School Capital Outlay awards to bring substandard facilities up to current adequacy conditions.

An extensive study was conducted in 2006 by a state-appointed, independent Funding Formula Task Force to determine whether our public schools were being provided sufficient funding. New Mexico's Constitution requires that a "uniform system of free public schools sufficient for the education of and open to all children of school age in the state shall be established and maintained". The outcome of the study was clear – virtually every New Mexico school district, whether small or large, is not operating with sufficient funding, which is the mandate of the New Mexico Constitution. The upcoming 2009 New Mexico Legislative session is expected to receive an education bill that proposes to dramatically change the 35 year old public education funding formula; statewide, an additional \$350,000,000 would be recommended to address sufficiency. The Schools would be a major beneficiary of the new formula and the accompanying funds.

STATE OF NEW MEXICO
Gallup-McKinley County Schools
Management's Discussion & Analysis
For the Fiscal Year Ended
June 30, 2008

CONTACTING THE SCHOOLS

This financial report is designed to provide the reader, citizens, taxpayers, investors and other patrons with a general overview of the Gallup-McKinley County School Schools' financial condition and to provide accountability for the funds the Schools receives. Questions about this financial report or the operations of the Schools may be directed to:

John Samford
Assistant Superintendent-Business Services
Gallup-McKinley County Schools
P.O. Box 1318
Gallup, NM 87305
jsamford@gmcs.k12.nm.us
505-721-1070

Kim Brown
Director of Fiscal Services
Gallup-McKinley County Schools
P.O. Box 1318
Gallup, NM 87305
kbrown@gmcs.k12.nm.us
505-721-1072

Questions regarding other programs of the Schools may be directed to:

Ray Arsenault
Superintendent
Gallup-McKinley County Schools
P.O. Box 1318
Gallup, NM 87305
rarsenau@gmcs.k12.nm.us
505-721-1051

Dr. Ed Monaghan
Assistant Superintendent – Learning Services
Gallup-McKinley County Schools
P.O. Box 1318
Gallup, NM 87305
emonagha@gmcs.k12.nm.us
505-721-1006

Other Schools information may be accessed at:

www.gmcs.k12.nm.us

(This page intentionally left blank)

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Net Assets
June 30, 2008

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 20,208,144	\$ 325,046
Property taxes receivable	423,290	-
Due from other governments	6,078,027	-
Other receivables	67,183	29,007
Inventory	475,213	-
	<hr/>	<hr/>
Total current assets	27,251,857	354,053
Noncurrent assets		
Restricted cash and cash equivalents	4,934,341	-
Bond issuance costs (net of amortization of \$833)	43,598	-
Capital assets	401,187,407	190,648
Less: accumulated depreciation	(89,865,083)	(112,653)
	<hr/>	<hr/>
Total noncurrent assets	316,300,263	77,995
	<hr/>	<hr/>
Total assets	\$ 343,552,120	\$ 432,048
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 3,006,007	\$ 649
Deposits payable	67,644	-
Accrued compensated absences	57,047	-
Accrued payroll	75,734	-
Accrued interest	1,089,709	-
Deferred revenue	-	49,910
Current portion of judgment payable	80,000	-
Current portion of bonds payable	5,212,512	-
Total current liabilities	<u>9,588,653</u>	<u>50,559</u>
Noncurrent liabilities		
Accrued compensated absences	399,229	11,922
Judgment payable	100,000	-
Bonds payable	62,409,983	-
Total noncurrent liabilities	<u>62,909,212</u>	<u>11,922</u>
Total liabilities	<u>72,497,865</u>	<u>62,481</u>
Net assets		
Invested in capital assets, net of related debt	243,699,829	77,995
Restricted for:		
Debt service	8,514,412	-
Capital projects	2,079,137	-
Other purpose	6,245,936	-
Unrestricted	10,514,941	291,572
Total net assets	<u>271,054,255</u>	<u>369,567</u>
Total liabilities and net assets	<u>\$ 343,552,120</u>	<u>\$ 432,048</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Activities
For the Year Ending June 30, 2008

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental Activities:			
Instruction	\$ 77,683,359	\$ 869,607	\$ 19,131,625
Support services - students	12,660,911	152,659	3,358,550
Support services - instruction	7,186,356	89,799	1,975,618
Support services - general administration	2,640,848	11,297	248,545
Support services - school administration	6,562,913	82,268	1,809,921
Central services	4,158,773	51,997	1,143,946
Operation & maintenance of plant	16,526,833	186,262	4,097,813
Student transportation	6,916,709	-	6,666,364
Other Support Services	353,338	4,490	98,781
Food services operations	4,686,882	444,040	4,839,815
Interest on long-term debt	2,470,533	-	-
	\$ 141,847,455	\$ 1,892,419	\$ 43,370,978
Component Unit Activities:			
Charter school	\$ 529,356	\$ -	\$ 37,320
General Revenues:			
Taxes			
Property taxes, levied for operating programs			
Property taxes, levied for debt services			
Property taxes, levied for capital projects			
Other taxes			
State equalization guarantee			
Federal and state aid			
Interest and investment earnings			
Miscellaneous			
Loss on disposition of assets			
Subtotal, general revenues			
Changes in net assets			
Net assets - beginning			
Restatement (Note 16)			
Reclassification (Note 17)			
Net assets - beginning as restated			
Net assets - ending			

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants and Contributions	Primary Government			Component Unit
	Government Activities	Business Type Activities	Total	Charter School
\$ 25,853,452	\$ (31,828,675)	\$ -	\$ (31,828,675)	\$ -
4,538,564	(4,611,138)	-	(4,611,138)	-
2,669,743	(2,451,195)	-	(2,451,195)	-
335,871	(2,045,134)	-	(2,045,134)	-
2,445,830	(2,224,895)	-	(2,224,895)	-
1,545,868	(1,416,962)	-	(1,416,962)	-
5,537,565	(6,705,194)	-	(6,705,194)	-
-	(250,345)	-	(250,345)	-
133,487	(116,580)	-	(116,580)	-
-	596,973	-	596,973	-
-	(2,470,533)	-	(2,470,533)	-
\$ 43,060,379	(53,523,679)	-	(53,523,679)	-
\$ -				(492,036)
	279,285	-	279,285	-
	5,549,070	-	5,549,070	-
	1,382,034	-	1,382,034	-
	10,396	-	10,396	-
	59,644,685	-	59,644,685	463,072
	31,473,639	-	31,473,639	-
	416,661	-	416,661	-
	242,469	-	242,469	-
	(781,948)	-	(781,948)	-
	98,216,291	-	98,216,291	(28,964)
	44,692,612	-	44,692,612	(28,964)
	203,195,088	1,590,254	204,785,342	383,891
	1,590,254	(1,590,254)	-	-
	21,576,301	-	21,576,301	14,640
	226,361,643	-	226,361,643	398,531
	\$ 271,054,255	\$ -	\$ 271,054,255	\$ 369,567

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Bond Building	Special Revenue Bond
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 6,632,754	\$ -	\$ 8,193,334
Property taxes receivable	15,257	-	-
Due from other governments	47,786	303,394	-
Other receivables	3,980	-	-
Inventory	346,247	-	-
Due from other funds	2,577,649	-	3,825,066
<i>Total assets</i>	\$ 9,623,673	\$ 303,394	\$ 12,018,400
LIABILITIES AND FUND BALANCES			
<i>Current liabilities</i>			
Accounts payable	\$ 1,171,712	\$ 1,150,174	\$ -
Deposits payable	67,644	-	-
Interest payable	-	-	-
Accrued payroll	31,820	-	-
Accrued compensated absences	53,003	-	-
Judgement payable	80,000	-	-
Deferred revenue	9,225	-	-
Due to other funds	-	3,825,066	-
<i>Total liabilities</i>	1,413,404	4,975,240	-
<i>Fund balances</i>			
Reserved for			
Inventory	346,247	-	-
Unreserved			
Undesignated, reported in			
General fund	7,864,022	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	(4,671,846)	12,018,400
<i>Total fund balances</i>	8,210,269	(4,671,846)	12,018,400
<i>Total liabilities and fund balances</i>	\$ 9,623,673	\$ 303,394	\$ 12,018,400

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay	Debt Service Fund	Other Governmental Funds	Total
\$ 1	\$ 4,934,341	\$ 5,382,055	\$ 25,142,485
-	328,174	79,859	423,290
-	-	5,726,847	6,078,027
-	-	63,203	67,183
-	-	128,966	475,213
-	-	6,290,898	12,693,613
<u>\$ 1</u>	<u>\$ 5,262,515</u>	<u>\$ 17,671,828</u>	<u>\$ 44,879,811</u>
\$ -	\$ -	\$ 684,121	\$ 3,006,007
-	-	-	67,644
-	6,702	-	6,702
-	-	43,914	75,734
-	-	4,044	57,047
-	-	-	80,000
-	189,929	46,475	245,629
-	-	8,868,547	12,693,613
-	<u>196,631</u>	<u>9,647,101</u>	<u>16,232,376</u>
-	-	128,966	475,213
-	-	-	7,864,022
-	-	7,754,085	7,754,085
-	5,065,884	-	5,065,884
<u>1</u>	<u>-</u>	<u>141,676</u>	<u>7,488,231</u>
<u>1</u>	<u>5,065,884</u>	<u>8,024,727</u>	<u>28,647,435</u>
<u>\$ 1</u>	<u>\$ 5,262,515</u>	<u>\$ 17,671,828</u>	<u>\$ 44,879,811</u>

(This page intentionally left blank)

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Governmental Funds
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 June 30, 2008

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

Fund balances - total governmental funds	\$	28,647,435
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		311,322,324
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		245,629
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds		43,598
Accrued interest is not due and payable with current financial resources therefor are not reported in the funds		(1,083,007)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
General obligation bonds		(53,930,994)
Revenue bonds		(13,691,501)
Accrued compensated absences		(399,229)
Judgment payable		(100,000)
		<hr style="border-top: 1px solid black;"/>
Total net assets - governmental funds	\$	<u><u>271,054,255</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statements of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ending June 30, 2008

	General Fund	Bond Building	Special Revenue Bond
<i>Revenues</i>			
Property taxes	\$ 272,177	\$ -	\$ -
Oil and gas taxes	490	-	-
Intergovernmental revenue			
Federal flowthrough	172,627	-	-
Federal direct	109,796	-	-
Local sources	29,699,157	-	-
State flowthrough	59,964,213	-	-
State direct	1,314,538	-	-
Combined local/state	-	-	-
Transportation distribution	6,618,488	-	-
Charges for services	719,605	-	-
Interest	206,574	-	-
Miscellaneous	101,746	303,394	-
<i>Total revenues</i>	<u>99,179,411</u>	<u>303,394</u>	<u>-</u>
<i>Expenditures</i>			
Current			
Instruction	52,225,172	-	-
Support services - students	6,717,650	-	-
Support services - instruction	3,173,682	-	-
Support services - general administration	592,682	-	-
Support services - school administration	6,431,821	-	-
Central services	3,079,938	-	-
Operation & maintenance of plant	14,965,351	946,069	-
Student transportation	6,002,169	-	-
Other support services	830,711	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Facilities acquisition and construction	5,615,999	7,639,231	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	44,431	-
<i>Total expenditures</i>	<u>99,635,175</u>	<u>8,629,731</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(455,764)</u>	<u>(8,326,337)</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	5,500,000	-
Gain on sale of assets	27,478	-	-
<i>Total other financing sources (uses)</i>	<u>27,478</u>	<u>5,500,000</u>	<u>-</u>
<i>Net change in fund balances</i>	(428,286)	(2,826,337)	-
<i>Fund balances - beginning of year</i>	8,286,296	(1,845,509)	12,018,400
<i>Fund balances - restatement (Note 16)</i>	352,259	-	-
<i>Fund balances - restated</i>	<u>8,638,555</u>	<u>(1,845,509)</u>	<u>12,018,400</u>
<i>Fund balances - ending of year</i>	<u>\$ 8,210,269</u>	<u>\$ (4,671,846)</u>	<u>\$ 12,018,400</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay	Debt Service Fund	Other Governmental Funds	Total
\$ -	\$ 5,402,839	\$ 1,335,559	\$ 7,010,575
-	7,947	1,959	10,396
-	-	17,815,859	17,988,486
-	-	15,885,640	15,995,436
-	-	84,729	29,783,886
-	-	2,636,209	62,600,422
42,420,134	-	222,086	43,956,758
-	-	231,000	231,000
-	-	-	6,618,488
-	-	1,136,471	1,856,076
-	167,191	42,896	416,661
-	-	248,877	654,017
<u>42,420,134</u>	<u>5,577,977</u>	<u>39,641,285</u>	<u>187,122,201</u>
-	-	16,986,090	69,211,262
-	-	5,458,647	12,176,297
-	-	4,013,684	7,187,366
-	-	1,930,301	2,522,983
-	-	100,276	6,532,097
-	-	1,034,927	4,114,865
-	-	20,283	15,931,703
-	-	-	6,002,169
-	-	-	830,711
-	-	4,640,000	4,640,000
-	-	-	-
42,420,134	-	928,663	56,604,027
-	4,341,606	-	4,341,606
-	2,424,772	-	2,424,772
-	-	-	44,431
<u>42,420,134</u>	<u>6,766,378</u>	<u>35,112,871</u>	<u>192,564,289</u>
-	(1,188,401)	4,528,414	(5,442,088)
-	-	-	5,500,000
-	-	-	27,478
-	-	-	<u>5,527,478</u>
-	(1,188,401)	4,528,414	85,390
1	6,254,285	2,258,318	26,971,791
-	-	1,237,995	1,590,254
<u>1</u>	<u>6,254,285</u>	<u>3,496,313</u>	<u>28,562,045</u>
<u>\$ 1</u>	<u>\$ 5,065,884</u>	<u>\$ 8,024,727</u>	<u>\$ 28,647,435</u>

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the year Ended June 30, 2008

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

Net change in fund balances - total governmental funds	\$	85,390
--	----	--------

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 reported as capital outlay expenditures		56,604,027
Depreciation expense		(10,061,521)

In the statement of activities, only the loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the disposition increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets disposed.

		(809,426)
--	--	-----------

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

Change in deferred revenue related to property taxes receivable		199,814
---	--	---------

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:

Bond issuance cost		44,431
Amortization of bond issuance cost		(833)
Increase in judgement payable		(100,000)
Increase in the reserve for compensated absences		(65,948)
Increase in accrued interest		(44,928)
Bond proceeds		(5,500,000)
Principal payments on bonds		4,341,606

Change in net assets of governmental activities	\$	<u>44,692,612</u>
---	----	-------------------

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
General Fund

Exhibit C-1

Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 257,812	\$ 257,812	\$ 273,849	\$ 16,037
Oil and gas taxes	88	88	356	268
<i>Intergovernmental</i>				
Federal flowthrough	264,872	264,872	172,627	(92,245)
Federal direct	150,000	150,000	109,796	(40,204)
Local sources	16,042,044	16,042,044	29,699,157	13,657,113
State flowthrough	69,228,159	71,419,884	59,974,013	(11,445,871)
State direct	95,637	1,552,959	1,314,538	(238,421)
Transportation distribution	5,401,361	6,936,595	6,618,488	(318,107)
Charges for services	1,056,526	1,056,526	719,254	(337,272)
Interest	385,000	385,000	206,574	(178,426)
Miscellaneous	8,041	8,041	57,829	49,788
<i>Total revenues</i>	92,889,540	98,073,821	99,146,481	1,072,660
<i>Expenditures</i>				
<i>Current</i>				
Instruction	52,230,044	53,159,452	52,172,665	986,787
Support services - students	7,310,769	7,265,963	6,692,094	573,869
Support services - instruction	3,442,172	3,676,434	3,169,362	507,072
Support services - general administration	578,517	583,179	598,718	(15,539)
Support services - school administration	6,932,086	6,922,244	6,431,629	490,615
Central services	2,373,757	2,537,347	3,060,524	(523,177)
Operation & maintenance of plant	15,685,391	16,620,203	14,794,563	1,825,640
Student transportation	5,401,361	6,936,595	5,941,824	994,771
Other support services	808,243	809,581	750,711	58,870
Facilities acquisition and construction	8,615,150	10,028,137	5,522,326	4,505,811
<i>Total expenditures</i>	103,377,490	108,539,135	99,134,416	9,404,719
<i>Excess (deficiency) of revenues over expenditures</i>	(10,487,950)	(10,465,314)	12,065	10,477,379
<i>Other financing sources (uses)</i>				
Designated cash	10,487,950	10,465,314	-	(10,465,314)
Gain on sale of assets	-	-	27,478	27,478
<i>Total other financing sources (uses)</i>	10,487,950	10,465,314	27,478	(10,437,836)
<i>Net change in fund balances</i>	-	-	39,543	39,543
<i>Fund balances - beginning of year</i>	-	-	9,103,216	9,103,216
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 9,142,759	\$ 9,142,759
<i>Net change in fund balances (Budget Basis)</i>				\$ 39,543
Adjustments to revenues for oil and gas taxes, transportation distribution, and state flowthrough				32,930
Adjustments to expenditures for salaries, general supplies and material, and other contract services				(500,759)
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (428,286)

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Exhibit D-1

<i>Assets</i>	
Cash	<u>\$ 690,166</u>
<i>Total assets</i>	<u><u>\$ 690,166</u></u>
 <i>Liabilities</i>	
Due to student organizations	<u>\$ 690,166</u>
<i>Total liabilities</i>	<u><u>\$ 690,166</u></u>

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies

Gallup-McKinley County Public 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 Gallup and McKinley County. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receive funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The 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 Gallup-McKinley School's management who is responsible for their integrity and objectivity. The financial statements and notes of Gallup-McKinley County Public Schools ("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 GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units. 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 Government-Wide and the Proprietary funds 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 after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. 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 for the 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 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 in the reporting entity. Based upon the application of these criteria, the Schools have one component unit and is not a component unit of another government agency.

The Schools' Board of Education approved the Middle College Charter School for operations in accordance with the criteria listed above. The charter school is deemed to be fiscally dependent upon the Schools and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

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 District does not have any *business-type activities* because as explained in Note 16, the food services and teacherage services have been reclassified as governmental funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are 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 like the sale of lunch tickets and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function like state and federal grants. 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 Schools' 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 is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

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. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The government reports the following major governmental funds:

The *General Fund* is the District'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 School tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

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

The *Special Revenue Bond Capital Projects Fund* is used to account for bond proceeds and any income thereon. The proceeds are restricted for the purpose of making additions to buildings or building teacherage, approved by the voters of the Schools.

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

The *Public School Capital Outlay Fund* is used to account for proceeds from taxes for the cost of improvements of land, buildings, and purchase equipment.

Additionally, the government reports the following agency fund:

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

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.

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. State statutes authorize the Schools to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Schools 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.

Restricted Assets: Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 from McKinley County. The funds are collected by the County Treasurers and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2007 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2008. Period of availability is deemed to be sixty days subsequent to year end.

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 schools for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The Schools are allowed to carryforward unused allocations from year to year.

Inventory: The District has changed its method of accounting for inventory in its fund financial statements from the purchase method to the consumption method. Under the purchase method, inventories of materials and supplies are recognized immediately as expenditures when they are purchased. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. There was no change to net assets as a result of this change in accounting method for inventory from the purchase method to the consumption method.

Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Inventories in the Transportation Fund consist of related supplies.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 District does not have any infrastructure.

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. Library books 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. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

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>
Land Improvements	25-45
Buildings/ building improvements	20-40
Furniture and equipment	3-7

Deferred Revenues: There are two sets of circumstances in which the District accrues deferred revenue.

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for *deferred revenue*.
- *Unavailable revenue* – Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be both measureable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

Compensated Absences: Twelve-month employees are entitled to accumulate annual leave up to 20 days per year, depending on length of service, and the employee's hire date and the employee's employment status (administrator or classified). Annual leave is supposed to be taken in the year earned or the succeeding fiscal year; however, a maximum of 20 days, depending on the employment status of the employee, may be carried over to the succeeding year or put into the employees annual leave bank. The employee's annual leave bank may accumulate up to a maximum of 30 working days and then any days over the 30 are lost. Once days are banked they may not be withdrawn. Upon termination, employees are paid for their accrued annual leave, up to a maximum of 30 days.

Qualified employees are entitled to accumulate sick leave. There is no limit to the amount of sick leave which an employee may accumulate; however, the only employees that are eligible to be paid out are those that are retiring and have completed at least five years of service with the District. These employees will be compensated at 30 percent of their daily rate of pay for unused sick leave upon retirement up to a maximum of 150 days.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

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.

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.

Net Assets or Fund Equity. Equity is classified as net assets and displayed in three components:

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist 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. Descriptions for the related restrictions for net assets restricted for “special revenue, debt service, and capital projects” are described on pages 67-73. The government-wide statement of net assets reports \$16,839,485 of restricted net assets, of which \$16,839,485 is restricted by enabling legislation.
- c. Unrestricted Net assets: All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

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.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues (continued)*

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The Schools received \$59,644,685 in state equalization guarantee distributions during the year ended June 30, 2008.

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 \$7,010,575 in tax revenues in the governmental fund financial statements during the year ended June 30, 2008. 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 \$6,618,488 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The Schools received \$1,314,538 in instructional materials revenue from the State for the year ended June 30, 2008.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the Schools under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The Schools received \$36,273 in SB-9 matching revenue during the year ended June 30, 2008.

Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

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

During the year ended June 30, 2008, the District received \$65,692 and \$196,154 in state and federal special capital outlay funds, respectively.

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

The District also receives reimbursement under the National School Lunch and Breakfast for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as non-operating revenues. All charges for services are recorded as operating income.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects 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.

Actual expenditures may not exceed the budget at the function (or "series") level. 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.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

The 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 must certify the budget. 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 are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget basis expenditures exclude encumbrances.

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 District from exceeding budgetary control at the function level.

The appropriated budget for the year ended June 30, 2008, was properly amended by the District's Board of Education throughout the year. These amendments resulted in no changes in the budget.

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (10,487,950)	\$ (10,465,314)
Bond Building	\$ (7,590,753)	\$ (7,590,753)
Special Revenue Bond	\$ (11,595,400)	\$ (11,595,400)
Debt Service Fund	\$ (4,681,769)	\$ (4,681,769)
Nonmajor Funds	\$ (5,020,766)	\$ (5,755,466)

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
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the Schools properly followed State investment requirements as of June 30, 2008.

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.

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 \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Custodial Credit Risk – Deposits Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2008, \$2,641,989 of the District’s bank balance of \$2,941,989 was exposed to custodial credit risk because it was collateralized with securities held by the pledging institution or by its trust department or agent in other than the District’s name. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for at least one half of the uninsured amount on deposit with the institution.

	Bank of America	Pinnacle Bank	Wells Fargo Bank	Total
Total amount of deposits	\$ 341,373	\$ 1,962,890	\$ 637,726	\$ 2,941,989
FDIC coverage	(100,000)	(100,000)	(100,000)	(300,000)
Total uninsured public funds	241,373	1,862,890	537,726	2,641,989
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District’s name	241,373	1,862,890	537,726	2,641,989
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
Collateral requirement (50% of uninsured)	\$ 120,687	\$ 931,445	\$ 268,863	\$ 1,320,995
Pledged securities	1,215,544	4,610,905	2,308,039	8,134,488
Over (under) collateralization	\$ 1,094,858	\$ 3,679,460	\$ 2,039,176	\$ 6,813,494

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 3. Deposits and 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 risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the District for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution. At June 30, 2008, the entire District's investment balance in repurchase agreements of \$28,427,715 was exposed to custodial credit risk because it was uninsured and the collateral was held by the counterparty and not in the District's name.

	<u>Bank of America</u>
Repurchase agreements	\$28,427,715
FDIC coverage	<u>-</u>
Total uninsured public funds	28,427,715
Securities underlying an overnight repurchase agreement held by investment's counterparty not in the District's name	<u>28,427,715</u>
Total investments subject to custodial credit risk	<u><u>\$28,427,715</u></u>
Collateral requirement for repurchase agreements (102% of value of underlying securities)	\$28,996,270
Pledged securities	<u>28,996,270</u>
Over (under) collateralization	<u><u>\$ -</u></u>

The collateral pledged is listed on Schedule III on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, Schools or political subdivision of the State of New Mexico.

Investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury MM Mutual Funds	<360 days	\$ <u>2,459,291</u>	AAA

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 3. Deposits and Investments (continued)

The District utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2008. Funds 24000 through 25000 are federal funds and 26000 through 31700 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2008:

Special Revenue Funds:

24101	Title I - IASA	\$ 2,895,155
24106	Entitlement IDEA-B	1,139,412
24109	Preschool IDEA-B	59,836
24113	Education of Homeless	2,459
24125	Title I - Family Literacy IASA	190,605
24129	Partnerships in Char Ed Pilot	10,487
24133	Enhancing Ed Thru Tech (E2T2-F)	93
24153	English Language Acquisition	106,146
24154	Teacher/Principal Training & Recruiting	745,865
24157	Safe & Drug Free Schools & Community	76,578
24159	21st Century Community Living Centers	86,221
24160	Rural & Low Income Schools	173,326
24162	Title I School Improvement	69,229
24167	Reading First	50,857
24174	Carl D. Perkins Secondary	52,814
25107	Teaching American History	218
25111	Navajo Road Pro/Corn Pollen Project	1,988
25131	Johnson O'Malley	332,169
25184	Indian Education Formula Grant	7,234
25199	21st Century Community Learning Centers	2,560
25201	Navajo Nations	36,248
25209	Title V Indian Health Care Impr Act	108,012
25214	Teacher Quality Enhancement	17,058
25228	Goals 2000 Parental Assistance	17,981
25236	Transition to Teaching	449
25238	Substance Abuse & Mental Health Services	105,877
25248	Native American Program	2,021
26143	Save the Children	36,801
27120	Obesity Program	20,211
27136	TANF - Full Day Kindergarten	1,513
27144	Laws of NM 2005	46,467
27149	PreK Initiative	337,750
27152	Reading Improvement Initiatives	2,704
27154	Beginning Teacher Mentoring Program	9,574
27157	Teacher Professional Development Fund	77,384
27159	Full Day Kindergarten Plus Pilot Program	1,577
27163	Schools in Need of Improvements	209,517
27164	School Improvement Framework	412,500
27167	State - 21st Century Learning Center	29,885
27169	Pre - Kindergarten Special State	11,092
27170	Libraries - SB 301 GO Bonds	44,216
28156	Center for Teaching Excellence	581
29107	City/County/Grants	6,311
29130	School Based Health Centers	42,075
		7,581,056

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 3. Deposits and Investments (continued)

Capital Project Funds		
31100	Bond Building	3,825,066
31700	Capital Improvements SB-9	<u>1,287,491</u>
		5,112,557
Total		<u><u>\$ 12,693,613</u></u>

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the Schools' statements of net assets as follows:

Cash and cash equivalents per Exhibit A-1	\$ 20,208,144
Restricted cash per Exhibit A-1	4,934,341
Agency cash per Exhibit D-1	<u>690,166</u>
Total cash and cash equivalents	25,832,651
Add: Reconciling items	<u>7,996,343</u>
Bank balance of deposits	<u><u>\$ 33,828,994</u></u>

Component Unit Activities:

Middle College High School (MCHS), a charter school, is established on the campus of University of New Mexico, through its branch campus at Gallup (UNMG). UNMG provides MCHS all accounting and financial services including budget development, payroll, bookkeeping and monthly financial statements of revenues and expenditures. All monies belonging to MCHS is included in UNMG's bank accounts. A separate report including deposit and investment disclosure for the University of New Mexico (UNM) accounts is available at www.unm.edu.

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2008, are as follows:

Governmental Activities:

	General Fund	Bond Building	Special Revenue Bond	Debt Service	Other Governmental Funds	Total
Property taxes receivable	\$ 15,257	\$ -	\$ -	\$ 328,174	\$ 79,859	\$ 423,290
Due from other governments						
Federal sources	-	-	-	-	5,594,446	5,594,446
State sources	47,786	303,394	-	-	132,401	483,581
Other receivables	<u>3,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,203</u>	<u>67,183</u>
	<u><u>\$ 67,023</u></u>	<u><u>\$ 303,394</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 328,174</u></u>	<u><u>\$ 5,869,909</u></u>	<u><u>\$ 6,568,500</u></u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 4. Accounts Receivable (continued)

Component Unit	<u>Component Unit</u>
Property taxes receivable	\$ -
Due from other governments	
Federal sources	-
State sources	-
Other receivables	<u>29,007</u>
	<u>\$ 29,007</u>

The above receivables are deemed 100% collectible.

NOTE 5. Accounts Payable

Accounts Payable as of June 30, 2008, are as follows:

Governmental Activities:

Governmental Activities:

Payable to suppliers	\$ 3,006,007
Deposits payable	67,644
Payable to and on behalf of employees	132,781
Accrued interest	1,089,709
Judgment payable	<u>80,000</u>
Total accounts payable and accrued expenses	<u>\$ 4,296,141</u>

Component Unit:

Payable to suppliers	\$ 649
----------------------	--------

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 6. Interfund Receivables, Payables, and Transfers

The Schools 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, 2008 is as follows:

Due from other fund	Due to Other fund	Amount
Primary Government		
Impact Aid Indian Education	Title I - IASA	\$ 2,895,155
Impact Aid Indian Education	Entitlement IDEA-B	1,139,412
Impact Aid Indian Education	Preschool IDEA-B	59,836
Impact Aid Indian Education	Education of Homeless	2,459
Impact Aid Indian Education	Title I - Family Literacy IASA	190,605
Impact Aid Indian Education	Partnerships in Char Ed Pilot	10,487
Impact Aid Indian Education	Enhancing Ed Thru Tech (E2T2-F)	93
Impact Aid Indian Education	English Language Acquisition	106,146
Impact Aid Indian Education	Teacher/Principal Training & Recruiting	745,865
Impact Aid Indian Education	Safe & Drug Free Schools & Community	76,578
Impact Aid Special Education	21st Century Community Living Centers	86,221
Impact Aid Special Education	Rural & Low Income Schools	173,326
Impact Aid Special Education	Title I School Improvement	69,229
Impact Aid Special Education	Reading First	50,857
Impact Aid Special Education	Carl D. Perkins Secondary	52,814
Impact Aid Special Education	Teaching American History	218
Impact Aid Special Education	Navajo Road Pro/Corn Pollen Project	1,988
Impact Aid Special Education	Johnson O'Malley	332,169
Impact Aid Special Education	Indian Education Formula Grant	7,234
Impact Aid Special Education	21st Century Community Learning Centers	2,560
Impact Aid Special Education	Navajo Nations	36,248
Impact Aid Special Education	Title V Indian Health Care Impr Act	108,012
Impact Aid Special Education	Teacher Quality Enhancement	17,058
Impact Aid Special Education	Goals 2000 Parental Assistance	17,981
Impact Aid Special Education	Transition to Teaching	449
Impact Aid Special Education	Substance Abuse & Mental Health Services	105,877
Impact Aid Special Education	Native American Program	2,021
General Fund	Save the Children	36,801
General Fund	Obesity Program	20,211
General Fund	TANF - Full Day Kindergarten	1,513
General Fund	Laws of NM 2005	46,467
General Fund	PreK Initiative	337,750
General Fund	Reading Improvement Initiatives	2,704
General Fund	Beginning Teacher Mentoring Program	9,574
General Fund	Teacher Professional Development Fund	77,384
General Fund	Full Day Kindergarten Plus Pilot Program	1,577
General Fund	Schools in Need of Improvement	209,517
General Fund	School Improvement Framework	412,500
General Fund	State - 21st Century Learning Center	29,885
General Fund	Pre-Kindergarten - Special State	11,092
General Fund	Libraries - SB 301 GO Bonds	44,216
	Subtotal	7,532,089

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 6. Interfund Receivables, Payables, and Transfers (continued)

Due from other fund	Due to Other fund	Amount
Primary Government		
General Fund	Center for Teaching Excellence	581
General Fund	City/County Grants	6,311
General Fund	School Based Health Center	42,075
General Fund	Capital Improvements SB-9	1,287,491
Special Revenue Bond	Bond Building	3,825,066
		<u>\$ 12,693,613</u>
Component Unit		
General Fund	Instructional Materials	2,200
General Fund	Title I	1,178
General Fund	Public School Capital Outlay	27,829
		<u>\$ 31,207</u>

All interfund balances are to be repaid within one year.

There were no operating transfers for the year ended June 30, 2008.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2008, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

Capital assets, net of accumulated depreciation, at June 30, 2008 appear in the Statement of Net Assets as follows:

Governmental Activities:

	Balance June 30, 2007	Adjustment	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated:					
Land	\$ 16,600,269	\$ -	\$ 1,187,712	\$ -	\$ 17,787,981
Construction in progress	9,668,320	18,827,199	35,643,923	20,462,500	43,676,942
Total capital assets not being depreciated	<u>26,268,589</u>	<u>18,827,199</u>	<u>36,831,635</u>	<u>20,462,500</u>	<u>61,464,923</u>
Capital assets being depreciated:					
Buildings and improvements	270,293,732	-	38,365,967	1,145	308,658,554
Furniture fixtures and equipment	30,518,142	396	1,868,925	1,323,533	31,063,930
Total capital assets being depreciated	<u>300,811,874</u>	<u>396</u>	<u>40,234,892</u>	<u>1,324,678</u>	<u>339,722,484</u>
Total capital assets	<u>327,080,463</u>	<u>18,827,595</u>	<u>77,066,527</u>	<u>21,787,178</u>	<u>401,187,407</u>
Less accumulated depreciation:					
Buildings and improvements	60,952,668	3,878,762	6,221,487	218	71,052,699
Furniture, fixtures and equipment	22,114,852	(6,627,468)	3,840,034	515,034	18,812,384
Total accumulated depreciation	<u>83,067,520</u>	<u>(2,748,706)</u>	<u>10,061,521</u>	<u>515,252</u>	<u>89,865,083</u>
Total capital assets net of depreciation	<u>\$244,012,943</u>	<u>\$ 21,576,301</u>	<u>\$67,005,006</u>	<u>\$ 21,271,926</u>	<u>\$ 311,322,324</u>

Depreciation expense for the year ended June 30, 2008 was charged to the following functions and funds:

Governmental Activities

Instruction	\$ 8,474,468
Support services-students	488,370
Support services-instruction	21,022
Support services-general administration	118,077
Support services-school administration	885
Central services	16,085
Operations and maintenance of plant	3,927
Student transportation	910,012
Food services operations	28,675
	<u>\$ 10,061,521</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 7. Capital Assets (continued)

Depreciation expense relating to component unit for the year June 30, 2008 totaled \$ 34,868.

The District has active construction projects as of June 30, 2008. The projects include additions, renovations and improvements to school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Public School Capital Outlay Council (PSCOC). The PSCOC was created under the public school capital outlay council pursuant to Subsection A of Section 22-24-9 NMSA 1978 to assist in identifying and funding all outstanding deficiencies in public schools and grounds that may adversely affect the health or safety of students and school personnel no later than June 30, 2008. Additions of Ramah High School and Navajo Middle School were completed during the fiscal year with approximately \$25 million awarded by the Public School Financing Authority. The District has seven construction projects in process with the PSCOC awards of approximately \$60 million committed for remaining projects.

Component Unit:

	Balance June 30, 2007	Adjustment	Additions	Deletions	Balance June 30, 2008
Capital assets being depreciated:					
Furniture fixtures and equipment	189,283	-	1,365	-	190,648
Total capital assets	189,283	-	1,365	-	190,648
Less accumulated depreciation:					
Furniture, fixtures and equipment	92,505	(14,640)	34,788	-	112,653
Total accumulated depreciation	92,505	(14,640)	34,788	-	112,653
Total capital assets net of depreciation	\$ 96,778	\$ 14,640	\$ (33,423)	\$ -	\$ 77,995

Depreciation expense for the year ended June 30, 2008 was charged to the following functions:

Component Unit

Instruction	\$ 26,082
Support services-students	7,256
Support services-general administration	-
Central services	1,450
Operations and maintenance of plant	-
Student transportation	-
Food services	-
Capital outlay	-
	<u>\$ 34,788</u>

NOTE 8. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$54,750,000. During the year, general obligation bonds for the same purpose totaling \$5,500,000 were issued.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the Schools. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2008 are for governmental activities.

The District issues revenue bonds to prove funds for the acquisition and construction of major capital facilities. The original amount of revenue bonds issued by the district in prior years is \$32,889,365. Revenue from ad valorem taxes is used to repay the District's revenue bonds.

Bonds outstanding at June 30, 2008, are comprised of the following:

	Series 7/1/1995	Series 8/1/1997	Series 8/1/1998	Series 6/1/1999
Original Issue:	4,875,000	5,000,000	5,000,000	5,000,000
Principal:	August 1	August 1	August 1	August 1
Interest:	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1
Interest Rates:	4.50% - 6.50%	5.30% - 6.00%	4.10% - 5.60%	4.125% - 5.625%
Maturity Date:	Aug-08	Aug-09	Aug-10	Aug-11

	Series 5/1/2000	Series 9/1/2001	Series 8/12/2003	Revenue Bond 5/1/2005
Original Issue:	3,500,000	10,375,000	3,000,000	2,740,967
Principal:	August 1	August 1	August 1	August 1
Interest:	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1
Interest Rates:	5.00% - 6.50%	3.50% - 4.375%	3.00% - 4.00%	3.41% - 5.37%
Maturity Date:	Aug-12	Aug-13	Aug-16	Aug-26

	Revenue Bond 7/28/2006	Series 2002 GO	Series 2004 GO	Series 2006 GO
Original Issue:	13,580,025	3,500,000	4,500,000	4,500,000
Principal:	August 1	August 1	August 1	August 1
Interest:	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1
Interest Rates:	3.62% - 4.49%	1.41% - 3.539%	3.30% - 4.75%	2.88% - 3.86%
Maturity Date:	Aug-26	Aug-14	Aug-17	Aug-18

	Series 2007 GO	Revenue Bond 2003A	Series 2008 GO
Original Issue:	5,500,000	16,568,373	5,500,000
Principal:	August 1	August 1	August 1
Interest:	February 1 August 1	February 1 August 1	February 1 August 1
Interest Rates:	3.497% - 3.729%	1.23% - 4.35%	3.45% - 4.00%
Maturity Date:	Aug-20	Aug-23	Aug-21

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 8. Long-term Debt (continued)

Bonds outstanding at June 30, 2008 (continued)

Governmental Activities:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
General obligation bonds					
Series 7/1/1995	\$ 2,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
General obligation bonds					
Series 8/1/1997	3,025,000	-	800,000	2,225,000	825,000
General obligation bonds					
Series 8/1/1998	3,450,000	-	500,000	2,950,000	500,000
General obligation bonds					
Series 6/1/1999	3,900,000	-	325,000	3,575,000	325,000
General obligation bonds					
Series 5/1/2000	2,675,000	-	100,000	2,575,000	100,000
General obligation bonds					
Series 9/1/2001	1,750,000	-	100,000	1,650,000	100,000
General obligation bonds					
Series 8/12/2003	2,500,000	-	50,000	2,450,000	50,000
Revenue bond					
Series 7/28/2006	13,580,025	-	452,136	13,127,889	473,277
Revenue bond					
Series 5/1/2005	2,660,969	-	95,000	2,565,969	95,000
General obligation bonds					
2002 GO bond	2,615,000	-	150,000	2,465,000	200,000
General obligation bonds					
2004 GO bond	3,400,000	-	-	3,400,000	-
General obligation bonds					
2006 GO bond	4,500,000	-	100,000	4,400,000	100,000
General obligation bonds					
2007 GO bond	5,500,000	-	-	5,500,000	760,000
General obligation bonds					
2008 GO bond	-	5,500,000	-	5,500,000	-
Revenue bond					
Series 2003	14,908,107	-	669,470	14,238,637	684,235
	<u>66,464,101</u>	<u>5,500,000</u>	<u>4,341,606</u>	<u>67,622,495</u>	<u>5,212,512</u>
Compensated absences	351,321	538,282	433,327	456,276	57,047
	<u>\$ 66,815,422</u>	<u>\$ 6,038,282</u>	<u>\$ 4,774,933</u>	<u>\$ 68,078,771</u>	<u>\$ 5,269,559</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the General Obligation Bonds as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 3,960,000	\$ 1,381,182	\$ 5,341,182
2010	4,200,000	1,247,938	5,447,938
2011	3,920,000	1,071,976	4,991,976
2012	3,825,000	904,519	4,729,519
2013	3,175,000	753,844	3,928,844
2014-2018	13,190,000	2,231,474	15,421,474
2019-2023	5,420,000	364,425	5,784,425
	<u>\$ 37,690,000</u>	<u>\$ 7,955,358</u>	<u>\$ 45,645,358</u>

The annual requirements to amortize the June 1, 1995 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 1,000,000	\$ 22,500	\$ 1,022,500
	<u>\$ 1,000,000</u>	<u>\$ 22,500</u>	<u>\$ 1,022,500</u>

The annual requirements to amortize the August 1, 1997 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 825,000	\$ 85,878	\$ 910,878
2010	1,400,000	33,250	1,433,250
	<u>\$ 2,225,000</u>	<u>\$ 119,128</u>	<u>\$ 2,344,128</u>

The annual requirements to amortize the August 1, 1998 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 500,000	\$ 119,350	\$ 619,350
2010	1,225,000	81,462	1,306,462
2011	1,225,000	27,256	1,252,256
	<u>\$ 2,950,000</u>	<u>\$ 228,068</u>	<u>\$ 3,178,068</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize June 1, 1999 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	325,000	151,350	476,350
2010	325,000	137,294	462,294
2011	1,400,000	99,225	1,499,225
2012	1,525,000	34,313	1,559,313
	<u>\$ 3,575,000</u>	<u>\$ 422,182</u>	<u>\$ 3,997,182</u>

The annual requirements to amortize the May 1, 2000 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 100,000	\$ 130,050	\$ 230,050
2010	50,000	126,287	176,287
2011	400,000	114,825	514,825
2012	900,000	81,563	981,563
2013	1,125,000	29,250	1,154,250
	<u>\$ 2,575,000</u>	<u>\$ 481,975</u>	<u>\$ 3,056,975</u>

The annual requirements to amortize the September 1, 2001 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 100,000	\$ 69,125	\$ 169,125
2010	100,000	65,063	165,063
2011	100,000	60,875	160,875
2012	250,000	53,438	303,438
2013	550,000	36,094	586,094
2014-2018	550,000	12,031	562,031
	<u>\$ 1,650,000</u>	<u>\$ 296,626</u>	<u>\$ 1,946,626</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the August 12, 2003 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 50,000	\$ 86,125	\$ 136,125
2010	50,000	85,125	135,125
2011	50,000	82,375	132,375
2012	300,000	77,125	377,125
2013	300,000	67,938	367,938
2014-2018	1,700,000	145,125	1,845,125
	<u>\$ 2,450,000</u>	<u>\$ 543,813</u>	<u>\$ 2,993,813</u>

The annual requirements to amortize the 2002 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 200,000	\$ 78,740	\$ 278,740
2010	150,000	73,916	223,916
2011	200,000	68,695	268,695
2012	200,000	62,480	262,480
2013	200,000	56,077	256,077
2014-2018	1,515,000	62,339	1,577,339
	<u>\$ 2,465,000</u>	<u>\$ 402,247</u>	<u>\$ 2,867,247</u>

The annual requirements to amortize the 2004 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ -	\$ 122,475	\$ 122,475
2010	-	122,475	122,475
2011	-	122,475	122,475
2012	150,000	118,913	268,913
2013	250,000	111,038	361,038
2014-2018	3,000,000	333,703	3,333,703
	<u>\$ 3,400,000</u>	<u>\$ 931,079</u>	<u>\$ 4,331,079</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the 2006 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 100,000	\$ 159,646	\$ 259,646
2010	100,000	156,596	256,596
2011	100,000	153,436	253,436
2012	100,000	150,162	250,162
2013	250,000	144,203	394,203
2014-2018	3,000,000	448,501	3,448,501
2019-2023	750,000	14,482	764,482
	<u>\$ 4,400,000</u>	<u>\$ 1,227,026</u>	<u>\$ 5,627,026</u>

The annual requirements to amortize the 2007 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 760,000	\$ 185,668	\$ 945,668
2010	350,000	166,257	516,257
2011	145,000	157,602	302,602
2012	100,000	153,312	253,312
2013	200,000	148,032	348,032
2014-2018	2,000,000	586,138	2,586,138
2019-2023	1,945,000	112,024	2,057,024
	<u>\$ 5,500,000</u>	<u>\$ 1,509,033</u>	<u>\$ 7,009,033</u>

The annual requirements to amortize the 2008 Series general obligation bonds outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ -	\$ 170,275	\$ 170,275
2010	450,000	200,213	650,213
2011	300,000	185,212	485,212
2012	300,000	173,213	473,213
2013	300,000	161,212	461,212
2014-2018	1,425,000	643,637	2,068,637
2019-2023	2,725,000	237,919	2,962,919
	<u>\$ 5,500,000</u>	<u>\$ 1,771,681</u>	<u>\$ 7,271,681</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize all the outstanding Revenue Bonds as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 1,252,512	\$ 1,167,063	\$ 2,419,575
2010	1,292,259	1,128,737	2,420,996
2011	1,335,273	1,086,986	2,422,259
2012	1,376,287	1,042,124	2,418,411
2013	1,425,206	994,235	2,419,441
2014-2018	7,951,042	4,130,022	12,081,064
2019-2023	9,715,302	2,345,809	12,061,111
2024-2028	5,584,613	443,330	6,027,943
	<u>\$ 29,932,494</u>	<u>\$ 12,338,306</u>	<u>\$ 42,270,800</u>

The annual requirements to amortize the May 1, 2005 Revenue Bond outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 95,000	\$ 119,212	\$ 214,212
2010	100,000	115,443	215,443
2011	105,000	111,329	216,329
2012	105,000	106,997	211,997
2013	110,000	102,446	212,446
2014-2018	605,000	435,355	1,040,355
2019-2023	730,000	279,266	1,009,266
2024-2028	715,967	78,485	794,452
	<u>\$ 2,565,967</u>	<u>\$ 1,348,533</u>	<u>\$ 3,914,500</u>

The annual requirements to amortize the July 28, 2006 Revenue Bond outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 473,277	\$ 545,087	\$ 1,018,364
2010	490,738	527,276	1,018,014
2011	508,990	508,680	1,017,670
2012	528,022	489,287	1,017,309
2013	547,873	468,840	1,016,713
2014-2018	3,086,174	1,987,169	5,073,343
2019-2023	3,801,603	1,254,358	5,055,961
2024-2028	3,691,213	339,236	4,030,449
	<u>\$ 13,127,890</u>	<u>\$ 6,119,933</u>	<u>\$ 19,247,823</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the Teacher Housing Revenue Bond Series 2003A outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 684,235	\$ 502,764	\$ 1,186,999
2010	701,521	486,018	1,187,539
2011	721,283	466,977	1,188,260
2012	743,265	445,840	1,189,105
2013	767,333	422,949	1,190,282
2014-2018	4,259,868	1,707,498	5,967,366
2019-2023	5,183,699	812,185	5,995,884
2024-2028	1,177,433	25,609	1,203,042
	\$ 14,238,637	\$ 4,869,840	\$ 19,108,477

Compensated Absences – Administrative employees of the Schools are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2008, compensated absences decreased \$104,955 from the prior year accrual. In prior years, the general fund was typically used to liquidate long-term liabilities.

Component Unit:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Compensated absences	8,083	11,634	7,795	11,922	-
	\$ 8,083	\$ 11,634	\$ 7,795	\$ 11,922	\$ -

NOTE 9. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Therefore, 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. A lawsuit was settled September 2008 for \$400,000, of which \$180,000 of the settlement exceeded insurance coverage. No settlements exceeded insurance coverage for 2007 and 2006.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 10. Deficit Fund Balances and Budget Noncompliance Issues

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

A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2008:

Primary Government:

Title I IASA	\$ 32,595	Save The Children	\$ 36,679
Entitlement IDEA-B	22,946	Obesity Program	20,211
Preschool IDEA-B	7,602	TANF - Full Day Kindergarten	1,513
Education of Homeless	1,486	Pre-K Initiative	337,750
Title I Family Literacy	23,477	Indian Educaiton Act	306
Partnerships in Charcter Education	1,889	Reading Improvement Initiatives	2,704
Enhancing Education Through Teachnology	15,438	Beginning Teacher Mentoring Program	9,754
Title III English Language Acquisition	6,800	Kindergarten Plus	1,577
Safe & Drug Free Schools & Communities	76,817	Schools in Need of Improvement	209,517
21st Century Communitiy Living Centers	34,045	Schools Improvement Framework	412,500
Title I School Improvement	1,855	State - 21st Century Learning Center	29,885
Carl Perkins Secondary	52,814	Pre-Kindergarten Special State	11,272
Johnson O'Malley	426,980	Libraries -SB 301 GO Bonds	44,772
Indian Educaiton FormulaGrant	65,384	Center for Teaching Excellence	297
21st Century Community Learning Centers	2,560	City/County Grants	6,311
Navajo Nation	36,248	School Based Health Center	42,075
Title V Indian Care Improvement Act	108,867	Capital Improvements SB-9	1,297,605
Goals 2000 Parental Assistance	17,981	Bond Building	4,671,846
Substance Abuse & Mental Health Services	45,877		

Component Unit:

Federal Stimulus	\$ 244
------------------	--------

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2008:

Primary Government:

None

Component Unit:

General Fund	
Support Service	\$ 85,887
Title I	
Instruction	\$ 1,178
Public School Capital Outlay	
Instruction	\$ 27,829

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 10. Other Required Individual Fund Disclosures (continued)

B. In the beginning budget designated cash appropriations exceeded prior year available balances. The following funds exceeded approved budgetary authority for the year ended June 30, 2008:

Primary Government:

Designated cash over Available balances:

Operating	\$ 3,423,299
Capital Improvements SB-9	595,547
Public Building Energy Efficient	43,327
Bond Building	2,090,753
Special Capital Outlay Federal	<u>134,816</u>
 Total	 <u><u>\$ 6,287,742</u></u>

Component Unit:

None

The District's reason for these deficits is inadequate monitoring of cash available to be rebudgeted. To correct this problem the District plans to implement a process through the Performance Budget Analysis Team to consider an estimate of designated cash when budgets are established.

NOTE 11. ERA Pension Plan

Plan Description. Substantially all of the Gallup-McKinley County Public Schools' full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 7.825% of their gross salary. The Gallup-McKinley County Public Schools is required to contribute 10.9% of the gross covered salary. The contribution requirements of plan members and the Gallup-McKinley County Public Schools are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Gallup-McKinley County Public Schools' contributions to PERA for the fiscal years ending June 30, 2008, 2007 and 2006 were \$8,185,158, \$7,430,058, and \$6,612,133, respectively, which equal the amount of the required contributions for each fiscal year.

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

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

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Gallup-McKinley County Public Schools' contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$976,421, \$ 952,585, and \$914,433 respectively which equaled the required contributions each year.

NOTE 13. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District 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. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities used for the year ended June 30, 2008 was \$265,953 is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 15. Joint Powers Agreements

Cooperative Procurement Agreement

Participants – McKinley County
City of Gallup
Gallup-McKinley County Public Schools

Responsible party – All participants

Description – To conduct cooperative procurement utilizing services of each entity.

Begin date – May 2, 2002

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – Not applicable

Aquatics Center Operations

Participants - City of Gallup
Gallup-McKinley County Public Schools

Responsible party – City of Gallup

Description – To operate the Aquatics Center Swimming Facility

Beginning date – April 4, 2004

Ending date – Until withdrawn

Estimated amount of project - \$8,250,000

Amount contributed - \$2,250,000

Audit responsibility – City of Gallup

Fiscal agent – City of Gallup

Resolution of the Intergovernmental Relations Committee of the Navajo Nation Counsel

Participants – Navajo Nation of Dine Education
Gallup-McKinley County Public Schools

Responsible party – Navajo Nation of Dine Education

Description – To collaborate on and endorse a relevant curriculum that increases the awareness of students, teachers and employee to cultural diversity and provides opportunities for staff development to enhance that relationship.

Beginning date – July 6 2004

Ending date – Until withdrawn

Estimated amount of project - Unknown

Amount contributed - None

Audit responsibility – Navajo Nation of Dine Education

Fiscal agent – Navajo Nation of Dine Education

Continued Implementation of Three Regional Quality Centers

Participants – Strengthening Quality in School
Gallup-McKinley County Public Schools

Responsible party – Gallup-McKinley County Public Schools

Description – To support the continued implementation of three Regional Quality Centers

Beginning date – June 30, 2007

Ending date – June 30, 2008

Estimated amount of project - \$300,000

Amount contributed - \$100,000

Audit responsibility – Gallup-McKinley County Public Schools

Fiscal agent – Gallup-McKinley County Public Schools

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Notes to Financial Statements
June 30, 2008

NOTE 15. Joint Powers Agreements (continued)

JPA for Teach for America, Inc.

Participants – JPA for Teach for America, Inc.

Gallup-McKinley County Public Schools

Responsible party – Gallup-McKinley County Public Schools

Description – To make Gallup-McKinley County Schools a placements site for teachers participating in Teach For America

Beginning date – December 21, 2007

Ending date – June 30, 2008

Estimated amount of project - \$127,500

Amount contributed - \$10,000

Audit responsibility – Each participant

Fiscal agent – Gallup-McKinley County Public Schools

JPA for Jim Shipley & Associates

Participants – JPA for Jim Shipley & Associates

Gallup-McKinley County Public Schools

Responsible party – JPA for Jim Shipley & Associates

Description – To provide local coaching services for PED's Priority Schools in Gallup-McKinley County Public Schools.

Beginning date – November 25, 2006

Ending date – Unknown

Estimated amount of project - Unknown

Amount contributed - None

Audit responsibility – Each participant

Fiscal agent – JPA for Jim Shipley & Associates

JPA for Shared Use of Facilities

Participants – City of Gallup

Gallup-McKinley County Public Schools

Responsible party – Each participant

Description – To share both school district and city recreational, training, and educational facilities.

Beginning date – 1977

Ending date – Unknown

Estimated amount of project - None

Amount contributed - None

Audit responsibility – Each participant

Fiscal agent – Not Applicable

JPA Memorandum of Agreement with Foster Grandparent Program

Participants – Navajo Foster Grandparent Program, A Program of the Navajo Area Agency on Aging

Gallup-McKinley County Public Schools

Responsible party – Each participant

Description – To provide Navajo grandparent volunteers to be placed in schools to serve as tutors/mentors and to assist classroom teachers.

Beginning date – April 1, 2007

Ending date – March 31, 2010

Estimated amount of project - None

Amount contributed - None

Audit responsibility – Each participant

Fiscal agent – Not Applicable

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Notes to Financial Statements
 June 30, 2008

NOTE 16. Food and Teacherage Services Reclassified

The District transferred its Business-type beginning net assets in that amount of \$1,590,254. The food service and teacherage fund are both funded by the primary government resulting in a reclassification of the food and teacherage business type funds from enterprise funds to governmental funds.

NOTE 17. Fund Balance and Net Assets Restatement

The Districts capital assets and depreciation did not properly roll-forward in the prior year so adjustments were needed in the amount of \$21,576,301 to restate prior year net assets. Adjustments were made for governmental capital assets that were understated in the amount \$18,827,595 as a result of unrecorded Public School Capital Outlay Awards (PSCOC) construction in progress. Accumulated depreciation was overstated in the amount of \$2,748,706 in the prior year as a result of depreciation being miscalculated. Beginning fund balance was increased in the amount of \$21,576,301. No funds were affected by this adjustment.

The Component unit's depreciation did not properly roll-forward in the prior year so adjustments were needed in the amount of \$14,640 to restate prior year net assets. Adjustments were made for governmental accumulated depreciation that was overstated in the amount of \$14,640 in the prior year as a result of depreciation being miscalculated. Beginning fund balance was increased in the amount of \$14,640. No funds were affected by this adjustment.

NOTE 18. Commitments

The District's commitments as of June 30, 2008 are as follows:

<u>Construction Projects</u>	<u>Contract Amount</u>	<u>Remaining Amount</u>
West Gallup Middle School	\$ 22,307,615	\$ 6,780,279
John F. Kennedy Middle School	\$ 14,062,055	\$ 3,553,878
Gallup Middle School	\$ 4,786,214	\$ 3,727,676
Crownpoint Middle School	\$ 7,667,000	\$ 4,389,061
Tohatchi Elementary	\$ 10,394,741	\$ 5,108,082
Gallup Junior High	\$ 1,015,763	\$ 1,015,763
Hiroshi Miyamura School	\$ 35,457,971	\$ 34,865,358

A portion of the following constructions projects in process if funded by payments made directly to contractors by Public School Capital Outlay Council. See Note 7 for additional information.

SUPPLEMENTAL INFORMATION

(This page intentionally left blank)

NONMAJOR GOVERNMENTAL FUNDS

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

ALL FEDERAL FUNDS - The Special Revenue Fund accounts are used to account for grant funds received from the U.S. Department of Education through the New Mexico Department of Education. These funds are to be used for purposes specified in the grant awards and may not be used for any other purpose.

Food Service (21000) – This fund is used to account for all financial transactions related to the food service operation.

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

Non-Budgeted Activity (23022) - To account for funds paid to the Schools for student activity travel. Accumulated funds are used to replace activity buses. Funding authority is the State Department of Education.

Non Budgeted Scholarship (23023) – To provide college scholarships to a designated number of high school graduates meeting certain criteria from revenues generated from the annual Paul Hanson Memorial Golf Tournament.

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

Javits Gifted & Talented Students (24102) – To account for federal resources administered by the State Public Education Department to implement professional development for teachers and alternative identification methods for students who may be gifted. (P.L. 100-297)

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

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

Title VI IASA (24112) – To account for a program funded by a Federal grant to assist the Schools to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

Education of Homeless (24113) - To provide tutoring and remedial academic services to homeless children and youth within the District. Funding is by the New Mexico Department of Education.

Title II IASA (Math/Science) (24115) – The objective of this act is to provide federal funds for the purpose of strengthening the skills of teachers in the areas of mathematics and science. Program resources are utilized for the development of instructional materials and training of teachers in the secondary schools for utilizing these materials. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965, Title II, Part A, Public Law 100-208, as amended, Public Law 101-589.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Fresh Fruit & Vegetable (24118) – To account for funds administered by the New Mexico State University through New Mexico Human Services Department to promote nutrition education to students and parents.

Title I Family Literacy IASA (24125) – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Title IV Drug Free Schools (24128) – The objective of this program is to provide federal funds for the implementation of programs and/or curricula designed to prevent drug abuse from kindergarten through grade twelve. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Education. Authority for creation of this fund is Public Law 103-382.

Partnership in Character Ed. (24129) – To account for federal resources for designing and implementing character education programs that take into consideration the views of parents, students, students with disabilities, and other members of the community (*Elementary and Secondary Education Act of 1965*, as amended, Title V, Part D, Subpart 3, Sec. 5431; 20 U.S.C. 7247).

Enhancing Education through Technology (24133) – To account for a federal grant designed to strengthen teacher learning in the field of technology.

Comprehensive School Reform (24135) – To stimulate school-wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the State of New Mexico Department of Education.

Title V Innovative Education Program (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Title III English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

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

Safe & Drug Free Schools & Communities (24157 and 24211) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

21st Century Community Living and Learning Center (24159 and 25199) - To account for a grant utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community at a classroom PL103-382.

Rural and Low Income Schools (24160) – To account for funds used to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Title I School Improvement (24162) – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297.

School Renovation, IDEA & Technology (24166) – To account for funds used to provide financial assistance to districts to purchase and install an Infrared Audio Enhancement System to help improve the quality of teaching and learning in their schools.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Reading First (24167) - To provide the cost of teachers and direct teaching expenses for reading initiative. Funding is by the Elementary and Secondary Education Act of 1965.

Carl Perkins Secondary (24174) – to provide federal funds to expand and improve vocational education programs and to provide equal access in vocational education to special needs populations. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1998, as amended, Public Law 105-332.

Teaching American History (25107) - The program is designed to raise student achievement by improving teachers' knowledge and understanding of and appreciation for traditional U.S. history. By helping teachers to develop a deeper understanding and appreciation of U.S. history as a separate subject matter within the core curriculum, these programs will improve instruction and raise student achievement. Funding authority is *Elementary and Secondary Education Act of 1965*, as amended, Title II, Part C, Subpart 4.

Bilingual Education Title VII (25109) – To develop school wide programs for limited English proficient students that reform, restructure, and upgrade all relevant and operations within an individual school that has a concentration of limited English proficient students. Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A, Subpart I.

Navajo Red/Corn Pollen Pathway (25111) - This grant uses a combination of scientifically proven methods (Project Venture) and native traditional methods to reduce alcohol abuse among students at the seven Gallup-McKinley County Schools' high schools. Classes are taught in the high schools using Project Venture, and students are trained to become community leaders and work with local elders to establish a community-wide effort and support system in this effort to reduce alcohol abuse among McKinley County teens.

JTPA (25117) - To provide funding for summer youth employment and training program. Funding is by the New Mexico Department of Labor.

Johnson O'Malley (25131) - To account for grant funds (through the Navajo Nation) to be used to fulfill the needs of Indian students. The funding authority is The Navajo Nation Department of Education. PL93-638 and PL100-427.

General Ed. Projects “Star Schools” (25137) - To pay for curriculum modules that are technology driven, standards based and created by teachers under the E-TIP project. These modules are digitized and distributed over the internet. PL103-382 ESEA of 1965.

Impact Aid Special Education (25145) – To account for funding of a Federal program 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), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

Impact Aid Indian Education (25147) – To account for resources provided to the Schools which are to be used for supplemental special education for students in federally impacted areas. Funding is provided by PL 81-874.

GRADS Child Care CYFD (25149) - To account for a program funded by the Public Education Department for the purpose to establish and maintain an in-school, family and consumer science instructional and intervention program for pregnant and parenting students, which focuses on knowledge and skills related to positive self, pregnancy, parenting and economic independence. Special Revenue fund established by the local school board.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Title XIX Medicaid 3/21 Years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

Child Care Block Grant (25157) – To account for funds received for the transition assistance program funding through the Children, Youth and Families Department and the State of New Mexico.

TANF/GRADS (25162) – To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193

Child & Adult Food Program (25171) - To implement educational, mental health, social services, law enforcement and juvenile justice services for youth. Funding authority is the Elementary and Secondary Education Act of 1965.

Indian Education Formula Grant (25184) - To bring school-wide classroom reading and math instruction and targeted intervention for Limited English Proficient (LEP) students where the native language is Navajo.

21st Century Community Living and Learning Center (24159 and 25199) - To account for a grant utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community at a classroom PL103-382.

Navajo Nations (25201) - To coordinate and develop technologies for professional development to increase student achievement. To design and implement a network for web-casting and push technology –based curriculum content. PL 103-382

Technology Challenge Grant USDE (25207) - To coordinate and develop technologies for professional development to increase student achievement. To design and implement a network for web-casting and push technology –based curriculum content. PL 103-382

Title V Indian Health Care Improvement Act (25209) - To promote improved health care among American Indians/Alaska Natives through special diabetes prevention and treatment services projects with objectives and priorities determined at the local level.

Teacher Quality Improvement (25214) - To help the greatest number of educational assistants to achieve their Bachelor of Arts degrees to better serve students in diverse, rural areas.

Tobacco Use Prevention and Control Program (25222) – To account for a grant from the New Mexico Department of Health to help combat smoking by teenagers. Funding authority is through the New Mexico Department of Health.

Goals 2000 Parental Assistance (25228) - To account for a program funded by the New Mexico Department of Education to provide training for teachers and counselors PL103-227.

Transition to Teaching (25236) - To provide grants to support the recruitment, training and placement of talented individuals from other fields into teaching positions in K-12 classrooms and support them during their first years in the classroom.

Substance Abuse & Mental Health Services (25238) - This grant is funded by the Department of Health in order to provide a case manager position at Gallup High School. The case manager serves as a liaison between the counseling department at Gallup High School and the School Based Health Center.

Carol M. White Physical Fitness (25241) – To implement quality physical education programs in targeted schools. Teachers, through professional development, will be equipped with the latest knowledge and tools to deliver health related fitness curriculum and assessment programs that will effectively impact student learning.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Native American Program (25248) - To bring school-wide classroom reading instruction and targeted intervention for Limited English Proficient (LEP) students to Navajo and Crownpoint Middle Schools, both serving students in grades 6-8 and where the native language is Navajo.

Bill & Melinda Gates Foundation (26104) – The objective of this program is to bring together resources from high-tech companies to help K-12 teachers more fully understand how to integrate technology into their classrooms. Funds for this program are provided by the Bill and Melinda Gates Foundation. Authority for creation of this fund is the New Mexico Department of Education School District Policies and Procedures Manual.

Save the Children (26143) - The purpose is to provide improved reading intervention through in-school and after school activities, improve the academic performance of students at risk of failure due to poor reading skills. This program is being implemented at Crownpoint Elementary and Crownpoint Middle Schools.

Center for the Education & Study of Diverse Populations (26147) – The objective of this program is to bring together resources from high-tech companies to help K-12 teachers more fully understand how to integrate technology into their classrooms. Funds for this program are provided by the Bill and Melinda Gates Foundation. Authority for creation of this fund is the New Mexico Department of Education School District Policies and Procedures Manual.

Parents as Teachers (26174 and 28167) - To account for state grant monies, the purpose of which is to fund a high school career counselor, whose purpose is to create career awareness among high school level students.

TANF PED (27115) – To account for monies received from the state to be used to encourage and promote a Health Advisory Committee that guides the Schools' school health programs.

Technology for Education PED (27117) – The purpose of this grant is to assist the Schools 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.

Obesity Program (27120) – Funds are used in after school programs to educate students on proper nutrition and to provide physical activities for the children to help them maintain healthy weight and lifestyles.

TANF Full Day Kindergarten (27136) – The purpose of this grant is to assist the Schools to develop and implement a full day kindergarten program.

Incentives for School Improvement Act (27138) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

Laws of New Mexico 2005 (27144) - a pilot project designed to demonstrate the extent to which increased time in Kindergarten can narrow the achievement gap for economically disadvantaged students.

Pre-K Initiatives (27149) — To account for funds received from allocated to prepare children for success in school, begin to close the achievement gap between students, and help meet the vision of a seamless education system — Pre-Kindergarten through higher education.

Indian Education Act (27150) — To account for funds received from Annual Legislative Appropriation from Penny Bird-Indian Ed. Laws of 2005.

Reading Improvement Initiatives (27152) - To provide the cost of teachers and direct teaching expenses for reading initiative. Funding is by the Elementary and Secondary Education Act of 1965.

Beginning Teacher Mentoring Program (27154) – 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 Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Breakfast in the Classroom (27155) — To account for Legislative Appropriation to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation.

Teacher Professional Development Fund (27157) – To enable Gallup-McKinley County Schools to act as the fiscal agent in implementing three Regional Quality Centers that will provide a system for building district, school, and classroom capacity to achieve and sustain high levels of student and system performance.

Kindergarten Plus (27159) – to account for funds allocated to demonstrate the extent to which increased time in kindergarten can narrow the achievement gap and increase cognitive skills for economically disadvantaged students.

Pre-K start Up (27161) – To purchase and make available safe, indoor and outdoor materials and equipment for age appropriate early childhood education.

Schools in Need of Improvement (27163) – Implement an extended school day program to focus on student needs and monitor student progress. Results are reported to New Mexico Public Education Department.

School Improvement Framework (27164) – Funds will enable the District to act as one of three Regional Quality Centers to provide program development, implementation, training, oversight and funding distribution services to the three Regional Quality Centers.

Kindergarten – Three Plus (27166) – Funds allow for an extended school year for Kindergarten through third grade students. The program focuses on acclimating young students to the structure of a classroom environment and spending additional time to prepare them for the next grade.

State – 21st Century Learning Center (27167) – This is a state flow-through grant, thus an additional fund number to 24159 and 25199, which are federal grants. Funds are utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for Kindergarten through 12th grade focusing on the neighborhood and the community at a classroom PL103-382.

Pre-Kindergarten – Special State (27169) – To provide a program to address to the special needs of the state’s population of four-year-old children. Participation in quality pre-kindergarten has a positive effect on children’s intellectual, emotional, social and physical development. Also, pre-kindergarten will advance governmental interests and childhood development and readiness.

Libraries – SB 301 GO Bonds (27170) – Funds are used for the improvement or acquisition of all public school libraries and expand library collections in order to circulate and provide access of materials to students and teachers.

Center for Teaching Excellence (28156) – The objective of this program is to provide state funds provided by the Center for Teaching Excellence to specific teachers in the Schools. The expenditure of the funds is restricted to items in the grant application. Authority for creation for this fund is in the New Mexico Department of Education School District Policies and Procedures Manual.

Pathways Project UNM (28162) – To account for state grant monies, the purpose of which is to fund a high school career counselor, whose purpose is to create career awareness among high school level students.

Parents as Teachers (28167) - To account for state grant monies, the purpose of which is to fund a high school career counselor, whose purpose is to create career awareness among high school level students.

AP New Mexico Incentive Funding (28168) -To provide textbooks and materials for advanced placement at various schools. Funding by the New Mexico Department of Education.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-major Funds
June 30, 2008

Office of Child Development (28170) – This fund is generated through a sub-contract with San Juan College to enable them to comply with their grant through the children, Youth and Family Department (CYFD) to provide advisors so that the Training and Technical Assistance Program can be implemented within McKinley County. The advisor in McKinley County works with county day care centers and home providers to offer professional development and technical support so that they can meet the CYFD child care requirements.

Regional Quality Center (28180) – To maintain RQC which will create and sustain infrastructure within the District to support a systems approach to continuous improvement in academic performance.

Private Direct Grants (29102) - To provide additional classroom time at Gallup Central High for seniors to meet graduation requirements.

City/County Grant (29107) – To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support a nutrition-focused event for the school.

School Based Health Centers (29130) – To account for funds administered by the Department of Health and the County of Dona Ana in support of providing Primary Care and Mental Health Service on school campus.

Special Capital Outlay (31300) – To account for resources received by revenue generated local sources for the purpose of remodeling and improvements on existing structures. Funding authority is the State Department of Education.

Special Capital Outlay State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects.

Special Capital Outlay Federal (31500) – To account for the 20 percent of the operational property tax revenue that have been set aside for capital outlay projects.

Capital Improvements SB-9 Fund (31700) – To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the State Department of Education.

Public Building Energy Efficiency (31800) – To account for proceeds set aside to pay for energy efficient retrofits. Funding authority is the State Department of Education.

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

ASSETS	<u>Food Service</u>	<u>Athletics</u>	<u>Non-Budgeted Activity</u>	<u>Non-Budgeted Scholarship</u>
<i>Current Assets</i>				
Cash and cash equivalents	\$ 1,758,955	\$ 166,343	\$ 375,554	\$ 64,033
Property taxes receivable	-	-	-	-
Due from other governments	232	-	-	-
Other receivables	-	-	62,919	-
Inventory	128,966	-	-	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 1,888,153</u>	<u>\$ 166,343</u>	<u>\$ 438,473</u>	<u>\$ 64,033</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ 195,159	\$ 2,538	\$ 18	\$ -
Accrued payroll	-	-	889	-
Accrued compensated absences	1,642	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>196,801</u>	<u>2,538</u>	<u>907</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Inventory	128,966	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	1,562,386	163,805	437,566	64,033
Capital projects funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total fund balance</i>	<u>1,691,352</u>	<u>163,805</u>	<u>437,566</u>	<u>64,033</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,888,153</u>	<u>\$ 166,343</u>	<u>\$ 438,473</u>	<u>\$ 64,033</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title I IASA</u>	<u>Javits Gifted & Talented Students</u>	<u>Entitlement IDEA-B</u>	<u>Preschool IDEA-B</u>	<u>Title VI IASA</u>	<u>Education of Homeless</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,779	\$ -
-	-	-	-	-	-
2,895,614	-	1,140,257	59,836	-	973
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,895,614</u>	<u>\$ -</u>	<u>\$ 1,140,257</u>	<u>\$ 59,836</u>	<u>\$ 1,779</u>	<u>\$ 973</u>
\$ 29,308	\$ -	\$ 14,991	\$ 7,602	\$ -	\$ -
2,723	-	8,124	-	-	-
1,023	-	676	-	-	-
-	-	-	-	-	-
2,895,155	-	1,139,412	59,836	-	2,459
<u>2,928,209</u>	<u>-</u>	<u>1,163,203</u>	<u>67,438</u>	<u>-</u>	<u>2,459</u>
-	-	-	-	-	-
-	-	-	-	-	-
(32,595)	-	(22,946)	(7,602)	1,779	(1,486)
-	-	-	-	-	-
<u>(32,595)</u>	<u>-</u>	<u>(22,946)</u>	<u>(7,602)</u>	<u>1,779</u>	<u>(1,486)</u>
<u>\$ 2,895,614</u>	<u>\$ -</u>	<u>\$ 1,140,257</u>	<u>\$ 59,836</u>	<u>\$ 1,779</u>	<u>\$ 973</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	Title II IASA (Math/Science)	Fresh Fruits & Vegetables	Title I Family Literacy	Title IV Drug Free Schools
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 4,959	\$ 9,969	\$ -	\$ 1,939
Property taxes receivable	-	-	-	-
Due from other governments	-	-	167,128	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 4,959</u>	<u>\$ 9,969</u>	<u>\$ 167,128</u>	<u>\$ 1,939</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	190,605	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>190,605</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	4,959	9,969	(23,477)	1,939
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>4,959</u>	<u>9,969</u>	<u>(23,477)</u>	<u>1,939</u>
<i>Total liabilities and fund balance</i>	<u>\$ 4,959</u>	<u>\$ 9,969</u>	<u>\$ 167,128</u>	<u>\$ 1,939</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Partnerships in Character Ed	Enhancing Education Through Technology	Comprehensive School Reform	Title V Innovative Education Program	Title III English Language Acquisition	Teacher/Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,598	-	-	-	99,659	774,519
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,659</u>	<u>\$ 774,519</u>
\$ -	\$ 15,345	\$ -	\$ -	\$ -	\$ 6,500
-	-	-	-	313	900
-	-	-	-	-	482
-	-	-	-	-	-
10,487	93	-	-	106,146	745,865
<u>10,487</u>	<u>15,438</u>	<u>-</u>	<u>-</u>	<u>106,459</u>	<u>753,747</u>
-	-	-	-	-	-
-	-	-	-	-	-
(1,889)	(15,438)	-	-	(6,800)	20,772
-	-	-	-	-	-
<u>(1,889)</u>	<u>(15,438)</u>	<u>-</u>	<u>-</u>	<u>(6,800)</u>	<u>20,772</u>
<u>\$ 8,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,659</u>	<u>\$ 774,519</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	Safe & Drug Free Schools & Communities	21st Century Community Living Centers	Rural & Low Income Schools	Title I School Improvement
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	52,176	173,326	67,374
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 52,176</u>	<u>\$ 173,326</u>	<u>\$ 67,374</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ 239	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	76,578	86,221	173,326	69,229
<i>Total liabilities</i>	<u>76,817</u>	<u>86,221</u>	<u>173,326</u>	<u>69,229</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	(76,817)	(34,045)	-	(1,855)
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>(76,817)</u>	<u>(34,045)</u>	<u>-</u>	<u>(1,855)</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 52,176</u>	<u>\$ 173,326</u>	<u>\$ 67,374</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

School Renovation, IDEA & Technology	Reading First	Carl Perkins Secondary	Teaching American History	Bilingual Education Title VII	Navajo Red/Corn Pollen Pathway
\$ 23,198	\$ -	\$ -	\$ -	\$ 84,141	\$ -
-	-	-	-	-	-
-	50,857	-	218	-	1,988
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 23,198</u>	<u>\$ 50,857</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 84,141</u>	<u>\$ 1,988</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	50,857	52,814	218	-	1,988
-	50,857	52,814	218	-	1,988
-	-	-	-	-	-
-	-	-	-	-	-
23,198	-	(52,814)	-	84,141	-
-	-	-	-	-	-
<u>23,198</u>	<u>-</u>	<u>(52,814)</u>	<u>-</u>	<u>84,141</u>	<u>-</u>
<u>\$ 23,198</u>	<u>\$ 50,857</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 84,141</u>	<u>\$ 1,988</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

ASSETS	<u>JTPA</u>	<u>Johnson O'Malley</u>	<u>General Ed. Projects "Star Schools"</u>	<u>Impact Aid Special Education</u>
<i>Current Assets</i>				
Cash and cash equivalents	\$ 178	\$ -	\$ 45,556	\$ 15,497
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	1,064,262
<i>Total assets</i>	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 45,556</u>	<u>\$ 1,079,759</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ 94,811	\$ -	\$ -
Accrued payroll	-	-	-	2,625
Accrued compensated absences	-	-	-	221
Deferred revenue	-	-	-	-
Due to other funds	-	332,169	-	-
<i>Total liabilities</i>	<u>-</u>	<u>426,980</u>	<u>-</u>	<u>2,846</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	178	(426,980)	45,556	1,076,913
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>178</u>	<u>(426,980)</u>	<u>45,556</u>	<u>1,076,913</u>
<i>Total liabilities and fund balance</i>	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 45,556</u>	<u>\$ 1,079,759</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Impact Aid Indian Education</u>	<u>GRADS Child Care CYFD</u>	<u>Title XIX - Medicaid 3/21 Years</u>	<u>Child Care Block Grant</u>	<u>TANF/GRADS</u>	<u>Child & Adult Food Program</u>
\$ 309,372	\$ 19,747	\$ 299,104	\$ 121,090	\$ 40,398	\$ 8,776
-	-	-	-	-	-
-	-	1,763	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,226,636	-	-	-	-	-
<u>\$ 5,536,008</u>	<u>\$ 19,747</u>	<u>\$ 300,867</u>	<u>\$ 121,090</u>	<u>\$ 40,398</u>	<u>\$ 8,776</u>
\$ 181,290	\$ -	\$ 287	\$ 5,939	\$ 2,058	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
181,290	-	287	5,939	2,058	-
-	-	-	-	-	-
-	-	-	-	-	-
5,354,718	19,747	300,580	115,151	38,340	8,776
-	-	-	-	-	-
<u>5,354,718</u>	<u>19,747</u>	<u>300,580</u>	<u>115,151</u>	<u>38,340</u>	<u>8,776</u>
<u>\$ 5,536,008</u>	<u>\$ 19,747</u>	<u>\$ 300,867</u>	<u>\$ 121,090</u>	<u>\$ 40,398</u>	<u>\$ 8,776</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	Indian Education Formula Grant	21st Century Community Learning Centers	Navajo Nations	Technology Challenge Grant USDE
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 11,739
Property taxes receivable	-	-	-	-
Due from other governments	7,234	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 7,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,739</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ 65,384	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	7,234	2,560	36,248	-
<i>Total liabilities</i>	<u>72,618</u>	<u>2,560</u>	<u>36,248</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	(65,384)	(2,560)	(36,248)	11,739
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>(65,384)</u>	<u>(2,560)</u>	<u>(36,248)</u>	<u>11,739</u>
<i>Total liabilities and fund balance</i>	<u>\$ 7,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,739</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title V Indian Health Care Improvement Act</u>	<u>Teacher Quality Enhancement</u>	<u>Tobacco Use Prevention & Control Program</u>	<u>Goals 2000 Parental Assistance</u>	<u>Transition to Teaching</u>	<u>Substance Abuse & Mental Health Services</u>
\$ -	\$ -	\$ 62	\$ -	\$ -	\$ -
-	-	-	-	-	-
30	17,058	-	-	449	60,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>30</u>	<u>17,058</u>	<u>62</u>	<u>-</u>	<u>449</u>	<u>60,000</u>
<u>\$ 30</u>	<u>\$ 17,058</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ 60,000</u>
\$ 885	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,012	17,058	-	17,981	449	105,877
<u>108,897</u>	<u>17,058</u>	<u>-</u>	<u>17,981</u>	<u>449</u>	<u>105,877</u>
-	-	-	-	-	-
-	-	-	-	-	-
(108,867)	-	62	(17,981)	-	(45,877)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(108,867)</u>	<u>-</u>	<u>62</u>	<u>(17,981)</u>	<u>-</u>	<u>(45,877)</u>
<u>\$ 30</u>	<u>\$ 17,058</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ 60,000</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	<u>Carol M White Physical Fitness</u>	<u>Native American Program</u>	<u>Bill & Melinda Gates Foundation</u>	<u>Save the Children</u>
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 8,573	\$ -	\$ 32,839	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	2,021	-	12,596
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 8,573</u>	<u>\$ 2,021</u>	<u>\$ 32,839</u>	<u>\$ 12,596</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ 304	\$ -	\$ -	\$ 642
Accrued payroll	-	-	-	11,832
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	2,021	-	36,801
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>304</u>	<u>2,021</u>	<u>-</u>	<u>49,275</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	8,269	-	32,839	(36,679)
Capital projects funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total fund balance</i>	<u>8,269</u>	<u>-</u>	<u>32,839</u>	<u>(36,679)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 8,573</u>	<u>\$ 2,021</u>	<u>\$ 32,839</u>	<u>\$ 12,596</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Center for Ed & Study of Diverse Populations	Parents as Teachers	TANF PED	Technology for Education PED	Obesity Program	TANF - Full Day Kindergarten
\$ 181	\$ 260	\$ 1,147	\$ 83,855	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 181</u>	<u>\$ 260</u>	<u>\$ 1,147</u>	<u>\$ 83,855</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 8,326	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	20,211	1,513
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,326</u>	<u>20,211</u>	<u>1,513</u>
-	-	-	-	-	-
-	-	-	-	-	-
181	260	1,147	75,529	(20,211)	(1,513)
-	-	-	-	-	-
<u>181</u>	<u>260</u>	<u>1,147</u>	<u>75,529</u>	<u>(20,211)</u>	<u>(1,513)</u>
<u>\$ 181</u>	<u>\$ 260</u>	<u>\$ 1,147</u>	<u>\$ 83,855</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	Incentives for School Improvement Act	Laws of NM 2005	Pre-K Initiative	Indian Education Act
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 118,522	\$ -	\$ -	\$ 712
Property taxes receivable	-	-	-	-
Due from other governments	-	46,467	-	228
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 118,522</u>	<u>\$ 46,467</u>	<u>\$ -</u>	<u>\$ 940</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	1,246
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	46,467	337,750	-
<i>Total liabilities</i>	<u>-</u>	<u>46,467</u>	<u>337,750</u>	<u>1,246</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	118,522	-	(337,750)	(306)
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>118,522</u>	<u>-</u>	<u>(337,750)</u>	<u>(306)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 118,522</u>	<u>\$ 46,467</u>	<u>\$ -</u>	<u>\$ 940</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Reading Improvement Initiatives	Beginning Teacher Mentoring Program	Breakfast in the Classroom	Teacher Professional Development Fund	Kindergarten Plus	Pre-K Start Up
\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	83,088	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 83,088</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	180	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,704	9,574	-	77,384	1,577	-
<u>2,704</u>	<u>9,754</u>	<u>-</u>	<u>77,384</u>	<u>1,577</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(2,704)	(9,754)	1	5,704	(1,577)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,704)</u>	<u>(9,754)</u>	<u>1</u>	<u>5,704</u>	<u>(1,577)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 83,088</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	<u>Schools in Need of Improvement</u>	<u>School Improvement Framework</u>	<u>Kindergarten - Three Plus</u>	<u>State - 21st Century Learning Center</u>
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 204,944	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,944</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 6,740	\$ -
Accrued payroll	-	-	7,531	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	209,517	412,500	-	29,885
<i>Total liabilities</i>	<u>209,517</u>	<u>412,500</u>	<u>14,271</u>	<u>29,885</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	(209,517)	(412,500)	190,673	(29,885)
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>(209,517)</u>	<u>(412,500)</u>	<u>190,673</u>	<u>(29,885)</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,944</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Pre-Kindergarten - Special State</u>	<u>Libraries - SB 301 GO Bonds</u>	<u>Center for Teaching Excellence</u>	<u>Pathways Project UNM</u>	<u>Parents as Teachers</u>	<u>AP New Mexico Incentive Funding</u>
\$ -	\$ -	\$ -	\$ 219	\$ 28,282	\$ 142
-	-	-	-	-	-
-	-	-	-	-	-
-	-	284	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284</u>	<u>\$ 219</u>	<u>\$ 28,282</u>	<u>\$ 142</u>
\$ -	\$ 556	\$ -	\$ -	\$ -	\$ -
180	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,092	44,216	581	-	-	-
<u>11,272</u>	<u>44,772</u>	<u>581</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(11,272)	(44,772)	(297)	219	28,282	142
-	-	-	-	-	-
<u>(11,272)</u>	<u>(44,772)</u>	<u>(297)</u>	<u>219</u>	<u>28,282</u>	<u>142</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284</u>	<u>\$ 219</u>	<u>\$ 28,282</u>	<u>\$ 142</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Special Revenue

	Office of Child Development	Regional Quality Center	Private Dir. Grants	City/County Grants
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 22,794	\$ 39,909	\$ 38,005	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	2,618	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 22,794</u>	<u>\$ 42,527</u>	<u>\$ 38,005</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ 1,161	\$ -	\$ -
Accrued payroll	-	-	7,371	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	6,311
<i>Total liabilities</i>	<u>-</u>	<u>1,161</u>	<u>7,371</u>	<u>6,311</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Designated for subsequent year	-	-	-	-
Unreserved				
Undesignated, reported in				
Special revenue funds	22,794	41,366	30,634	(6,311)
Capital projects funds	-	-	-	-
<i>Total fund balance</i>	<u>22,794</u>	<u>41,366</u>	<u>30,634</u>	<u>(6,311)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 22,794</u>	<u>\$ 42,527</u>	<u>\$ 38,005</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>	<u>Capital Projects</u>				
<u>School Based Health Center</u>	<u>Special Capital Outlay</u>	<u>Special Capital Outlay State</u>	<u>Special Capital Outlay Federal</u>	<u>Capital Improvements SB-9</u>	<u>Public Building Energy Efficient</u>
\$ -	\$ 519,712	\$ 119,643	\$ 648,667	\$ -	\$ 151,258
-	-	-	-	79,859	-
-	-	-	-	540	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 519,712</u>	<u>\$ 119,643</u>	<u>\$ 648,667</u>	<u>\$ 80,399</u>	<u>\$ 151,258</u>
\$ -	\$ -	\$ -	\$ -	\$ 44,038	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	46,475	-
42,075	-	-	-	1,287,491	-
<u>42,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,378,004</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(42,075)	-	-	-	-	-
<u>-</u>	<u>519,712</u>	<u>119,643</u>	<u>648,667</u>	<u>(1,297,605)</u>	<u>151,258</u>
<u>(42,075)</u>	<u>519,712</u>	<u>119,643</u>	<u>648,667</u>	<u>(1,297,605)</u>	<u>151,258</u>
<u>\$ -</u>	<u>\$ 519,712</u>	<u>\$ 119,643</u>	<u>\$ 648,667</u>	<u>\$ 80,399</u>	<u>\$ 151,258</u>

(This page intentionally left blank)

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2008

	<u>Capital Projects</u>	
	Public School Capital Outlay 20%	Total Nonmajor Governmental Funds
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 1	\$ 5,382,055
Property taxes receivable	-	79,859
Due from other governments	-	5,726,847
Other receivables	-	63,203
Inventory	-	128,966
Due from other funds	-	6,290,898
	-	6,290,898
<i>Total assets</i>	\$ 1	\$ 17,671,828
LIABILITIES AND FUND BALANCE		
<i>Current Liabilities</i>		
Accounts payable	\$ -	\$ 684,121
Accrued payroll	-	43,914
Accrued compensated absences	-	4,044
Deferred revenue	-	46,475
Due to other funds	-	8,868,547
	-	8,868,547
<i>Total liabilities</i>	-	9,647,101
<i>Fund balances</i>		
Reserved		
Inventory	-	128,966
Designated for subsequent year	-	-
Unreserved		
Undesignated, reported in		
Special revenue funds	-	7,754,085
Capital projects funds	1	141,676
	1	8,024,727
<i>Total fund balance</i>	1	8,024,727
<i>Total liabilities and fund balance</i>	\$ 1	\$ 17,671,828

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

Special Revenue

	Food Services	Athletics	Non-Budgeted Activity	Non-Budgeted Scholarship
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	4,218,618	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	281,271	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	444,040	325,281	338,868	-
Interest	31,215	2,951	7,538	1,192
Miscellaneous	232	-	214,281	7,765
<i>Total revenues</i>	<u>4,975,376</u>	<u>328,232</u>	<u>560,687</u>	<u>8,957</u>
<i>Expenditures</i>				
Current				
Instruction	-	341,623	581,451	8,387
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	4,522,019	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>4,522,019</u>	<u>341,623</u>	<u>581,451</u>	<u>8,387</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>453,357</u>	<u>(13,391)</u>	<u>(20,764)</u>	<u>570</u>
<i>Net change in fund balances</i>	453,357	(13,391)	(20,764)	570
<i>Fund balances - beginning of year</i>	-	177,196	458,330	63,463
<i>Fund balances - restatement (Note 18)</i>	<u>1,237,995</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>1,237,995</u>	<u>177,196</u>	<u>458,330</u>	<u>63,463</u>
<i>Fund balances - ending of year</i>	<u>\$ 1,691,352</u>	<u>\$ 163,805</u>	<u>\$ 437,566</u>	<u>\$ 64,033</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title I IASA</u>	<u>Javits Gifted & Talented Students</u>	<u>Entitlement IDEA-B</u>	<u>IDEA-B Preschool</u>	<u>Title VI IASA</u>	<u>Education of Homeless</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
7,494,071	2,278	2,962,499	134,024	1,779	5,990
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
771	-	845	-	-	-
<u>7,494,842</u>	<u>2,278</u>	<u>2,963,344</u>	<u>134,024</u>	<u>1,779</u>	<u>5,990</u>
5,652,742	2,278	949,238	98,449	-	-
3,871	-	1,775,417	41,646	-	7,390
1,641,529	-	1,059	-	-	-
86,531	-	33,817	1,531	-	86
189	-	89,147	-	-	-
142,575	-	137,612	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,527,437</u>	<u>2,278</u>	<u>2,986,290</u>	<u>141,626</u>	<u>-</u>	<u>7,476</u>
<u>(32,595)</u>	<u>-</u>	<u>(22,946)</u>	<u>(7,602)</u>	<u>1,779</u>	<u>(1,486)</u>
(32,595)	-	(22,946)	(7,602)	1,779	(1,486)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (32,595)</u>	<u>\$ -</u>	<u>\$ (22,946)</u>	<u>\$ (7,602)</u>	<u>\$ 1,779</u>	<u>\$ (1,486)</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Special Revenue			
	Title II IASA (Math/Science)	Fresh Fruits & Vegetables	Title I Family Literacy	Title IV Drug Free Schools
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	4,959	9,969	88,082	1,939
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	4,959	9,969	88,082	1,939
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	111,559	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	111,559	-
<i>Excess (deficiency) of revenues over expenditures</i>	4,959	9,969	(23,477)	1,939
<i>Net change in fund balances</i>	4,959	9,969	(23,477)	1,939
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	-	-	-	-
<i>Fund balances - restated</i>	-	-	-	-
<i>Fund balances - ending of year</i>	\$ 4,959	\$ 9,969	\$ (23,477)	\$ 1,939

The accompanying notes are an integral part of these financial statements

Special Revenue

Partnership in Character Ed	Enhancing Education Through Technology	Comprehensive School Reform	Title V Innovative Education Program	Title III English Language Acquisition	Teacher/Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
11,518	46,262	4,200	17,710	290,598	1,806,002
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,852
<u>11,518</u>	<u>46,262</u>	<u>4,200</u>	<u>17,710</u>	<u>290,598</u>	<u>1,809,854</u>
9,807	-	-	-	146,950	1,600,460
-	-	-	-	-	-
1,821	-	4,200	17,506	144,279	52,145
155	-	-	204	3,436	20,602
-	-	-	-	-	8,035
1,624	61,700	-	-	2,733	107,840
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,407</u>	<u>61,700</u>	<u>4,200</u>	<u>17,710</u>	<u>297,398</u>	<u>1,789,082</u>
<u>(1,889)</u>	<u>(15,438)</u>	<u>-</u>	<u>-</u>	<u>(6,800)</u>	<u>20,772</u>
(1,889)	(15,438)	-	-	(6,800)	20,772
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (1,889)</u>	<u>\$ (15,438)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,800)</u>	<u>\$ 20,772</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue			
	Safe & Drug Free Schools & Communities	21st Century Community Living Center	Rural & Low Income Schools	Title I School Improvement
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	72,105	122,780	203,228	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>72,105</u>	<u>122,780</u>	<u>203,228</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	927	103,268	160,792	1,855
Support services - students	146,276	23,962	-	-
Support services - instruction	-	17,365	19,868	-
Support services - general administration	1,719	1,835	5,588	-
Support services - school administration	-	-	-	-
Central services	-	1,265	16,980	-
Operation & maintenance of plant	-	9,130	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>148,922</u>	<u>156,825</u>	<u>203,228</u>	<u>1,855</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(76,817)</u>	<u>(34,045)</u>	<u>-</u>	<u>(1,855)</u>
<i>Net change in fund balances</i>	(76,817)	(34,045)	-	(1,855)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ (76,817)</u>	<u>\$ (34,045)</u>	<u>\$ -</u>	<u>\$ (1,855)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

School Renovation, IDEA & Tech	Reading First	Carl Perkins Secondary -CY	Teaching American History	Bilingual Education Title VII	Navajo Red/Corn Pollen Pathway
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
23,198	139,322	154,728	-	-	-
-	-	-	275,391	84,141	210,606
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,198</u>	<u>139,322</u>	<u>154,728</u>	<u>275,391</u>	<u>84,141</u>	<u>210,606</u>
-	137,711	203,328	247,212	-	79,494
-	-	-	-	-	98,806
-	-	-	24,994	-	30,650
-	1,611	712	3,185	-	1,656
-	-	-	-	-	-
-	-	3,502	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>139,322</u>	<u>207,542</u>	<u>275,391</u>	<u>-</u>	<u>210,606</u>
<u>23,198</u>	<u>-</u>	<u>(52,814)</u>	<u>-</u>	<u>84,141</u>	<u>-</u>
23,198	-	(52,814)	-	84,141	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 23,198</u>	<u>\$ -</u>	<u>\$ (52,814)</u>	<u>\$ -</u>	<u>\$ 84,141</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

Special Revenue

	JTPA	Johnson O'Malley	General Ed. Projects "Star Schools"	Impact Aid Special Education
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	178	132,719	45,556	1,853,514
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>178</u>	<u>132,719</u>	<u>45,556</u>	<u>1,853,514</u>
<i>Expenditures</i>				
Current				
Instruction	-	372,303	-	18,500
Support services - students	-	6,522	-	408,969
Support services - instruction	-	175,564	-	340,178
Support services - general administration	-	5,310	-	8,954
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>559,699</u>	<u>-</u>	<u>776,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>178</u>	<u>(426,980)</u>	<u>45,556</u>	<u>1,076,913</u>
<i>Net change in fund balances</i>	178	(426,980)	45,556	1,076,913
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 178</u>	<u>\$ (426,980)</u>	<u>\$ 45,556</u>	<u>\$ 1,076,913</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Impact Aid Indian Education	GRADS Child Care CYFD	Title XIX Medicaid 3/21 Years	Child Care Block Grant	TANF/GRADS	Child & Adult Food Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
10,481,504	22,738	101,075	163,541	84,823	12,249
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,462	-	-	-	-	-
<u>10,499,966</u>	<u>22,738</u>	<u>101,075</u>	<u>163,541</u>	<u>84,823</u>	<u>12,249</u>
2,289,892	2,991	-	-	46,483	-
2,008,330	-	220,936	48,390	-	3,473
420,661	-	-	-	-	-
79,203	-	2,472	-	-	-
-	-	-	-	-	-
344,663	-	-	-	-	-
2,499	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,145,248</u>	<u>2,991</u>	<u>223,408</u>	<u>48,390</u>	<u>46,483</u>	<u>3,473</u>
<u>5,354,718</u>	<u>19,747</u>	<u>(122,333)</u>	<u>115,151</u>	<u>38,340</u>	<u>8,776</u>
5,354,718	19,747	(122,333)	115,151	38,340	8,776
-	-	422,913	-	-	-
-	-	-	-	-	-
-	-	422,913	-	-	-
<u>\$ 5,354,718</u>	<u>\$ 19,747</u>	<u>\$ 300,580</u>	<u>\$ 115,151</u>	<u>\$ 38,340</u>	<u>\$ 8,776</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

Special Revenue

	Indian Education Formula Grant	21st Century Community Learning Centers	Navajo Nations	Technology Challenge Grant USDE
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	1,399,625	-	57,836	11,739
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,399,625</u>	<u>-</u>	<u>57,836</u>	<u>11,739</u>
<i>Expenditures</i>				
Current				
Instruction	1,363,769	2,560	-	-
Support services - students	16,690	-	93,037	-
Support services - instruction	67,581	-	-	-
Support services - general administration	16,186	-	1,047	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	783	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>1,465,009</u>	<u>2,560</u>	<u>94,084</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,384)</u>	<u>(2,560)</u>	<u>(36,248)</u>	<u>11,739</u>
<i>Net change in fund balances</i>	(65,384)	(2,560)	(36,248)	11,739
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ (65,384)</u>	<u>\$ (2,560)</u>	<u>\$ (36,248)</u>	<u>\$ 11,739</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title V Indian Health Care Improvement Act</u>	<u>Teacher Quality Improvement</u>	<u>Tobacco Use Prevention & Control Program</u>	<u>Goals 2000 Parental Assistance</u>	<u>Transition to Teaching</u>	<u>Substance Abuse & Mental Health Services</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
161,109	-	62	-	123,612	60,419
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46	-	-	-	-	-
<u>161,155</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>123,612</u>	<u>60,419</u>
79,815	-	-	17,981	101,660	17,915
179,828	-	-	-	-	87,356
3,785	-	-	-	-	-
2,832	-	-	-	1,430	1,025
2,905	-	-	-	-	-
-	-	-	-	20,522	-
857	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>270,022</u>	<u>-</u>	<u>-</u>	<u>17,981</u>	<u>123,612</u>	<u>106,296</u>
<u>(108,867)</u>	<u>-</u>	<u>62</u>	<u>(17,981)</u>	<u>-</u>	<u>(45,877)</u>
(108,867)	-	62	(17,981)	-	(45,877)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>\$ (108,867)</u>	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ (17,981)</u>	<u>\$ -</u>	<u>\$ (45,877)</u>

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

Special Revenue

	Carol M White Physical Fitness	Native American Program	Bill & Melinda Gates Foundation	Save the Children
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	298,149	239,362	-	-
Local sources	-	-	2,133	77,596
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>298,149</u>	<u>239,362</u>	<u>2,133</u>	<u>77,596</u>
<i>Expenditures</i>				
Current				
Instruction	167,267	236,594	1,777	114,275
Support services - students	-	-	-	-
Support services - instruction	116,795	-	-	-
Support services - general administration	3,339	2,768	-	-
Support services - school administration	-	-	-	-
Central services	2,479	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>289,880</u>	<u>239,362</u>	<u>1,777</u>	<u>114,275</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>8,269</u>	<u>-</u>	<u>356</u>	<u>(36,679)</u>
<i>Net change in fund balances</i>	8,269	-	356	(36,679)
<i>Fund balances - beginning of year</i>	-	-	32,483	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>32,483</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 8,269</u>	<u>\$ -</u>	<u>\$ 32,839</u>	<u>\$ (36,679)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Center for Ed & Study of Diverse Populations	Parents as Teachers	TANF PED	Technology for Education PED	Obesity Program	TANF - Full Day Kindergarten
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	5,000	-	-	-	-
-	-	-	268,986	4,645	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,000	-	268,986	4,645	-
-	-	-	-	24,856	1,513
-	2,523	-	-	-	-
-	-	-	-	-	-
-	-	-	2,091	-	-
-	-	-	-	-	-
-	-	-	191,366	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,523	-	193,457	24,856	1,513
-	2,477	-	75,529	(20,211)	(1,513)
-	2,477	-	75,529	(20,211)	(1,513)
181	(2,217)	1,147	-	-	-
-	-	-	-	-	-
181	(2,217)	1,147	-	-	-
\$ 181	\$ 260	\$ 1,147	\$ 75,529	\$ (20,211)	\$ (1,513)

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Special Revenue			
	Incentives for School Improvement Act	Laws of NM 2005	Pre-K Initiative	Indian Education Act
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and Gas Taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	121,769	-	156,579	77,124
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>121,769</u>	<u>-</u>	<u>156,579</u>	<u>77,124</u>
<i>Expenditures</i>				
Current				
Instruction	3,247	-	494,329	77,361
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	3
Support services - school administration	-	-	-	-
Central services	-	-	-	66
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>3,247</u>	<u>-</u>	<u>494,329</u>	<u>77,430</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>118,522</u>	<u>-</u>	<u>(337,750)</u>	<u>(306)</u>
<i>Net change in fund balances</i>	118,522	-	(337,750)	(306)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 118,522</u>	<u>\$ -</u>	<u>\$ (337,750)</u>	<u>\$ (306)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Reading Improvement Initiatives	Beginning Teacher Mentoring Program	Breakfast in the Classroom	Teacher Professional Development Fund	Kindergarten Plus	Pre-K Start Up
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	108,475	117,982	539,999	-	7,014
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	108,475	117,982	539,999	-	7,014
2,704	116,864	-	-	1,577	-
-	-	-	-	-	-
-	-	-	528,116	-	-
-	1,365	-	6,179	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,014
-	-	117,981	-	-	-
-	-	-	-	-	-
2,704	118,229	117,981	534,295	1,577	7,014
(2,704)	(9,754)	1	5,704	(1,577)	-
(2,704)	(9,754)	1	5,704	(1,577)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (2,704)	\$ (9,754)	\$ 1	\$ 5,704	\$ (1,577)	\$ -

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Special Revenue			
	Schools in Need of Improvement	School Improvement Framework	Kindergarten - Three Plus	State - 21st Century Learning Center
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	88,643	15,000	421,140	104,405
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>88,643</u>	<u>15,000</u>	<u>421,140</u>	<u>104,405</u>
<i>Expenditures</i>				
Current				
Instruction	297,277	127,500	218,321	134,290
Support services - students	-	-	9,646	-
Support services - instruction	-	293,400	-	-
Support services - general administration	883	6,600	2,500	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>298,160</u>	<u>427,500</u>	<u>230,467</u>	<u>134,290</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(209,517)</u>	<u>(412,500)</u>	<u>190,673</u>	<u>(29,885)</u>
<i>Net change in fund balances</i>	(209,517)	(412,500)	190,673	(29,885)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ (209,517)</u>	<u>\$ (412,500)</u>	<u>\$ 190,673</u>	<u>\$ (29,885)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Pre-Kindergarten - Special State	Libraries - SB 301 GO Bonds	Center for Teaching Excellence	Pathways Project UNM	Parents as Teachers	AP New Mexico Incentive Funding
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
59,388	67,416	-	219	-	-
-	-	2,667	-	-	142
-	-	-	-	28,282	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>59,388</u>	<u>67,416</u>	<u>2,667</u>	<u>219</u>	<u>28,282</u>	<u>142</u>
70,660	-	2,964	-	-	-
-	-	-	-	-	-
-	112,188	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,660</u>	<u>112,188</u>	<u>2,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(11,272)</u>	<u>(44,772)</u>	<u>(297)</u>	<u>219</u>	<u>28,282</u>	<u>142</u>
(11,272)	(44,772)	(297)	219	28,282	142
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (11,272)</u>	<u>\$ (44,772)</u>	<u>\$ (297)</u>	<u>\$ 219</u>	<u>\$ 28,282</u>	<u>\$ 142</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue			
	Office of Child Development	Regional Quality Center	Private Dir. Grants	City/County Grants
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	74,727	144,550	-	-
Combined local/state	-	-	81,000	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	2,618	-	-
<i>Total revenues</i>	<u>74,727</u>	<u>147,168</u>	<u>81,000</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	51,348	104,665	96,860	-
Support services - students	-	-	39,170	-
Support services - instruction	-	-	-	-
Support services - general administration	585	1,137	458	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>51,933</u>	<u>105,802</u>	<u>136,488</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>22,794</u>	<u>41,366</u>	<u>(55,488)</u>	<u>-</u>
<i>Net change in fund balances</i>	22,794	41,366	(55,488)	-
<i>Fund balances - beginning of year</i>	-	-	86,122	(6,311)
<i>Fund balances - restatement (Note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restated</i>	<u>-</u>	<u>-</u>	<u>86,122</u>	<u>(6,311)</u>
<i>Fund balances - ending of year</i>	<u>\$ 22,794</u>	<u>\$ 41,366</u>	<u>\$ 30,634</u>	<u>\$ (6,311)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue	Capital Projects				
School Based Health Center	Special Capital Outlay	Special Capital Outlay State	Special Capital Outlay Federal	Capital Improvements SB- 9	Public Building Energy Efficient
\$ -	\$ -	\$ -	\$ -	\$ 1,335,559	\$ -
-	-	-	-	1,959	-
-	-	-	-	-	-
-	-	-	65,692	-	-
-	-	-	-	-	-
-	-	-	-	36,273	159,881
-	-	-	-	-	-
150,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5	-
<u>150,000</u>	<u>-</u>	<u>-</u>	<u>65,692</u>	<u>1,373,796</u>	<u>159,881</u>
-	-	-	-	-	-
124,850	-	-	-	-	-
-	-	-	-	-	-
1,461	-	-	-	1,619,805	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	181,000	-	-	619,677	127,986
<u>126,311</u>	<u>181,000</u>	<u>-</u>	<u>-</u>	<u>2,239,482</u>	<u>127,986</u>
<u>23,689</u>	<u>(181,000)</u>	<u>-</u>	<u>65,692</u>	<u>(865,686)</u>	<u>31,895</u>
23,689	(181,000)	-	65,692	(865,686)	31,895
(65,764)	700,712	119,643	582,975	(431,919)	119,363
-	-	-	-	-	-
<u>(65,764)</u>	<u>700,712</u>	<u>119,643</u>	<u>582,975</u>	<u>(431,919)</u>	<u>119,363</u>
<u>\$ (42,075)</u>	<u>\$ 519,712</u>	<u>\$ 119,643</u>	<u>\$ 648,667</u>	<u>\$ (1,297,605)</u>	<u>\$ 151,258</u>

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	<u>Capital Projects</u>	
	Public School Capital Outlay 20%	Total Nonmajor Governmental Funds
<i>Revenues</i>		
Property taxes	\$ -	\$ 1,335,559
Oil and gas taxes	-	1,959
Intergovernmental revenue		
Federal flowthrough	-	17,815,859
Federal direct	-	15,885,640
Local sources	-	84,729
State flowthrough	-	2,636,209
State direct	-	222,086
Combined local/state	-	231,000
Charges for services	-	1,136,471
Interest	-	42,896
Miscellaneous	-	248,877
<i>Total revenues</i>	-	39,641,285
<i>Expenditures</i>		
<i>Current</i>		
Instruction	-	16,986,090
Support services - students	-	5,458,647
Support services - instruction	-	4,013,684
Support services - general administration	-	1,930,301
Support services - school administration	-	100,276
Central services	-	1,034,927
Operation & maintenance of plant	-	20,283
Food services operations	-	4,640,000
Facilities acquisition and construction	-	928,663
<i>Total expenditures</i>	-	35,112,871
<i>Excess (deficiency) of revenues over expenditures</i>	-	4,528,414
<i>Net change in fund balances</i>	-	4,528,414
<i>Fund balances - beginning of year</i>	1	2,258,318
<i>Fund balances - restatement (Note 18)</i>	-	1,237,995
<i>Fund balances - restated</i>	1	3,496,313
<i>Fund balances - ending of year</i>	\$ 1	\$ 8,024,727

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Food Service Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-1

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	3,665,000	4,004,984	4,218,618	213,634
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	95,000	95,000	15,318	(79,682)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	1,402,587	1,402,587	444,040	(958,547)
Interest	34,130	34,130	31,215	(2,915)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,196,717</u>	<u>5,536,701</u>	<u>4,709,191</u>	<u>(827,510)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	6,858,013	7,197,997	4,077,231	3,120,766
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>6,858,013</u>	<u>7,197,997</u>	<u>4,077,231</u>	<u>3,120,766</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,661,296)</u>	<u>(1,661,296)</u>	<u>631,960</u>	<u>2,293,256</u>
<i>Other financing sources (uses)</i>				
Designated cash	1,661,296	1,661,296	-	(1,661,296)
<i>Total other financing sources (uses)</i>	<u>1,661,296</u>	<u>1,661,296</u>	<u>-</u>	<u>(1,661,296)</u>
<i>Net change in fund balances</i>	-	-	631,960	631,960
<i>Fund balances - beginning of year</i>	-	-	1,126,995	1,126,995
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,758,955</u>	<u>\$ 1,758,955</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 631,960
Adjustments to revenues for state grants.				266,185
Adjustments to expenditures for salaries, food, and supplies and materials.				<u>(444,788)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 453,357</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Athletics Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	325,000	325,000	325,281	281
Interest	250	250	2,951	2,701
Miscellaneous	500	500	-	(500)
<i>Total revenues</i>	325,750	325,750	328,232	2,482
<i>Expenditures</i>				
<i>Current</i>				
Instruction	520,844	520,844	339,085	181,759
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	520,844	520,844	339,085	181,759
<i>Excess (deficiency) of revenues over expenditures</i>	(195,094)	(195,094)	(10,853)	184,241
<i>Other financing sources (uses)</i>				
Designated cash	195,094	195,094	-	(195,094)
<i>Total other financing sources (uses)</i>	195,094	195,094	-	(195,094)
<i>Net change in fund balances</i>	-	-	(10,853)	(10,853)
<i>Fund balances - beginning of year</i>	-	-	177,196	177,196
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 166,343	\$ 166,343
<i>Net change in fund balances (Budget Basis)</i>				\$ (10,853)
No adjustments				-
Adjustments to expenditures for other contract services.				(2,538)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (13,391)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-Budgeted Activity Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-3

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	239,000	239,000	339,739	100,739
Interest	13,100	13,100	7,538	(5,562)
Miscellaneous	315,328	77,759	246,598	168,839
<i>Total revenues</i>	<u>567,428</u>	<u>329,859</u>	<u>593,875</u>	<u>264,016</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	758,710	1,149,797	581,344	568,453
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>758,710</u>	<u>1,149,797</u>	<u>581,344</u>	<u>568,453</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(191,282)</u>	<u>(819,938)</u>	<u>12,531</u>	<u>832,469</u>
<i>Other financing sources (uses)</i>				
Designated cash	191,282	819,938	-	(819,938)
<i>Total other financing sources (uses)</i>	<u>191,282</u>	<u>819,938</u>	<u>-</u>	<u>(819,938)</u>
<i>Net change in fund balances</i>	-	-	12,531	12,531
<i>Fund balances - beginning of year</i>	-	-	363,023	363,023
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,554</u>	<u>\$ 375,554</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 12,531
Adjustments to revenues for contributions and donations.				(33,188)
Adjustments to expenditures for salaries.				(107)
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (20,764)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Non-Budgeted Scholarship Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-4

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	1,192	1,192
Miscellaneous	10,500	10,500	7,765	(2,735)
<i>Total revenues</i>	10,500	10,500	8,957	(1,543)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	10,500	10,500	8,387	2,113
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	10,500	10,500	8,387	2,113
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	570	570
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	570	570
<i>Fund balances - beginning of year</i>	-	-	63,463	63,463
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 64,033	\$ 64,033
<i>Net change in fund balances (Budget Basis)</i>				\$ 570
No adjustments				-
No adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 570

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Title I IASA Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-5

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	7,995,199	9,339,074	10,107,865	768,791
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	290	312	22
<i>Total revenues</i>	<u>7,995,199</u>	<u>9,339,364</u>	<u>10,108,177</u>	<u>768,813</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	6,389,524	6,640,207	5,784,615	855,592
Support services - students	-	5,122	3,871	1,251
Support services - instruction	1,414,331	2,441,264	1,631,464	809,800
Support services - general administration	90,000	105,279	86,531	18,748
Support services - school administration	-	200	189	11
Central services	89,301	143,343	141,552	1,791
Operation & maintenance of plant	12,043	3,949	-	3,949
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>7,995,199</u>	<u>9,339,364</u>	<u>7,648,222</u>	<u>1,691,142</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,459,955	2,459,955
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	2,459,955	2,459,955
<i>Fund balances - beginning of year</i>	-	-	(5,355,110)	(5,355,110)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,895,155)</u>	<u>\$ (2,895,155)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,459,955
Adjustments to revenues for federal flowthrough grants.				(2,613,335)
Adjustments to expenditures for salaries, other professional services, and other contract services.				<u>120,785</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (32,595)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Javits Gifted & Talented Students Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-6

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	5,066	5,066	9,040	3,974
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,066</u>	<u>5,066</u>	<u>9,040</u>	<u>3,974</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	5,066	5,066	2,278	2,788
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>5,066</u>	<u>5,066</u>	<u>2,278</u>	<u>2,788</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6,762</u>	<u>6,762</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	6,762	6,762
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,762)</u>	<u>(6,762)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 6,762
Adjustments to revenues for federal flowthrough grants.				(6,762)
No adjustments				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Entitlement IDEA-B Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-7

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	3,091,117	3,956,010	2,362,841	(1,593,169)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,091,117</u>	<u>3,956,010</u>	<u>2,362,841</u>	<u>(1,593,169)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	963,716	1,073,173	943,594	129,579
Support services - students	1,844,207	2,603,347	1,759,790	843,557
Support services - instruction	-	1,000	1,059	(59)
Support services - general administration	34,550	42,813	33,817	8,996
Support services - school administration	208,644	86,587	89,147	(2,560)
Central services	35,000	144,090	137,130	6,960
Operation & maintenance of plant	5,000	5,000	-	5,000
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>3,091,117</u>	<u>3,956,010</u>	<u>2,964,537</u>	<u>991,473</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(601,696)</u>	<u>(601,696)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(601,696)	(601,696)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(537,716)</u>	<u>(537,716)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,139,412)</u>	<u>\$ (1,139,412)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (601,696)
Adjustments to revenues for federal flowthrough grants.				600,503
Adjustments to expenditures for salaries and general supplies and materials.				<u>(21,753)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (22,946)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Preschool IDEA-B Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-8

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	129,801	219,342	137,756	(81,586)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>129,801</u>	<u>219,342</u>	<u>137,756</u>	<u>(81,586)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	47,407	108,042	92,741	15,301
Support services - students	81,100	108,974	39,752	69,222
Support services - instruction	-	-	-	-
Support services - general administration	1,294	2,326	1,531	795
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>129,801</u>	<u>219,342</u>	<u>134,024</u>	<u>85,318</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,732	3,732
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	3,732	3,732
<i>Fund balances - beginning of year</i>	-	-	(63,568)	(63,568)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,836)</u>	<u>\$ (59,836)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,732
Adjustments to revenues for federal flowthrough grants.				(3,732)
Adjustments to expenditures for general supplies and materials.				<u>(7,602)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (7,602)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Title VI IASA Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-9

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,779	1,779
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,779	\$ 1,779
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grants.				1,779
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 1,779

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Education of Homeless Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-10

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	10,000	10,000	5,477	(4,523)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>5,477</u>	<u>(4,523)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	9,892	9,892	7,390	2,502
Support services - instruction	-	-	-	-
Support services - general administration	108	108	86	22
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>7,476</u>	<u>2,524</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,999)	(1,999)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(1,999)	(1,999)
<i>Fund balances - beginning of year</i>	-	-	(460)	(460)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,459)</u>	<u>\$ (2,459)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,999)
Adjustments to revenues for federal flowthrough grants.				513
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (1,486)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Title II IASA (Math/Science) Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-11

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	4,959	4,959
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 4,959	\$ 4,959
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grants.				4,959
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 4,959

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Fresh Fruits & Vegetables Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-12

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	1,439	1,439
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	1,439	1,439
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,439	1,439
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	1,439	1,439
<i>Fund balances - beginning of year</i>	-	-	8,530	8,530
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 9,969	\$ 9,969
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,439
Adjustments to revenues for federal flowthrough grants.				8,530
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 9,969

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Title I Family Literacy Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-13

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	125,000	125,000	75,946	(49,054)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	125,000	125,000	75,946	(49,054)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	125,000	125,000	111,559	13,441
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	125,000	125,000	111,559	13,441
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(35,613)	(35,613)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(35,613)	(35,613)
<i>Fund balances - beginning of year</i>	-	-	(154,992)	(154,992)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (190,605)	\$ (190,605)
<i>Net change in fund balances (Budget Basis)</i>				\$ (35,613)
Adjustments to revenues for federal flowthrough grants.				12,136
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ (23,477)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Title IV Drug Free Schools Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-14

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,939	1,939
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,939	\$ 1,939
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grants.				1,939
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 1,939

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Partnerships in Character Ed Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-15

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	15,500	15,500	24,181	8,681
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	15,500	15,500	24,181	8,681
<i>Expenditures</i>				
<i>Current</i>				
Instruction	11,740	11,740	9,807	1,933
Support services - students	-	-	-	-
Support services - instruction	1,444	1,944	1,821	123
Support services - general administration	179	179	155	24
Support services - school administration	-	-	-	-
Central services	2,137	1,637	1,624	13
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	15,500	15,500	13,407	2,093
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	10,774	10,774
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	10,774	10,774
<i>Fund balances - beginning of year</i>	-	-	(21,261)	(21,261)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (10,487)	\$ (10,487)
<i>Net change in fund balances (Budget Basis)</i>				\$ 10,774
Adjustments to revenues for federal flowthrough grants.				(12,663)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ (1,889)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Enhancing Education Through Technology Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-16

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	85,969	78,760	(7,209)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>85,969</u>	<u>78,760</u>	<u>(7,209)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	85,969	46,355	39,614
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>85,969</u>	<u>46,355</u>	<u>39,614</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>32,405</u>	<u>32,405</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	32,405	32,405
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,498)</u>	<u>(32,498)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93)</u>	<u>\$ (93)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 32,405
Adjustments to revenues for federal flowthrough grants.				(32,498)
Adjustments to expenditures for general supplies and materials				<u>(15,345)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (15,438)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Comprehensive School Reform Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-17

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	7,050	7,050	42,616	35,566
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,050</u>	<u>7,050</u>	<u>42,616</u>	<u>35,566</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	7,050	7,050	4,200	2,850
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>7,050</u>	<u>7,050</u>	<u>4,200</u>	<u>2,850</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>38,416</u>	<u>38,416</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>38,416</u>	<u>38,416</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(38,416)</u>	<u>(38,416)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>	<u>-</u>	<u>-</u>	<u>38,416</u>	<u>\$ 38,416</u>
Adjustments to revenues for federal flowthrough grants.				(38,416)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Title V Innovative Education Program Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-18

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	17,949	19,188	39,245	20,057
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,949</u>	<u>19,188</u>	<u>39,245</u>	<u>20,057</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	17,745	18,984	17,506	1,478
Support services - general administration	204	204	204	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>17,949</u>	<u>19,188</u>	<u>17,710</u>	<u>1,478</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	21,535	21,535
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	21,535	21,535
<i>Fund balances - beginning of year</i>	-	-	(21,535)	(21,535)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 21,535
Adjustments to revenues for federal flowthrough grants.				(21,535)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Title III English Language Acquisition Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-19

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	130,000	393,006	388,226	(4,780)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>130,000</u>	<u>393,006</u>	<u>388,226</u>	<u>(4,780)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	111,577	205,165	146,950	58,215
Support services - students	-	-	-	-
Support services - instruction	16,945	177,555	143,966	33,589
Support services - general administration	1,478	4,856	3,436	1,420
Support services - school administration	-	-	-	-
Central services	-	5,430	2,733	2,697
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>130,000</u>	<u>393,006</u>	<u>297,085</u>	<u>95,921</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	91,141	91,141
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	91,141	91,141
<i>Fund balances - beginning of year</i>	-	-	(197,287)	(197,287)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (106,146)</u>	<u>\$ (106,146)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 91,141
Adjustments to revenues for federal flowthrough grants.				(97,628)
Adjustments to expenditures for salaries.				(313)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (6,800)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Teacher/Principal Training & Recruiting Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-20

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	1,865,078	2,021,997	2,533,553	511,556
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	3,116	3,116
<i>Total revenues</i>	<u>1,865,078</u>	<u>2,021,997</u>	<u>2,536,669</u>	<u>514,672</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	1,677,776	1,803,266	1,593,341	209,925
Support services - students	-	-	-	-
Support services - instruction	154,112	77,949	52,145	25,804
Support services - general administration	21,205	21,205	20,602	603
Support services - school administration	11,985	11,985	8,035	3,950
Central services	-	107,592	107,358	234
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>1,865,078</u>	<u>2,021,997</u>	<u>1,781,481</u>	<u>240,516</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	755,188	755,188
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	755,188	755,188
<i>Fund balances - beginning of year</i>	-	-	(1,501,053)	(1,501,053)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (745,865)</u>	<u>\$ (745,865)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 755,188
Adjustments to revenues for federal flowthrough grants.				(726,815)
Adjustments to expenditures for salaries, other contract services, and general supplies and materials.				(7,601)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 20,772</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Safe & Drug Free Schools & Communities Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-21

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	125,677	155,300	177,117	21,817
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,677</u>	<u>155,300</u>	<u>177,117</u>	<u>21,817</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	500	1,500	927	573
Support services - students	123,732	151,018	146,037	4,981
Support services - instruction	927	927	-	927
Support services - general administration	1,445	1,782	1,719	63
Support services - school administration	-	-	-	-
Central services	-	1,000	-	1,000
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>126,604</u>	<u>156,227</u>	<u>148,683</u>	<u>7,544</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(927)</u>	<u>(927)</u>	<u>28,434</u>	<u>29,361</u>
<i>Other financing sources (uses)</i>				
Designated cash	927	927	-	(927)
<i>Total other financing sources (uses)</i>	<u>927</u>	<u>927</u>	<u>-</u>	<u>(927)</u>
<i>Net change in fund balances</i>	-	-	28,434	28,434
<i>Fund balances - beginning of year</i>	-	-	(105,012)	(105,012)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (76,578)</u>	<u>\$ (76,578)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 28,434
Adjustments to revenues for federal flowthrough grants.				(105,012)
Adjustments to expenditures for salaries.				<u>(239)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (76,817)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 21st Century Community Living Center Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-22

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	349,265	358,308	213,650	(144,658)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	349,265	358,308	213,650	(144,658)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	286,896	272,742	105,137	167,605
Support services - students	43,163	38,423	23,962	14,461
Support services - instruction	12,982	31,180	17,365	13,815
Support services - general administration	4,039	4,039	1,835	2,204
Support services - school administration	-	-	-	-
Central services	-	1,999	1,265	734
Operation & maintenance of plant	2,185	9,925	9,130	795
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	349,265	358,308	158,694	199,614
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	54,956	54,956
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	54,956	54,956
<i>Fund balances - beginning of year</i>	-	-	(141,177)	(141,177)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (86,221)	\$ (86,221)
<i>Net change in fund balances (Budget Basis)</i>				\$ 54,956
Adjustments to revenues for federal flowthrough grants.				(90,870)
Adjustments to expenditures for salaries.				1,869
<i>Net change in fund balances (GAAP Basis)</i>				\$ (34,045)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Rural & Low Income Schools Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-23

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	349,807	522,639	1,062,171	539,532
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>349,807</u>	<u>522,639</u>	<u>1,062,171</u>	<u>539,532</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	309,213	370,709	340,792	29,917
Support services - students	-	100,000	100,000	-
Support services - instruction	25,961	25,961	19,868	6,093
Support services - general administration	3,977	5,942	5,588	354
Support services - school administration	-	-	-	-
Central services	10,656	20,027	16,980	3,047
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>349,807</u>	<u>522,639</u>	<u>483,228</u>	<u>39,411</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	578,943	578,943
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	578,943	578,943
<i>Fund balances - beginning of year</i>	-	-	(752,269)	(752,269)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (173,326)</u>	<u>\$ (173,326)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 578,943
Adjustments to revenues for federal flowthrough grants.				(858,943)
Adjustments to expenditures for general supplies and materials and other professional services.				<u>280,000</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Title I School Improvement Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-24

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	5,870	5,870	162,304	156,434
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,870</u>	<u>5,870</u>	<u>162,304</u>	<u>156,434</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	5,870	5,870	1,855	4,015
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>5,870</u>	<u>5,870</u>	<u>1,855</u>	<u>4,015</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	160,449	160,449
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	160,449	160,449
<i>Fund balances - beginning of year</i>	-	-	(229,678)	(229,678)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,229)</u>	<u>\$ (69,229)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 160,449
Adjustments to revenues for federal flowthrough grants.				(162,304)
No adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (1,855)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 School Renovation IDEA & Technology Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-25

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	23,198	23,198
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 23,198	\$ 23,198
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grants.				23,198
No adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 23,198

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Reading First Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-26

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	165,505	165,505	248,465	82,960
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	165,505	165,505	248,465	82,960
<i>Expenditures</i>				
<i>Current</i>				
Instruction	163,623	163,623	137,711	25,912
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	1,882	1,882	1,611	271
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	165,505	165,505	139,322	26,183
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	109,143	109,143
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	109,143	109,143
<i>Fund balances - beginning of year</i>	-	-	(160,000)	(160,000)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (50,857)	\$ (50,857)
<i>Net change in fund balances (Budget Basis)</i>				\$ 109,143
Adjustments to revenues for federal flowthrough grants.				(109,143)
No adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Carl Perkins Secondary Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-27

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	230,260	232,086	328,784	96,698
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	182	-	(182)
<i>Total revenues</i>	<u>230,260</u>	<u>232,268</u>	<u>328,784</u>	<u>96,516</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	221,476	222,919	203,328	19,591
Support services - students	-	-	-	-
Support services - instruction	3,660	-	-	-
Support services - general administration	1,124	1,079	712	367
Support services - school administration	-	-	-	-
Central services	4,000	8,270	3,502	4,768
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>230,260</u>	<u>232,268</u>	<u>207,542</u>	<u>24,726</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	121,242	121,242
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	121,242	121,242
<i>Fund balances - beginning of year</i>	-	-	(174,056)	(174,056)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,814)</u>	<u>\$ (52,814)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 121,242
Adjustments to revenues for federal flowthrough grants.				(174,056)
No adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (52,814)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Teaching American History Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-28

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	492,942	492,942	289,739	(203,203)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>492,942</u>	<u>492,942</u>	<u>289,739</u>	<u>(203,203)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	462,337	462,337	247,212	215,125
Support services - students	-	-	-	-
Support services - instruction	25,000	25,000	24,994	6
Support services - general administration	5,605	5,605	3,185	2,420
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>492,942</u>	<u>492,942</u>	<u>275,391</u>	<u>217,551</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	14,348	14,348
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	14,348	14,348
<i>Fund balances - beginning of year</i>	-	-	(14,566)	(14,566)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (218)</u>	<u>\$ (218)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 14,348
Adjustments to revenues for federal direct grants.				(14,348)
No adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Bilingual Education Title VII Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-29

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	84,141	84,141
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 84,141	\$ 84,141
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal direct grants.				84,141
No adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 84,141

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Navajo Red/Corn Pollen Pathway Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-30

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	212,895	212,895	381,061	168,166
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>212,895</u>	<u>212,895</u>	<u>381,061</u>	<u>168,166</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	81,783	81,783	81,071	712
Support services - students	98,042	98,807	98,806	1
Support services - instruction	30,650	30,650	30,650	-
Support services - general administration	2,420	1,656	1,656	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>212,895</u>	<u>212,896</u>	<u>212,183</u>	<u>713</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(1)	168,878	168,879
<i>Other financing sources (uses)</i>				
Designated cash	-	1	-	(1)
<i>Total other financing sources (uses)</i>	-	1	-	(1)
<i>Net change in fund balances</i>	-	-	168,878	168,878
<i>Fund balances - beginning of year</i>	-	-	(170,866)	(170,866)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,988)</u>	<u>\$ (1,988)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 168,878
Adjustments to revenues for federal direct grants.				(170,455)
Adjustments to expenditures for salaries.				<u>1,577</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 JTPA Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-31

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	178	178
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 178	\$ 178
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal direct grants.				178
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 178

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Johnson O'Malley Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-32

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	252,566	906,755	374,824	(531,931)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>252,566</u>	<u>906,755</u>	<u>374,824</u>	<u>(531,931)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	109,793	495,546	278,219	217,327
Support services - students	-	12,639	6,522	6,117
Support services - instruction	137,091	388,743	174,837	213,906
Support services - general administration	5,682	9,827	5,310	4,517
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>252,566</u>	<u>906,755</u>	<u>464,888</u>	<u>441,867</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(90,064)</u>	<u>(90,064)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(90,064)	(90,064)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(242,105)</u>	<u>(242,105)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (332,169)</u>	<u>\$ (332,169)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (90,064)
Adjustments to revenues for federal direct grants.				(242,105)
Adjustments to expenditures for general supplies and materials.				<u>(94,811)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (426,980)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 General Ed. Projects "Star Schools" Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-33

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	45,556	45,556
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 45,556	\$ 45,556
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal direct grants.				45,556
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 45,556

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Impact Aid Special Education Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-34

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	833,126	833,126	1,020,888	187,762
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	833,126	833,126	1,020,888	187,762
<i>Expenditures</i>				
<i>Current</i>				
Instruction	19,000	19,000	19,000	-
Support services - students	431,103	441,603	406,123	35,480
Support services - instruction	373,551	363,051	340,178	22,873
Support services - general administration	9,472	9,472	8,954	518
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	833,126	833,126	774,255	58,871
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	246,633	246,633
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	246,633	246,633
<i>Fund balances - beginning of year</i>	-	-	833,126	833,126
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,079,759	\$ 1,079,759
<i>Net change in fund balances (Budget Basis)</i>				\$ 246,633
Adjustments to revenues for federal direct grants.				832,626
Adjustments to expenditures for salaries.				(2,346)
<i>Net change in fund balances(GAAP Basis)</i>				\$ 1,076,913

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Impact Aid Indian Education Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-35

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	4,998,940	4,998,940	7,403,902	2,404,962
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	18,462	18,462
<i>Total revenues</i>	<u>4,998,940</u>	<u>4,998,940</u>	<u>7,422,364</u>	<u>2,423,424</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	2,429,122	2,423,402	2,289,892	133,510
Support services - students	2,183,875	2,014,830	2,008,330	6,500
Support services - instruction	558,834	510,412	420,661	89,751
Support services - general administration	84,103	97,103	78,273	18,830
Support services - school administration	-	-	-	-
Central services	382,380	589,569	384,318	205,251
Operation & maintenance of plant	-	2,998	2,499	499
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>5,638,314</u>	<u>5,638,314</u>	<u>5,183,973</u>	<u>454,341</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(639,374)</u>	<u>(639,374)</u>	<u>2,238,391</u>	<u>2,877,765</u>
<i>Other financing sources (uses)</i>				
Designated cash	639,374	639,374	-	(639,374)
<i>Total other financing sources (uses)</i>	<u>639,374</u>	<u>639,374</u>	<u>-</u>	<u>(639,374)</u>
<i>Net change in fund balances</i>	-	-	2,238,391	2,238,391
<i>Fund balances - beginning of year</i>	-	-	3,297,617	3,297,617
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,536,008</u>	<u>\$ 5,536,008</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,238,391
Adjustments to revenues for federal direct grants.				3,077,602
Adjustments to expenditures for other professional services.				<u>38,725</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ 5,354,718</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 GRADS Child Care CYFD Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-36

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	10,000	10,000	35,464	25,464
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	10,000	10,000	35,464	25,464
<i>Expenditures</i>				
<i>Current</i>				
Instruction	10,000	10,000	2,991	7,009
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	10,000	10,000	2,991	7,009
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	32,473	32,473
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	32,473	32,473
<i>Fund balances - beginning of year</i>	-	-	(12,726)	(12,726)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 19,747	\$ 19,747
<i>Net change in fund balances (Budget Basis)</i>				\$ 32,473
Adjustments to revenues for federal direct grants.				(12,726)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 19,747

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Title XIX - Medicaid 3/21 Years Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-37

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	422,912	422,912	99,312	(323,600)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	422,912	422,912	99,312	(323,600)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	417,745	417,745	220,649	197,096
Support services - instruction	-	-	-	-
Support services - general administration	5,167	5,167	2,472	2,695
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	422,912	422,912	223,121	199,791
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(123,809)	(123,809)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(123,809)	(123,809)
<i>Fund balances - beginning of year</i>	-	-	422,913	422,913
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 299,104	\$ 299,104
<i>Net change in fund balances (Budget Basis)</i>				\$ (123,809)
Adjustments to revenues for federal direct grants.				1,763
Adjustments to expenditures for general supplies and materials.				(287)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (122,333)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Child Care Block Grant Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-38

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	108,717	108,717	54,823	(53,894)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	108,717	108,717	54,823	(53,894)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	108,717	108,717	42,451	66,266
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	108,717	108,717	42,451	66,266
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	12,372	12,372
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	12,372	12,372
<i>Fund balances - beginning of year</i>	-	-	108,718	108,718
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 121,090	\$ 121,090
<i>Net change in fund balances (Budget Basis)</i>				\$ 12,372
Adjustments to revenues for federal direct grants.				108,718
Adjustments to expenditures for general supplies and materials.				(5,939)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 115,151

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
TANF/GRADS Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-39

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	24,000	80,000	104,426	24,426
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	24,000	80,000	104,426	24,426
<i>Expenditures</i>				
<i>Current</i>				
Instruction	24,000	80,000	44,425	35,575
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	24,000	80,000	44,425	35,575
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	60,001	60,001
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	60,001	60,001
<i>Fund balances - beginning of year</i>	-	-	(19,603)	(19,603)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 40,398	\$ 40,398
<i>Net change in fund balances (Budget Basis)</i>				\$ 60,001
Adjustments to revenues for federal direct grants.				(19,603)
Adjustments to expenditures for general supplies and materials.				(2,058)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 38,340

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Child & Adult Food Program Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-40

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	7,130	7,130	5,119	(2,011)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	7,130	7,130	5,119	(2,011)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	7,130	7,130	3,473	3,657
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	7,130	7,130	3,473	3,657
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,646	1,646
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	1,646	1,646
<i>Fund balances - beginning of year</i>	-	-	7,130	7,130
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 8,776	\$ 8,776
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,646
Adjustments to revenues for federal direct grants.				7,130
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 8,776

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Indian Education Formula Grant Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-41

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	1,803,760	1,803,760	1,392,391	(411,369)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,803,760	1,803,760	1,392,391	(411,369)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	1,683,559	1,683,559	1,298,385	385,174
Support services - students	-	-	16,690	(16,690)
Support services - instruction	99,001	97,501	67,581	29,920
Support services - general administration	20,507	20,507	16,186	4,321
Support services - school administration	-	-	-	-
Central services	-	1,500	-	1,500
Operation & maintenance of plant	693	693	783	(90)
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	1,803,760	1,803,760	1,399,625	404,135
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(7,234)	(7,234)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(7,234)	(7,234)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (7,234)	\$ (7,234)
<i>Net change in fund balances (Budget Basis)</i>				\$ (7,234)
Adjustments to revenues for federal direct grants.				7,234
Adjustments to expenditures for general supplies and materials.				(65,384)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (65,384)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
21st Century Community Learning Centers Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-42

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(2,560)	(2,560)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (2,560)	\$ (2,560)
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
Adjustments to expenditures for general supplies and materials.				(2,560)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (2,560)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Navajo Nations Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-43

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	103,072	103,072	129,035	25,963
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	103,072	103,072	129,035	25,963
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	101,887	102,025	93,037	8,988
Support services - instruction	-	-	-	-
Support services - general administration	1,185	1,047	1,047	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	103,072	103,072	94,084	8,988
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	34,951	34,951
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	34,951	34,951
<i>Fund balances - beginning of year</i>	-	-	(71,199)	(71,199)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (36,248)	\$ (36,248)
<i>Net change in fund balances (Budget Basis)</i>				\$ 34,951
Adjustments to revenues for federal direct grants.				(71,199)
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (36,248)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Technology Challenge Grant USDE Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-44

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	11,739	11,739
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 11,739	\$ 11,739
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal direct grants.				11,739
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 11,739

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Title V Indian Health Care Improvement Act Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-45

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	238,640	391,795	283,050	(108,745)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	16	16
<i>Total revenues</i>	<u>238,640</u>	<u>391,795</u>	<u>283,066</u>	<u>(108,729)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	81,391	112,844	79,352	33,492
Support services - students	147,241	253,791	179,406	74,385
Support services - instruction	1,500	5,000	3,785	1,215
Support services - general administration	2,608	4,041	2,832	1,209
Support services - school administration	5,300	13,519	2,905	10,614
Central services	-	-	-	-
Operation & maintenance of plant	600	2,600	857	1,743
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>238,640</u>	<u>391,795</u>	<u>269,137</u>	<u>122,658</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,929</u>	<u>13,929</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>13,929</u>	<u>13,929</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(121,941)</u>	<u>(121,941)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108,012)</u>	<u>\$ (108,012)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 13,929
Adjustments to revenues for federal direct grants.				(121,911)
Adjustments to expenditures for general supplies and materials.				(885)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (108,867)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Teacher Quality Enhancement Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-46

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(17,058)	(17,058)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (17,058)	\$ (17,058)
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Tobacco Use Prevention & Control Program Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-47

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	62	62
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 62	\$ 62
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal direct grants.				62
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 62

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Goals 2000 Parental Assistance Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-48

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(17,981)	(17,981)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (17,981)	\$ (17,981)
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
Adjustments to expenditures for general supplies and materials.				(17,981)
<i>Net change in fund balances(GAAP Basis)</i>				\$ (17,981)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Transition to Teaching Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-49

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	218,401	218,401	192,448	(25,953)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	218,401	218,401	192,448	(25,953)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	178,970	178,970	101,660	77,310
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,483	2,483	1,430	1,053
Support services - school administration	-	-	-	-
Central services	36,948	36,948	20,522	16,426
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	218,401	218,401	123,612	94,789
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	68,836	68,836
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	68,836	68,836
<i>Fund balances - beginning of year</i>	-	-	(69,285)	(69,285)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (449)	\$ (449)
<i>Net change in fund balances (Budget Basis)</i>				\$ 68,836
Adjustments to revenues for federal direct grants.				(68,836)
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Substance Abuse & Mental Health Services Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-50

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	67,000	13,978	-	(13,978)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	67,000	13,978	-	(13,978)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	20,980	17,915	3,065
Support services - students	66,238	97,484	87,356	10,128
Support services - instruction	-	-	-	-
Support services - general administration	762	1,558	1,025	533
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	67,000	120,022	106,296	13,726
<i>Excess (deficiency) of revenues over expenditures</i>	-	(106,044)	(106,296)	(252)
<i>Other financing sources (uses)</i>				
Designated cash	-	106,044	-	(106,044)
<i>Total other financing sources (uses)</i>	-	106,044	-	(106,044)
<i>Net change in fund balances</i>	-	-	(106,296)	(106,296)
<i>Fund balances - beginning of year</i>	-	-	419	419
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (105,877)	\$ (105,877)
<i>Net change in fund balances (Budget Basis)</i>			\$	(106,296)
Adjustments to revenues for federal direct grants.				60,419
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>			\$	(45,877)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Carol M White Physical Fitness Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-51

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	306,770	848,696	395,618	(453,078)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	306,770	848,696	395,618	(453,078)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	250,391	681,157	235,819	445,338
Support services - students	-	-	-	-
Support services - instruction	45,879	150,879	116,795	34,084
Support services - general administration	3,488	9,648	3,339	6,309
Support services - school administration	-	-	-	-
Central services	7,012	7,012	2,479	4,533
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	306,770	848,696	358,432	490,264
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	37,186	37,186
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	37,186	37,186
<i>Fund balances - beginning of year</i>	-	-	(28,613)	(28,613)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 8,573	\$ 8,573
<i>Net change in fund balances (Budget Basis)</i>				\$ 37,186
Adjustments to revenues for federal direct grants.				(97,469)
Adjustments to expenditures for general supplies and materials.				68,552
<i>Net change in fund balances (GAAP Basis)</i>				\$ 8,269

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Native American Program Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-52

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	175,000	289,949	236,689	(53,260)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	175,000	289,949	236,689	(53,260)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	169,010	282,652	236,594	46,058
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	1,990	3,297	2,768	529
Support services - school administration	4,000	4,000	-	4,000
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	175,000	289,949	239,362	50,587
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,673)	(2,673)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(2,673)	(2,673)
<i>Fund balances - beginning of year</i>	-	-	652	652
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (2,021)	\$ (2,021)
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,673)
Adjustments to revenues for federal direct grants.				2,673
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Bill & Melinda Gates Foundation Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-53

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	1,978	1,978	2,133	155
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,978	1,978	2,133	155
<i>Expenditures</i>				
<i>Current</i>				
Instruction	1,978	1,978	1,777	201
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	1,978	1,978	1,777	201
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	356	356
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	356	356
<i>Fund balances - beginning of year</i>	-	-	32,483	32,483
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 32,839	\$ 32,839
<i>Net change in fund balances (Budget Basis)</i>			\$	356
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>			\$	356

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Save the Children Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-54

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	161,349	121,562	67,967	(53,595)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>161,349</u>	<u>121,562</u>	<u>67,967</u>	<u>(53,595)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	161,349	121,562	101,801	19,761
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>161,349</u>	<u>121,562</u>	<u>101,801</u>	<u>19,761</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(33,834)	(33,834)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(33,834)	(33,834)
<i>Fund balances - beginning of year</i>	-	-	(2,967)	(2,967)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,801)</u>	<u>\$ (36,801)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (33,834)
Adjustments to revenues for instructional-Categorical revenue.				9,629
Adjustments to expenditures for salaries and general supplies and materials.				<u>(12,474)</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (36,679)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Center for Ed & Study of Diverse Populations Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-55

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	181	181
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 181	\$ 181
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>			\$	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Parents as Teachers Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-56

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	2,782	2,782	10,000	7,218
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,782	2,782	10,000	7,218
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	2,782	2,782	2,523	259
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	2,782	2,782	2,523	259
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	7,477	7,477
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	7,477	7,477
<i>Fund balances - beginning of year</i>	-	-	(7,217)	(7,217)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 260	\$ 260
<i>Net change in fund balances (Budget Basis)</i>			\$	7,477
Adjustments to revenues for instructional-Categorical revenue.				(5,000)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>			\$	2,477

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 TANF PED Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-57

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,147	1,147
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,147	\$ 1,147
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Technology for Education PED Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-58

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	4,863	232,999	347,875	114,876
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	4,863	232,999	347,875	114,876
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	2,175	2,091	84
Support services - school administration	-	-	-	-
Central services	4,863	230,824	183,040	47,784
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	4,863	232,999	185,131	47,868
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	162,744	162,744
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	162,744	162,744
<i>Fund balances - beginning of year</i>	-	-	(78,889)	(78,889)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 83,855	\$ 83,855
<i>Net change in fund balances (Budget Basis)</i>				\$ 162,744
Adjustments to revenues for state flowthrough grants.				(78,889)
Adjustments to expenditures for travel expenses.				(8,326)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 75,529

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Obesity Program Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-59

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	30,000	30,000	4,645	(25,355)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>4,645</u>	<u>(25,355)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	30,000	30,000	24,856	5,144
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>24,856</u>	<u>5,144</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(20,211)	(20,211)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(20,211)	(20,211)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,211)</u>	<u>\$ (20,211)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (20,211)
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (20,211)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 TANF - Full Day Kindergarten Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-60

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(1,513)	(1,513)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (1,513)	\$ (1,513)
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
Adjustments to expenditures for general materials and supplies.				(1,513)
<i>Net change in fund balances (GAAP Basis)</i>			\$	(1,513)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Incentives for School Improvement Act Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-61

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	3,484	3,484	51,869	48,385
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,484</u>	<u>3,484</u>	<u>51,869</u>	<u>48,385</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	3,484	3,484	3,247	237
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>3,484</u>	<u>3,484</u>	<u>3,247</u>	<u>237</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	48,622	48,622
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	48,622	48,622
<i>Fund balances - beginning of year</i>	-	-	69,900	69,900
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,522</u>	<u>\$ 118,522</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 48,622
Adjustments to revenues for state flowthrough grants.				69,900
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ 118,522</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Laws of NM 2005 Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-62

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(46,467)	(46,467)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (46,467)	\$ (46,467)
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>			\$	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Pre-K Initiative Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-63

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	553,864	553,864	652,096	98,232
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	553,864	553,864	652,096	98,232
<i>Expenditures</i>				
<i>Current</i>				
Instruction	553,864	553,864	494,329	59,535
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	553,864	553,864	494,329	59,535
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	157,767	157,767
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	157,767	157,767
<i>Fund balances - beginning of year</i>	-	-	(495,517)	(495,517)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (337,750)	\$ (337,750)
<i>Net change in fund balances (Budget Basis)</i>				\$ 157,767
Adjustments to revenues for state flowthrough grants.				(495,517)
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (337,750)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Indian Education Act Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-64

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	87,024	95,357	76,844	(18,513)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	87,024	95,357	76,844	(18,513)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	86,033	92,456	76,115	16,341
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	991	1,087	3	1,084
Support services - school administration	-	-	-	-
Central services	-	1,814	66	1,748
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	87,024	95,357	76,184	19,173
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	660	660
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	660	660
<i>Fund balances - beginning of year</i>	-	-	52	52
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 712	\$ 712
<i>Net change in fund balances (Budget Basis)</i>				\$ 660
Adjustments to revenues for state flowthrough grants.				280
Adjustments to expenditures for salaries.				(1,246)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (306)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Reading Improvement Initiatives Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-65

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(2,704)	(2,704)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (2,704)	\$ (2,704)
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for state flowthrough grants.				-
No Adjustments				(2,704)
<i>Net change in fund balances(GAAP Basis)</i>				\$ (2,704)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Beginning Teacher Mentoring Program Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-66

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	124,477	124,477	124,477	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	124,477	124,477	124,477	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	123,062	123,062	116,684	6,378
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	1,415	1,415	1,365	50
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	124,477	124,477	118,049	6,428
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	6,428	6,428
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	6,428	6,428
<i>Fund balances - beginning of year</i>	-	-	(16,002)	(16,002)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (9,574)	\$ (9,574)
<i>Net change in fund balances (Budget Basis)</i>				\$ 6,428
Adjustments to revenues for state flowthrough grants.				(16,002)
Adjustments to expenditures for salaries.				(180)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (9,754)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Breakfast in the Classroom Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-67

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	117,981	117,981	117,981	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	117,981	117,981	117,981	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	117,981	117,981	117,981	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	117,981	117,981	117,981	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1	1
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1	\$ 1
<i>Net change in fund balances (Budget Basis)</i>			\$	-
Adjustments to revenues for state flowthrough grants.				1
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>			\$	1

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Teacher Professional Development Fund Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-68

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	300,000	540,000	1,108,199	568,199
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	300,000	540,000	1,108,199	568,199
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	293,399	528,117	528,116	1
Support services - general administration	6,601	11,883	6,179	5,704
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	300,000	540,000	534,295	5,705
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	573,904	573,904
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	573,904	573,904
<i>Fund balances - beginning of year</i>	-	-	(651,288)	(651,288)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (77,384)	\$ (77,384)
<i>Net change in fund balances (Budget Basis)</i>				\$ 573,904
Adjustments to revenues for state flowthrough grants.				(568,200)
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 5,704

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Kindergarten Plus Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-69

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	2,365	2,365	108,142	105,777
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,365	2,365	108,142	105,777
<i>Expenditures</i>				
<i>Current</i>				
Instruction	2,365	2,365	1,577	788
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	2,365	2,365	1,577	788
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	106,565	106,565
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	106,565	106,565
<i>Fund balances - beginning of year</i>	-	-	(108,142)	(108,142)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (1,577)	\$ (1,577)
<i>Net change in fund balances (Budget Basis)</i>				\$ 106,565
Adjustments to revenues for state flowthrough grants.				(108,142)
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (1,577)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Pre-K Start Up Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-70

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	7,347	7,347	60,174	52,827
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	7,347	7,347	60,174	52,827
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	7,347	7,347	7,014	333
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	7,347	7,347	7,014	333
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	53,160	53,160
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	53,160	53,160
<i>Fund balances - beginning of year</i>	-	-	(53,160)	(53,160)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 53,160
Adjustments to revenues for state flowthrough grants.				(53,160)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Schools in Need of Improvement Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-71

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	120,000	377,989	465,956	87,967
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>120,000</u>	<u>377,989</u>	<u>465,956</u>	<u>87,967</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	120,000	377,106	297,277	79,829
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	883	883	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>120,000</u>	<u>377,989</u>	<u>298,160</u>	<u>79,829</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	167,796	167,796
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	167,796	167,796
<i>Fund balances - beginning of year</i>	-	-	(377,313)	(377,313)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (209,517)</u>	<u>\$ (209,517)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 167,796
Adjustments to revenues for state flowthrough grants.				(377,313)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (209,517)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
School Improvement Framework Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-72

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	15,000	442,500	143,966	(298,534)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>442,500</u>	<u>143,966</u>	<u>(298,534)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	127,500	127,500	-
Support services - students	-	-	-	-
Support services - instruction	-	293,399	293,400	(1)
Support services - general administration	171	6,772	6,600	172
Support services - school administration	-	-	-	-
Central services	14,829	14,829	-	14,829
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>442,500</u>	<u>427,500</u>	<u>15,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(283,534)	(283,534)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(283,534)	(283,534)
<i>Fund balances - beginning of year</i>	-	-	(128,966)	(128,966)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (412,500)</u>	<u>\$ (412,500)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (283,534)
Adjustments to revenues for state flowthrough grants.				(128,966)
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (412,500)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Kindergarten - Three Plus Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-73

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	68,000	421,139	421,140	1
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>68,000</u>	<u>421,139</u>	<u>421,140</u>	<u>1</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	68,000	398,315	209,608	188,707
Support services - students	-	18,000	4,088	13,912
Support services - instruction	-	-	-	-
Support services - general administration	-	4,824	2,500	2,324
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>68,000</u>	<u>421,139</u>	<u>216,196</u>	<u>204,943</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	204,944	204,944
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	204,944	204,944
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,944</u>	<u>\$ 204,944</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 204,944
No Adjustments				-
Adjustments to expenditures for salaries and general supplies and materials.				<u>(14,271)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 190,673</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
State - 21st Century Learning Center Special Revenue Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-74

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	136,070	136,070	104,405	(31,665)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	136,070	136,070	104,405	(31,665)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	136,070	136,070	134,290	1,780
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	136,070	136,070	134,290	1,780
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(29,885)	(29,885)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(29,885)	(29,885)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (29,885)	\$ (29,885)
<i>Net change in fund balances (Budget Basis)</i>				\$ (29,885)
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (29,885)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Pre-Kindergarten - Special State Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-75

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	78,990	78,990	59,388	(19,602)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	78,990	78,990	59,388	(19,602)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	78,990	78,990	70,480	8,510
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	78,990	78,990	70,480	8,510
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(11,092)	(11,092)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(11,092)	(11,092)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (11,092)	\$ (11,092)
<i>Net change in fund balances (Budget Basis)</i>				\$ (11,092)
No Adjustments				-
Adjustments to expenditures for salaries.				(180)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (11,272)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Libraries - SB 301 GO Bonds Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-76

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	124,368	124,368	67,416	(56,952)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>124,368</u>	<u>124,368</u>	<u>67,416</u>	<u>(56,952)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	124,368	124,368	111,632	12,736
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	<u>124,368</u>	<u>124,368</u>	<u>111,632</u>	<u>12,736</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(44,216)	(44,216)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(44,216)	(44,216)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,216)</u>	<u>\$ (44,216)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (44,216)
No Adjustments				-
Adjustments to expenditures for general materials and supplies.				<u>(556)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (44,772)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Center for Teaching Excellence Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-77

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	3,000	3,000	2,680	(320)
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,000	3,000	2,680	(320)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	3,000	3,000	2,964	36
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	3,000	3,000	2,964	36
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(284)	(284)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(284)	(284)
<i>Fund balances - beginning of year</i>	-	-	(297)	(297)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (581)	\$ (581)
<i>Net change in fund balances (Budget Basis)</i>				\$ (284)
Adjustments to revenues for state grants.				(13)
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ (297)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Pathways Project UNM Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-78

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	219	219
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 219	\$ 219
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for state grants.				219
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 219

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Parents as Teachers Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-79

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	28,282	28,282
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 28,282	\$ 28,282
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for government agencies fees.				28,282
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 28,282

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 AP New Mexico Incentive Funding - Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-80

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	142	142
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 142	\$ 142
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for state grants.				142
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 142

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Office of Child Development Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-81

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	60,000	60,000	60,000	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	60,000	60,000	60,000	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	59,318	59,318	51,348	7,970
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	682	682	585	97
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	60,000	60,000	51,933	8,067
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	8,067	8,067
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	8,067	8,067
<i>Fund balances - beginning of year</i>	-	-	14,727	14,727
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 22,794	\$ 22,794
<i>Net change in fund balances (Budget Basis)</i>			\$	8,067
Adjustments to revenues for state grants.				14,727
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>			\$	22,794

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Regional Quality Center Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-82

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	100,000	133,575	97,800	(35,775)
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	100,000	133,575	97,800	(35,775)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	98,863	132,438	103,504	28,934
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	1,137	1,137	1,137	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	100,000	133,575	104,641	28,934
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,841)	(6,841)
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(6,841)	(6,841)
<i>Fund balances - beginning of year</i>	-	-	46,750	46,750
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 39,909	\$ 39,909
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,841)
Adjustments to revenues for state grants.				49,368
Adjustments to expenditures for general supplies and materials.				(1,161)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 41,366

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Private Dir. Grants Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-83

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	64,390	163,271	195,634	32,363
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	64,390	163,271	195,634	32,363
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	98,881	98,882	(1)
Support services - students	63,658	63,658	39,170	24,488
Support services - instruction	-	-	-	-
Support services - general administration	732	732	458	274
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	64,390	163,271	138,510	24,761
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	57,124	57,124
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	57,124	57,124
<i>Fund balances - beginning of year</i>	-	-	(19,119)	(19,119)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 38,005	\$ 38,005
<i>Net change in fund balances (Budget Basis)</i>			\$	57,124
Adjustments to revenues for instructional support-categorical.				(114,634)
Adjustments to expenditures for salaries.				2,022
<i>Net change in fund balances (GAAP Basis)</i>			\$	(55,488)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 City/County Grants Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-84

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(6,311)	(6,311)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (6,311)	\$ (6,311)
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>			\$	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 School Based Health Center Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-85

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	150,000	150,000	150,000	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	150,000	150,000	150,000	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	148,275	-	-	-
Support services - students	-	148,275	124,850	23,425
Support services - instruction	-	-	-	-
Support services - general administration	1,725	1,725	1,461	264
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	150,000	150,000	126,311	23,689
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	23,689	23,689
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	23,689	23,689
<i>Fund balances - beginning of year</i>	-	-	(65,764)	(65,764)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (42,075)	\$ (42,075)
<i>Net change in fund balances (Budget Basis)</i>				\$ 23,689
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 23,689

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Public School Capital Outlay Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-86

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1	1
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1	\$ 1
<i>Net change in fund balances (Budget Basis)</i>			\$	-
Adjustments to revenues for PSCOC Awards.				42,420,134
Adjustments to expenditures for construction services.				(42,420,134)
<i>Net change in fund balances(GAAP Basis)</i>			\$	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Special Capital Outlay Capital Projects Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-87

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	700,445	700,445	181,000	519,445
<i>Total expenditures</i>	<u>700,445</u>	<u>700,445</u>	<u>181,000</u>	<u>519,445</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(700,445)</u>	<u>(700,445)</u>	<u>(181,000)</u>	<u>519,445</u>
<i>Other financing sources (uses)</i>				
Designated cash	700,445	700,445	-	(700,445)
<i>Total other financing sources (uses)</i>	<u>700,445</u>	<u>700,445</u>	<u>-</u>	<u>(700,445)</u>
<i>Net change in fund balances</i>	-	-	(181,000)	(181,000)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>700,712</u>	<u>700,712</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,712</u>	<u>\$ 519,712</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (181,000)
No Adjustments				-
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (181,000)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Special Capital Outlay State Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-88

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	119,642	119,642	-	119,642
<i>Total expenditures</i>	<u>119,642</u>	<u>119,642</u>	<u>-</u>	<u>119,642</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(119,642)</u>	<u>(119,642)</u>	<u>-</u>	<u>119,642</u>
<i>Other financing sources (uses)</i>				
Designated cash	119,642	119,642	-	(119,642)
<i>Total other financing sources (uses)</i>	<u>119,642</u>	<u>119,642</u>	<u>-</u>	<u>(119,642)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>119,643</u>	<u>119,643</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,643</u>	<u>\$ 119,643</u>
<i>Net change in fund balances (Budget Basis)</i>			\$	-
No Adjustments				-
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>			<u>\$</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Special Capital Outlay Federal Capital Projects Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-89

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	65,692	65,692
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	65,692	65,692
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	717,791	717,791	-	717,791
<i>Total expenditures</i>	717,791	717,791	-	717,791
<i>Excess (deficiency) of revenues over expenditures</i>	(717,791)	(717,791)	65,692	783,483
<i>Other financing sources (uses)</i>				
Designated cash	717,791	717,791	-	(717,791)
<i>Total other financing sources (uses)</i>	717,791	717,791	-	(717,791)
<i>Net change in fund balances</i>	-	-	65,692	65,692
<i>Fund balances - beginning of year</i>	-	-	582,975	582,975
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 648,667	\$ 648,667
<i>Net change in fund balances (Budget Basis)</i>				\$ 65,692
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ 65,692

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Capital Improvements SB-9 Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-90

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 1,258,145	\$ 1,258,145	\$ 1,337,828	\$ 79,683
Oil and gas taxes	354	354	1,424	1,070
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	1,609,836	1,775,019	36,273	(1,738,746)
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	100	100	1,025	925
<i>Total revenues</i>	2,868,435	3,033,618	1,376,550	(1,657,068)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	2,723,660	2,912,202	1,581,956	1,330,246
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	777,000	753,641	613,488	140,153
<i>Total expenditures</i>	3,500,660	3,665,843	2,195,444	1,470,399
<i>Excess (deficiency) of revenues over expenditures</i>	(632,225)	(632,225)	(818,894)	(186,669)
<i>Other financing sources (uses)</i>				
Designated cash	632,225	632,225	-	(632,225)
<i>Total other financing sources (uses)</i>	632,225	632,225	-	(632,225)
<i>Net change in fund balances</i>	-	-	(818,894)	(818,894)
<i>Fund balances - beginning of year</i>	-	-	(468,597)	(468,597)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (1,287,491)	\$ (1,287,491)
<i>Net change in fund balances (Budget Basis)</i>				\$ (818,894)
Adjustments to revenues for ad valorem tax and oil and gas taxes.				(2,754)
Adjustments to expenditures for construction services.				(44,038)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (865,686)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Public Building Energy Efficient Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-91

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	159,881	159,881	159,881	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	159,881	159,881	159,881	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	322,571	322,571	127,986	194,585
<i>Total expenditures</i>	322,571	322,571	127,986	194,585
<i>Excess (deficiency) of revenues over expenditures</i>	(162,690)	(162,690)	31,895	194,585
<i>Other financing sources (uses)</i>				
Designated cash	162,690	162,690	-	(162,690)
<i>Total other financing sources (uses)</i>	162,690	162,690	-	(162,690)
<i>Net change in fund balances</i>	-	-	31,895	31,895
<i>Fund balances - beginning of year</i>	-	-	119,363	119,363
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 151,258	\$ 151,258
<i>Net change in fund balances (Budget Basis)</i>				\$ 31,895
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 31,895

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Public School Capital Outlay 20% Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-92

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1	1
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1	\$ 1
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Bond Building Capital Projects Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-93

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	820,825	820,825	780,313	40,512
Food services operations	-	-	-	-
Facilities acquisition and construction	6,720,028	6,720,028	6,709,880	10,148
<i>Total expenditures</i>	<u>7,540,853</u>	<u>7,540,853</u>	<u>7,490,193</u>	<u>50,660</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,540,753)</u>	<u>(7,540,753)</u>	<u>(7,490,193)</u>	<u>50,560</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,040,753	2,040,753	-	(2,040,753)
Bond proceeds	5,500,000	5,500,000	5,500,000	-
<i>Total other financing sources (uses)</i>	<u>7,540,753</u>	<u>7,540,753</u>	<u>5,500,000</u>	<u>(2,040,753)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,990,193)</u>	<u>(1,990,193)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,744,365)</u>	<u>(1,744,365)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,734,558)</u>	<u>\$ (3,734,558)</u>
<i>Net change in fund balances (Budget Basis)</i>				<u>\$ (1,990,193)</u>
Adjustments to revenues for refund prior year's expenditures.				303,394
Adjustments to expenditures for construction services.				<u>(1,095,107)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (2,781,906)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Special Revenue Bond Capital Projects Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

Statement B-94

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	100	100	-	(100)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	11,595,500	11,595,500	-	11,595,500
<i>Total expenditures</i>	11,595,500	11,595,500	-	11,595,500
<i>Excess (deficiency) of revenues over expenditures</i>	(11,595,400)	(11,595,400)	-	11,595,400
<i>Other financing sources (uses)</i>				
Designated cash	11,595,400	11,595,400	-	(11,595,400)
<i>Total other financing sources (uses)</i>	11,595,400	11,595,400	-	(11,595,400)
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	12,018,400	12,018,400
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 12,018,400	\$ 12,018,400
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net change in fund balances(GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Debt Service Fund

Statement B-95

Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 5,101,781	\$ 5,101,781	\$ 5,443,958	\$ 342,177
Oil and gas taxes	1,435	1,435	5,776	4,341
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined local/state	-	-	-	-
Charges for services	-	-	-	-
Interest	365,000	365,000	158,718	(206,282)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,468,216</u>	<u>5,468,216</u>	<u>5,608,452</u>	<u>140,236</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	7,853,461	7,853,461	4,341,606	3,511,855
Interest	2,296,524	2,296,524	2,424,772	(128,248)
<i>Total expenditures</i>	<u>10,149,985</u>	<u>10,149,985</u>	<u>6,766,378</u>	<u>3,383,607</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,681,769)</u>	<u>(4,681,769)</u>	<u>(1,157,926)</u>	<u>3,523,843</u>
<i>Other financing sources (uses)</i>				
Designated cash	4,681,769	4,681,769	-	(4,681,769)
<i>Total other financing sources (uses)</i>	<u>4,681,769</u>	<u>4,681,769</u>	<u>-</u>	<u>(4,681,769)</u>
<i>Net change in fund balances</i>	-	-	(1,157,926)	(1,157,926)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,092,267</u>	<u>6,092,267</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,934,341</u>	<u>\$ 4,934,341</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,157,926)
Adjustments to revenues for ad valorem tax and oil and gas taxes.				(30,475)
No Adjustments				<u>-</u>
<i>Net change in fund balances(GAAP Basis)</i>				<u>\$ (1,188,401)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Combining Balance Sheet
General Fund
June 30, 2008

Statement C-1

	Operating	Teacherage	Pupil Transportation	Instructional Materials	Total
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 3,448,917	\$ 418,795	\$ 2,384,412	\$ 380,630	\$ 6,632,754
Property taxes receivable	15,257	-	-	-	15,257
Due from other governments	-	-	47,786	-	47,786
Other receivables	3,980	-	-	-	3,980
Inventory	129,822	-	216,425	-	346,247
Due from other funds	2,577,649	-	-	-	2,577,649
	\$ 6,175,625	\$ 418,795	\$ 2,648,623	\$ 380,630	\$ 9,623,673
<i>Total assets</i>	\$ 6,175,625	\$ 418,795	\$ 2,648,623	\$ 380,630	\$ 9,623,673
 LIABILITIES AND FUND BALANCES					
<i>Current Liabilities</i>					
Accounts payable	\$ 1,100,558	\$ 8,926	\$ 58,295	\$ 3,933	\$ 1,171,712
Deposits payable	-	67,644	-	-	67,644
Accrued payroll	31,820	-	-	-	31,820
Accrued compensated absences	48,031	754	4,218	-	53,003
Judgement payable	80,000	-	-	-	80,000
Deferred revenue	9,225	-	-	-	9,225
	1,269,634	77,324	62,513	3,933	1,413,404
<i>Total liabilities</i>	1,269,634	77,324	62,513	3,933	1,413,404
 <i>Fund Balances</i>					
Fund Balances					
Reserved for					
Inventory	129,822	-	216,425	-	346,247
Unreserved, reported in:					
General Fund	4,776,169	341,471	2,369,685	376,697	7,864,022
	4,905,991	341,471	2,586,110	376,697	8,210,269
<i>Total fund balances</i>	4,905,991	341,471	2,586,110	376,697	8,210,269
<i>Total liabilities and fund balances</i>	\$ 6,175,625	\$ 418,795	\$ 2,648,623	\$ 380,630	\$ 9,623,673

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2008

Statement C-2

	Operating	Teacherage	Pupil Transportation	Instructional Materials	Total
<i>Revenues:</i>					
Taxes - property	\$ 272,177	\$ -	\$ -	\$ -	\$ 272,177
Taxes - oil and gas	490	-	-	-	490
Intergovernmental revenue					
Federal flowthrough	172,627	-	-	-	172,627
Federal direct	109,796	-	-	-	109,796
Local sources	29,699,157	-	-	-	29,699,157
State flowthrough	59,964,213	-	-	-	59,964,213
State direct	-	-	-	1,314,538	1,314,538
Transportation distribution	-	-	6,618,488	-	6,618,488
Charges for services	32,948	686,657	-	-	719,605
Interest on investments	189,759	16,815	-	-	206,574
Miscellaneous	17,754	36,343	47,649	-	101,746
<i>Total revenues</i>	<u>90,458,921</u>	<u>739,815</u>	<u>6,666,137</u>	<u>1,314,538</u>	<u>99,179,411</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	51,029,408	-	-	1,195,764	52,225,172
Support services - students	6,717,650	-	-	-	6,717,650
Support services - instruction	3,074,767	-	-	98,915	3,173,682
Support services - general administration	592,682	-	-	-	592,682
Support services - school administration	6,431,821	-	-	-	6,431,821
Central services	3,079,757	181	-	-	3,079,938
Operation & maintenance plant	14,214,929	750,422	-	-	14,965,351
Student transportation	48,176	-	5,953,993	-	6,002,169
Other support services	830,711	-	-	-	830,711
Facilities acquisition and construction	5,615,999	-	-	-	5,615,999
<i>Total expenditures</i>	<u>91,635,900</u>	<u>750,603</u>	<u>5,953,993</u>	<u>1,294,679</u>	<u>99,635,175</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,176,979)	(10,788)	712,144	19,859	(455,764)
<i>Other financing sources (uses):</i>					
Gain on sale of assets	27,478	-	-	-	27,478
<i>Total other financing sources (uses)</i>	<u>27,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,478</u>
<i>Net change in fund balances</i>	(1,149,501)	(10,788)	712,144	19,859	(428,286)
<i>Fund balances - beginning of year</i>	6,055,492	-	1,873,966	356,838	8,286,296
<i>Fund balances - restatement (Note 16)</i>	<u>-</u>	<u>352,259</u>	<u>-</u>	<u>-</u>	<u>352,259</u>
<i>Fund balances - restated</i>	<u>6,055,492</u>	<u>352,259</u>	<u>1,873,966</u>	<u>356,838</u>	<u>8,638,555</u>
<i>Fund balances - end of year</i>	<u>\$ 4,905,991</u>	<u>\$ 341,471</u>	<u>\$ 2,586,110</u>	<u>\$ 376,697</u>	<u>\$ 8,210,269</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Operating Fund

Statement C-3

Statement of Revenues, Expenditures and changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes - property	\$ 257,812	\$ 257,812	\$ 273,849	\$ 16,037
Taxes - oil and gas	88	88	356	268
Intergovernmental revenue				
Federal flowthrough	264,872	264,872	172,627	(92,245)
Federal direct	150,000	150,000	109,796	(40,204)
Local sources	16,042,044	16,042,044	29,699,157	13,657,113
State flowthrough	69,228,159	71,419,884	59,962,885	(11,456,999)
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	15,650	15,650	32,597	16,947
Interest on investments	375,000	375,000	189,759	(185,241)
Miscellaneous	8,041	8,041	21,074	13,033
<i>Total revenues</i>	86,341,666	88,533,391	90,462,100	1,928,709
<i>Expenditures:</i>				
Current:				
Instruction	52,230,044	51,712,872	50,963,584	749,288
Support services - students	7,310,769	7,265,963	6,692,094	573,869
Support services - instruction	3,346,535	3,570,055	3,072,378	497,677
Support services - general admin.	578,517	583,179	598,718	(15,539)
Support services - school admin.	6,932,086	6,922,244	6,431,629	490,615
Central services	2,373,757	2,537,347	3,060,524	(523,177)
Operation/maintenance plant	14,284,515	15,219,327	14,046,334	1,172,993
Student transportation	-	-	24,061	(24,061)
Other support services	808,243	809,581	750,711	58,870
Facilities acquisition and construction	8,615,150	10,028,137	5,522,326	4,505,811
<i>Total expenditures</i>	96,479,616	98,648,705	91,162,359	7,486,346
<i>Excess (deficiency) of revenues over expenditures</i>	(10,137,950)	(10,115,314)	(700,259)	9,415,055
<i>Other financing sources (uses):</i>				
Designated cash balance	10,137,950	10,115,314	-	(10,115,314)
Gain on sale of assets	-	-	27,478	27,478
<i>Total other financing sources (uses)</i>	10,137,950	10,115,314	27,478	(10,087,836)
<i>Net change in fund balances</i>	-	-	(672,781)	(672,781)
<i>Fund balances - beginning of year</i>	-	-	6,699,347	6,699,347
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,026,566	\$ 6,026,566
<i>Net change in fund balances (Budget Basis)</i>				\$ (672,781)
Adjustments to revenues for oil and gas taxes				(3,179)
Adjustments to expenditures for salaries, general supplies and material, and other contract services				(473,541)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (1,149,501)

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

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Teacherage Fund

Statement C-4

Statement of Revenues, Expenditures and changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - oil and gas	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	1,040,876	1,040,876	686,657	(354,219)
Interest on investments	10,000	10,000	16,815	6,815
Miscellaneous	-	-	36,343	36,343
<i>Total revenues</i>	1,050,876	1,050,876	739,815	(311,061)
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin.	-	-	-	-
Support services - school admin.	-	-	-	-
Central services	-	-	-	-
Operation/maintenance plant	1,400,876	1,400,876	748,229	652,647
Student transportation	-	-	-	-
Other support services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	1,400,876	1,400,876	748,229	652,647
<i>Excess (deficiency) of revenues over expenditures</i>	(350,000)	(350,000)	(8,414)	341,586
<i>Other financing sources (uses):</i>				
Designated cash balance	350,000	350,000	-	(350,000)
Gain on sale of assets	-	-	-	-
<i>Total other financing sources (uses)</i>	350,000	350,000	-	(350,000)
<i>Net change in fund balances</i>	-	-	(8,414)	(8,414)
<i>Fund balances - beginning of year</i>	-	-	359,565	359,565
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 351,151	\$ 351,151
<i>Net change in fund balances (Budget Basis)</i>				\$ (8,414)
No adjustments				-
Adjustments to expenditures for salaries and general supplies and material				(2,374)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (10,788)

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

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Pupil Transportation Fund

Statement C-5

Statement of Revenues, Expenditures and changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - oil and gas	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	5,401,361	6,936,595	6,618,488	(318,107)
Charges for services	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	412	412
<i>Total revenues</i>	5,401,361	6,936,595	6,618,900	(317,695)
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin.	-	-	-	-
Support services - school admin.	-	-	-	-
Central services	-	-	-	-
Operation/maintenance plant	-	-	-	-
Student transportation	5,401,361	6,936,595	5,917,763	1,018,832
Other support services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	5,401,361	6,936,595	5,917,763	1,018,832
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	701,137	701,137
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Gain on sale of assets	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	701,137	701,137
<i>Fund balances - beginning of year</i>	-	-	1,683,275	1,683,275
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,384,412	\$ 2,384,412
<i>Net change in fund balances (Budget Basis)</i>				\$ 701,137
Adjustments to revenues for transportation distribution				47,237
Adjustments to expenditures for salaries and general supplies and material				(36,230)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 712,144

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

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Instructional Materials

Statement C-6

Statement of Revenues, Expenditures and changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - oil and gas	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	11,128	11,128
State direct	95,637	1,552,959	1,314,538	(238,421)
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	95,637	1,552,959	1,325,666	(227,293)
<i>Expenditures:</i>				
Current:				
Instruction	-	1,446,580	1,209,081	237,499
Support services - students	-	-	-	-
Support services - instruction	95,637	106,379	96,984	9,395
Support services - general admin.	-	-	-	-
Support services - school admin.	-	-	-	-
Central services	-	-	-	-
Operation/maintenance plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
<i>Total expenditures</i>	95,637	1,552,959	1,306,065	246,894
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	19,601	19,601
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Gain on sale of assets	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	19,601	19,601
<i>Fund balances - beginning of year</i>	-	-	361,029	361,029
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 380,630	\$ 380,630
<i>Net change in fund balances (Budget Basis)</i>				\$ 19,601
Adjustments to revenues for state flowthrough				(11,128)
Adjustments to expenditures for general supplies and materials				11,386
<i>Net change in fund balances (GAAP Basis)</i>				\$ 19,859

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

STATE OF NEW MEXICO
Middle College Charter School
Combining Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Federal Stimulus	Instructional Materials	Title I
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 303,068	\$ -	\$ 21,978	\$ -
Due from other fund	29,007	-	-	-
Other receivables	-	-	-	1,178
<i>Total assets</i>	\$ 332,075	\$ -	\$ 21,978	\$ 1,178
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities</i>				
Accounts payable	\$ 649	\$ -	\$ -	\$ -
Due to other funds	-	-	-	1,178
Deferred revenue	38,445	-	11,465	-
<i>Total liabilities</i>	39,094	-	11,465	1,178
<i>Fund balances</i>				
Undesignated, reported in				
General fund	292,981	-	-	-
Special revenue fund	-	-	10,513	-
<i>Total fund balances</i>	292,981	-	10,513	-
<i>Total liabilities and fund balances</i>	\$ 332,075	\$ -	\$ 21,978	\$ 1,178

The accompanying notes are an integral part of these financial statements

<u>Public School Capital Outlay</u>	<u>Total</u>
\$ -	\$ 325,046
-	29,007
27,829	29,007
<u>\$ 27,829</u>	<u>\$ 383,060</u>
\$ -	\$ 649
27,829	29,007
-	49,910
<u>27,829</u>	<u>79,566</u>
-	292,981
<u>-</u>	<u>10,513</u>
-	303,494
<u>\$ 27,829</u>	<u>\$ 383,060</u>

STATE OF NEW MEXICO
Middle College Charter School
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Federal Stimulus	Instructional Materials	Title I
<i>Revenues:</i>				
Federal direct	\$ -	\$ -	\$ -	\$ 1,178
State direct	463,072	-	10,513	-
<i>Total revenues</i>	463,072	-	10,513	1,178
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	190,828	-	-	1,178
Support service - students	271,042	-	-	-
Support service - school administration	2,052	-	-	-
Capital outlay	1,365	-	-	-
<i>Total expenditures</i>	465,287	-	-	1,178
<i>Excess (deficiency) of revenues over expenditures</i>	(2,215)	-	10,513	-
<i>Other financing sources (uses)</i>				
Transfers in (out)	(244)	244	-	-
<i>Net change in fund balances</i>	(2,459)	244	10,513	-
<i>Fund balances - beginning of year</i>	295,440	(244)	-	-
<i>Fund balances - ending of year</i>	\$ 292,981	\$ -	\$ 10,513	\$ -

The accompanying notes are an integral part of these financial statements

<u>Public School Capital Outlay</u>	<u>Total</u>
\$ -	\$ 1,178
<u>27,829</u>	<u>501,414</u>
<u>27,829</u>	<u>502,592</u>
27,829	219,835
-	271,042
-	2,052
-	<u>1,365</u>
<u>27,829</u>	<u>494,294</u>
<u>-</u>	<u>8,298</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>8,298</u>
<u>-</u>	<u>295,196</u>
<u>\$ -</u>	<u>\$ 303,494</u>

STATE OF NEW MEXICO
Middle College Charter School
General Fund
Budgetary Comparison Schedule
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Schedule D-3

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State direct	445,854	445,854	463,072	17,218
<i>Total revenues</i>	445,854	445,854	463,072	17,218
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	281,279	281,279	190,569	90,710
Support service - students	186,372	186,372	272,407	(86,035)
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	2,052	(2,052)
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	467,651	467,651	465,028	2,623
<i>Excess (deficiency) of revenues over expenditures</i>	(21,797)	(21,797)	(1,956)	19,841
<i>Other financing sources (uses):</i>				
Designated cash balance	21,797	21,797	-	(21,797)
Transfer in (out)	-	-	(244)	(244)
<i>Total other financing sources (uses)</i>	21,797	21,797	(244)	(22,041)
<i>Net change in fund balances</i>	-	-	(2,200)	(2,200)
<i>Fund balance - beginning of year</i>	-	-	295,440	295,440
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 293,240	\$ 293,240
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,200)
No Adjustments				-
Adjustments to expenditures for Employee Travel.				(259)
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (2,459)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Middle College Charter School
Federal Stimulus Special Revenue Fund
Budgetary Comparison Schedule
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Schedule D-4

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State direct	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfer in (out)	-	-	244	244
<i>Total other financing sources (uses)</i>	-	-	244	244
<i>Net change in fund balances</i>	-	-	244	244
<i>Fund balance - beginning of year</i>	-	-	(244)	(244)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 244
No Adjustments				-
No Adjustments				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 244

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Middle College Charter School
Instructional Materials Special Revenue Fund
Budgetary Comparison Schedule
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Schedule D-5

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Federal flowthrough	\$ 4,005	\$ 4,005	\$ -	\$ (4,005)
Federal direct	-	-	-	-
State direct	-	-	2,200	2,200
<i>Total revenues</i>	4,005	4,005	2,200	(1,805)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	4,005	4,005	2,200	(1,805)
<i>Other financing sources (uses):</i>				
Designated cash balance	(4,005)	(4,005)	-	4,005
<i>Total other financing sources (uses)</i>	(4,005)	(4,005)	-	4,005
<i>Net change in fund balances</i>	-	-	2,200	2,200
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2,200	\$ 2,200
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,200
Adjustments to revenues for instructional material revenue.				8,313
No Adjustments				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 10,513

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Middle College Charter School
Title I Special Revenue Fund
Budgetary Comparison Schedule
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Schedule D-6

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	6,542	6,542	1,178	(5,364)
State direct	-	-	-	-
<i>Total revenues</i>	6,542	6,542	1,178	(5,364)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	1,178	(1,178)
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	-	-	1,178	(1,178)
<i>Excess (deficiency) of revenues over expenditures</i>	6,542	6,542	-	(6,542)
<i>Other financing sources (uses):</i>				
Designated cash balance	(6,542)	(6,542)	-	6,542
<i>Total other financing sources (uses)</i>	(6,542)	(6,542)	-	6,542
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Middle College Charter School
Public School Capital Outlay Capital Projects Fund
Budgetary Comparison Schedule
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Schedule D-7

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State direct	-	-	27,829	27,829
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>27,829</u>	<u>27,829</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	27,829	(27,829)
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>27,829</u>	<u>(27,829)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No Adjustments				-
No Adjustments				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Schedule of Deposit and Investment Accounts
For the Year Ended June 30, 2008

Deposit or Investment Account Type	Bank of America	Pinnacle Bank	Wells Fargo Bank	Bank of Albuquerque	Totals
Operating - checking	\$ 3,185	\$ -	\$ -	\$ -	\$ 3,185
Non-budgeted - checking	953	-	-	-	953
Food services - checking	-	-	-	-	-
Accounts Payable Clearing	-	-	-	-	-
Debt Service	-	-	-	-	-
Repurchase	28,427,715	-	-	-	28,427,715
David Skeet elementary - checking	4,648	-	-	-	4,648
Gallup Central high - checking	21,165	-	-	-	21,165
Gallup high - checking	220,775	-	-	-	220,775
Juan De Onate - checking	11,486	-	-	-	11,486
Lincoln elementary - checking	6,916	-	-	-	6,916
Navajo elementary - checking	3,221	-	-	-	3,221
Navajo Pine high - checking	26,664	-	-	-	26,664
Navajo middle school - checking	4,531	-	-	-	4,531
Roosevelt - checking	29,296	-	-	-	29,296
Twin Lakes elementary - checking	2,261	-	-	-	2,261
Washington elementary - checking	6,272	-	-	-	6,272
Federal projects - checking	-	1,002,046	-	-	1,002,046
Athletics - checking	-	163,935	-	-	163,935
Repurchase	-	593,701	-	-	593,701
Church Rock - checking	-	274	-	-	274
Crownpoint middle school - checking	-	10,598	-	-	10,598
Jefferson elementary - checking	-	6,864	-	-	6,864
JFK middle school - checking	-	14,482	-	-	14,482
Miyamura High	-	90,566	-	-	90,566
Ramah elementary - checking	-	6,284	-	-	6,284
Ramah high - checking	-	46,866	-	-	46,866
Red Rock elementary - checking	-	11,591	-	-	11,591
Rocky View elementary - checking	-	1,170	-	-	1,170
Stagecoach elementary - checking	-	6,257	-	-	6,257
Tohatchi elementary - checking	-	4,377	-	-	4,377
Turpen elementary - checking	-	3,878	-	-	3,878
Payroll - checking	-	-	473,247	-	473,247
Chee Dodge - checking	-	-	19,361	-	19,361
Crownpoint elementary - checking	-	-	3,918	-	3,918
Crownpoint high - checking	-	-	34,097	-	34,097
Gallup middle school - checking	-	-	18,043	-	18,043
Indian Hills - checking	-	-	11,471	-	11,471
Thoreau elementary - checking	-	-	4,428	-	4,428
Thoreau high - checking	-	-	28,324	-	28,324
Thoreau middle - checking	-	-	15,582	-	15,582
Tohatchi high - checking	-	-	18,360	-	18,360
Tohatchi middle elementary - checking	-	-	6,189	-	6,189
Tse Yi Gai High - checking	-	-	4,706	-	4,706
Nmfa 49th Supp(2003A)Gallup/Mckly Rs *	-	-	-	1,234,961	1,234,961
Nmfa Pprf Sub Lien 06C Glp/Mck Resv *	-	-	-	1,007,772	1,007,772
Nmfa Pn Dtd 5/1/05 Gallup-McKly Resv *	-	-	-	216,558	216,558
Total on deposit	28,769,088	1,962,889	637,726	2,459,291	33,828,994

See accompanying independent auditors' report

Deposit or Investment Account Type	Bank of America	Pinnacle Bank	Wells Fargo Bank	Bank of Albuquerque	Totals
Reconciling items	(6,924,323)	(589,734)	(482,286)	-	(7,996,343)
Reconciled balance June 30, 2008	<u>\$21,844,765</u>	<u>\$ 1,373,155</u>	<u>\$ 155,440</u>	<u>\$ 2,459,291</u>	<u>\$25,832,651</u>
* Cash Bond Reserve					
Reconciliation to financial statements:					
Cash and cash equivalents:					
Government-wide statement net assets					\$20,208,144
Fiduciary statement fiduciary assets and liabilities					690,166
Restricted Cash and cash equivalents:					
Government-wide statement net assets					<u>4,934,341</u>
					<u>\$25,832,651</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Cash Reconciliation
For the Year Ended June 30, 2008

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Audited Cash and Investments June 30, 2007	\$ 6,699,347	\$ 402,117	\$ 1,683,275	\$ 361,029
Add:				
Current year receipts	<u>90,489,576</u>	<u>739,815</u>	<u>6,618,900</u>	<u>1,325,666</u>
Total cash available	<u>97,188,923</u>	<u>1,141,932</u>	<u>8,302,175</u>	<u>1,686,695</u>
Less:				
Current year expenditures	91,162,357	748,229	5,917,763	1,306,065
Receivables/payables	<u>-</u>	<u>(25,092)</u>	<u>-</u>	<u>-</u>
Total cash balance, June 30, 2008	<u><u>6,026,566</u></u>	<u><u>418,795</u></u>	<u><u>2,384,412</u></u>	<u><u>380,630</u></u>

See accompanying independent auditor's report

<u>Food Services</u>	<u>Athletics</u>	<u>Non- Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
\$ 1,126,995	\$ 177,196	\$ 426,485	\$ (9,470,727)	\$ 3,405,114	\$ 22,480
<u>4,709,192</u>	<u>328,232</u>	<u>602,832</u>	<u>18,021,146</u>	<u>13,035,902</u>	<u>80,099</u>
<u>5,836,187</u>	<u>505,428</u>	<u>1,029,317</u>	<u>8,550,419</u>	<u>16,441,016</u>	<u>102,579</u>
4,077,232	339,085	589,730	14,167,658	9,817,700	106,100
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>1,758,955</u></u>	<u><u>166,343</u></u>	<u><u>439,587</u></u>	<u><u>(5,617,239)</u></u>	<u><u>6,623,316</u></u>	<u><u>(3,521)</u></u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Cash Reconciliation
For the Year Ended June 30, 2008

	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Local/State</u>	<u>Bond Building</u>
Audited Cash and Investments June 30, 2007	\$ (1,941,162)	\$ 89,823	\$ (91,194)	\$ 10,274,035
Add:				
Current year receipts	<u>3,966,873</u>	<u>160,479</u>	<u>345,634</u>	<u>5,500,000</u>
Total cash available	<u>2,025,711</u>	<u>250,302</u>	<u>254,440</u>	<u>15,774,035</u>
Less:				
Current year expenditures	2,820,920	159,537	264,821	7,580,701
Receivables/payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance, June 30, 2008	<u><u>(795,209)</u></u>	<u><u>90,765</u></u>	<u><u>(10,381)</u></u>	<u><u>8,193,334</u></u>

See accompanying independent auditor's report

<u>Public School Capital Outlay</u>	<u>Special Capital Outlay-Local</u>	<u>Special Capital Outlay-State</u>	<u>Special Capital Outlay-Federal</u>	<u>Capital Improvements HB 33</u>	<u>Capital Improvements SB9</u>
\$ 1	\$ 700,712	\$ 119,643	\$ 582,975	\$ -	\$ (468,597)
-	-	-	65,692	-	1,376,550
<u>1</u>	<u>700,712</u>	<u>119,643</u>	<u>648,667</u>	<u>-</u>	<u>907,953</u>
-	181,000	-	-	-	2,195,444
-	-	-	-	-	-
<u>1</u>	<u>519,712</u>	<u>119,643</u>	<u>648,667</u>	<u>-</u>	<u>(1,287,491)</u>

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Cash Reconciliation
For the Year Ended June 30, 2008

	<u>Energy Efficiency</u>	<u>Ed. Teach Equip Acg</u>	<u>PSOC 20%</u>	<u>Debt Service</u>
Audited Cash and Investments June 30, 2007	\$ 119,363	\$ -	\$ 1	\$ 6,104,371
Add:				
Current year receipts	<u>159,881</u>	<u>-</u>	<u>-</u>	<u>5,608,452</u>
Total cash available	<u>279,244</u>	<u>-</u>	<u>1</u>	<u>11,712,823</u>
Less:				
Current year expenditures	127,986	-	-	6,766,378
Receivables/payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,104</u>
Total cash balance, June 30, 2008	<u><u>151,258</u></u>	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>4,934,341</u></u>

See accompanying independent auditor's report

<u>Deferred Sick Leave</u>	<u>Ed Tech Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ 20,323,282
<u>-</u>	<u>-</u>	<u>153,134,921</u>
<u>-</u>	<u>-</u>	<u>173,458,203</u>
-	-	148,328,706
<u>-</u>	<u>-</u>	<u>(12,988)</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>25,142,485</u></u>

State of New Mexico
 Gallup-McKinley County Public Schools
 Schedule Of Collateral Pledged By Depository
 For Public Funds
 June 30, 2008

Schedule III

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2008</u>	<u>Location of Safekeeper</u>
Bank of America					
	FNMA Note	5/1/2033	31385XAZ0	\$ 1,215,544	Charlotte, NC
	FNMA Note	5/1/2035	31402RDC0	218,755	Charlotte, NC
	FNMA Note	5/1/2037	31410UHM7	127,979	Charlotte, NC
	FNMA Note	4/1/2038	31410KES9	574,669	Charlotte, NC
	FHLM Note	4/1/2038	3128M6BA5	2,690,795	Charlotte, NC
	FNMA Note	4/1/2038	31412SZE8	2,598,060	Charlotte, NC
	FNMA Note	1/1/2038	31410GXL2	2,553,438	Charlotte, NC
	FHLM Note	2/1/2038	3128M5UG3	2,477,262	Charlotte, NC
	FHLM Note	1/1/2038	3128M5QH6	643,671	Charlotte, NC
	FNMA Note	6/1/2033	31405FHQ8	461,629	Charlotte, NC
	FHLM Note	3/1/2038	3128M54N7	1,331,403	Charlotte, NC
	FNMA Note	2/1/2038	31410GZ55	60,636	Charlotte, NC
	FHLM Note	12/1/2037	3128M6AW8	858,953	Charlotte, NC
	FHLM Note	11/1/2033	312926KJ6	2,222,277	Charlotte, NC
	FNMA Note	4/1/2018	31385W5N5	2,200,795	Charlotte, NC
	FNMA Note	12/1/2037	31371NP58	2,089,646	Charlotte, NC
	FNMA Note	8/1/2033	31371LA58	2,055,279	Charlotte, NC
	FNMA Note	2/1/2038	31410G2L6	2,009,200	Charlotte, NC
	FHLM Note	6/1/2037	3128M4W82	1,981,007	Charlotte, NC
	FHLM Note	4/1/2038	3128M6CH9	1,840,816	Charlotte, NC
	Total Bank of America			<u>30,211,814</u>	
Wells Fargo Bank					
	FNCL Note	5/1/2036	31410M5J5	<u>2,308,039</u>	San Francisco, CA
	Total Wells Fargo Bank			<u>2,308,039</u>	
Pinnacle Bank					
	FHLB Note	4/13/2011	3133XF5M4	3,551,406	Kansas City, KA
	FHLB Note	7/30/2014	3133XLUC5	982,450	Kansas City, KA
	Corona, NM SD Note	10/1/2009	219762AM3	77,049	Minneapolis, MN
	Total Pinnacle Bank			<u>4,610,905</u>	
	Total Pledged Collateral			<u>\$ 37,130,758</u>	

See accompanying independent auditor's reports

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Schedule of Changes in Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Chee Dodge Elementary	\$ 12,265	\$ 40,035	\$ 34,812	\$ 17,488
Church Rock Elementary	799	3,763	4,288	274
Crownpoint Elementary	4,078	3,282	3,576	3,784
Crownpoint Mid School	8,087	26,867	24,480	10,474
Crownpoint High	26,720	68,445	61,294	33,871
David Skeet Elementary	4,083	13,961	13,533	4,511
Gallup Central High	68,480	117,832	165,172	21,140
Gallup High School	127,166	531,726	441,136	217,756
Gallup Mid-school	24,960	37,482	45,154	17,288
Indian Hills Elementary	12,292	23,199	25,167	10,324
Jefferson Elementary	1,951	15,642	10,729	6,864
J F K Mid-School	11,551	25,013	22,431	14,133
Juan De Onate Elementary	13,153	36,169	37,855	11,467
Lincoln Elementary	6,550	22,095	21,729	6,916
Miyamura High	67,205	218,621	196,310	89,516
Navajo Elementary	1,432	10,069	8,249	3,252
Navajo Mid School	4,337	3,791	3,597	4,531
Navajo Pine High	20,221	35,259	28,894	26,586
Ramah Elementary	9,844	15,389	18,970	6,263
Ramah High	42,020	72,312	67,466	46,866
Red Rock Elementary	8,557	57,980	54,963	11,574
Rocky View Elementary	3,579	23,566	25,975	1,170
Roosevelt Elementary	25,806	22,505	19,015	29,296
Stagecoach Elementary	6,950	18,759	20,331	5,378
Thoreau Elementary	3,968	27,059	26,599	4,428
Thoreau Mid-School	19,379	30,289	34,591	15,077
Thoreau High	31,727	127,813	135,291	24,249
Tohatchi Elementary	4,179	26,814	26,616	4,377
Tohatchi Mid-School	6,591	18,579	19,007	6,163
Tohatchi High School	24,554	46,617	53,213	17,958
Tse' Yi' Gai High School	5,744	24,531	25,464	4,811
Turpin Elementary	1,217	31,360	28,729	3,848
Twin Lakes Elementary	5,832	12,439	16,010	2,261
Washington Elementary	9,754	18,350	21,832	6,272
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 625,031</u>	<u>\$ 1,807,613</u>	<u>\$ 1,742,478</u>	<u>\$ 690,166</u>

See accompanying independent auditor's reports

(This page intentionally left blank)

COMPLIANCE SECTION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Gallup McKinley County Public Schools
Gallup, New Mexico

We have audited the financial statements of the governmental activities the discretely presented component unit, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of Gallup-McKinley County Public Schools (the "District"), as of and for the year ended June 30, 2008, which collectively comprise the School's basic financial statements as listed in the table of contents and have issued our report thereon dated October 6, 2008. We also have audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds and the budgetary comparisons for the major capital projects funds, component unit, and the nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents and have issued our report thereon dated October 6, 2008. 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 Gallup-McKinley County Public School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gallup-McKinley County Public School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by Gallup-McKinley County Public School's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items FS 07-04, FS 07-05, FS 08-01, FS 08-03, and FS 08-04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Gallup McKinley County Public School's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gallup-McKinley County Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items FS 07-07 and FS 08-02.

Gallup-McKinley County Public School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School's responses 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, Board of Education, the Office of the State Auditor, the New Mexico Public Education Department, the New Mexico Legislature, and 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.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 6, 2008

(This page intentionally left blank)

FEDERAL FINANCIAL ASSISTANCE

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

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
To the Board of Education
Gallup McKinley County Public Schools
Gallup, New Mexico

Compliance

We have audited the compliance of Gallup-McKinley County Public 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, 2008. Gallup-McKinley County Public School's major federal programs are identified in the summary of auditors' 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 Gallup-McKinley County Public School's management. Our responsibility is to express an opinion on Gallup-McKinley County Public School's compliance based on our audit.

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

In our opinion, Gallup-McKinley County Public 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, 2008.

Internal Control Over Compliance

The management of Gallup-McKinley County Public 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 Gallup-McKinley County Public School's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Gallup-McKinley County Public School's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, Board of Education, the Office of the State Auditor, the New Mexico Public Education Department, the New Mexico Legislature, and 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.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
October 6, 2008

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantee/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number	Expenditures
U.S. Department Education			
<i>Passthrough - State of NM Public Education Department</i>			
Title I IASA	24101	84.010	\$ 7,527,437
Javits	24102	84.206A	2,278
IDEA-B Entitlement	24106	84.027 (1)	2,986,290 M
IDEA-B Preschool	24109	84.027 (1)	141,626 M
Education of Homeless Child	24113	84.196	7,476
Title I Family Literacy	24125	84.213	111,559
Character Counts	24129	84.215V	13,407
Enhancing Education Through	24133	84.318	61,700
Comprehensive School Reform	24135	84.332A	4,200
Title V Innovation	24150	84.298	17,710
English Language Acquisition	24153	84.365A	297,398
Teacher/Principal Training	24154	84.367A	1,789,082 M
Safe and Drug Free Schools	24157	84.186A	148,922
21st Century Community Living Center	24159	84.287C	156,825
Rural and Low Income Schools	24160	84.358B	203,228 M
Title I School Improvement	24162	84.010	1,855
Reading First	24167	84.357A	139,322
Carl Perkins Secondary - Current	24174	84.048	207,542
Safe and Drug Free Schools	25111	84.184	210,606
Native American Program	25248	84.365C	239,362
Total USDE Passthrough			14,267,825
Federal Direct Grants			
Impact Aid Special Education	25145	84.041	776,601
Impact Aid Indian Education	25147	84.041	5,145,248
Indian Education Formula Grant	25184	84.060A	1,465,009
Teaching American History	25107	84.215X	275,391
GRADS Child Care	25149	93.590	2,991
Title XIX Medicaid	25153	93.778	223,408
Child Block Grant CYFD	25157	93.037	48,390
TANF/GRADS HSD	25162	93.558	46,483
21st Century Community Living Center	25199	84.287A	2,560
Title V Indian Health Care Impr Aid	25209	93.237	270,022
Navajo Nations	25201	93.257	94,084
Goals 2000 Parental Assistance	25228	84.310A	17,981
Transition to Teaching	25236	84.350	123,612
Substance Abuse and Mental Health Services	25238	93.243	106,296
Carol White	25241	84.215F	289,880
Total USDE Direct			8,887,956

M=Denotes major Federal financial assistance program (1) Denotes IDEA cluster

The accompanying notes are an integral part of these financial statements

Federal Grantee/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number	Expenditures
<i>Bureau of Indian Affairs</i>			
Johnson O'Malley	25131	15.130	559,699 M
Total Bureau of Indian Affairs			
<i>Department of Health & Human Services</i>			
Commodities program			
Total Health & Human Services			
<i>U.S. Department of Agriculture</i>			
National Schools Lunch Program	21000	10.555	4,256,066 M
Child and Food Program	25171	10.558	3,473
Total USDA			
Total Federal Awards			
			<u>\$ 28,240,972</u>

M=Denotes major Federal financial assistance program (1) Denotes IDEA cluster

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

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 Gallup-McKinley County Public Schools, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the modified accrual basis financial statements.

2 Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 28,240,972
Total expenditures funded by other sources	<u>164,323,317</u>
Total expenditures	<u><u>\$ 192,564,289</u></u>

(This page intentionally left blank)

STATE OF NEW MEXICO
 Gallup-McKinley County Public Schools
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |

4. Identification of major programs:

CFDA Number	Federal Program
10.555	National Schools Lunch Program
84.367A	Teacher/Principal Training
84.027	IDEA-B
84.358B	Rural and Low Income School
15.130	Johnson O'Malley

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$831,839 |
| 6. Auditee qualified as low-risk auditee? | Yes |

B. FINDINGS-FINANCIAL STATEMENT AUDIT

Primary Government:

FS 07-04 — Pooled Cash Requirements

Criteria: Pursuant to the provisions of State Regulations 6.20.2.23 (C) (1) and (2), NMAC and Section 6-14-6 NMSA 1978, various grants are designed for specific purposes and are limited by the grant agreement. These provisions do not allow for these funds to subsidize other grants and /or programs.

Condition: The District maintains a pooled cash arrangement in which various funds' cash is commingled in a common bank account. The District, at times, is required to "borrow" between funds while it awaits reimbursement from its grantor and upon receipt of revenue will "repay" the funds. At no time is the actual bank account overdrawn. The District maintained 46 funds with book overdrafts at June 30, 2008.

Cause: Pooled cost reimbursement grants are periodically delayed in providing funds to the District and the District has also had construction projects run ahead of schedule, both causing temporary cash flow issues in various funds throughout the year.

Effect: The District is in violation of the provisions of State Regulations 6.20.2.23 (C) (1) and (2), NMSA 1978. It is possible that because the District is violating this provision, the government program might restrict the amount the District receives so that they would not have money to lend other programs.

Auditors' Recommendations: The District should establish procedures and assign responsibility for monitoring and estimating cash balances and needs in each individual fund. These procedures should include approvals of transfers and policies that ensure that restrictions on cash are not violated.

Management's Response: The District concurs with this finding, however, reflects that the condition is due to extremely slow response to cash reimbursement requests submitted by the District to the Public Education Department. The slow response to reimbursement of funds that are expended is the root cause of this condition; no grant funds are expended for unapproved purposes. The District is required to expend funds first, while then waiting for extended periods to receive reimbursement for Federal and State flow through grants under the supervision of the Public Education Department. Management will more closely monitor cash balances and eliminate deficits by potential Board approved permanent transfers from the general fund and aggressively pursuing reimbursement requests. We will also attempt to seek legislative relief for this condition that exists throughout public schools in the state.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

Primary Government (continued):

FS 08-01 — Lack of Segregation of Duties in the Food Service

Criteria: Segregation of duties over disbursements is required to maintain proper and sufficient internal controls per Section 6.20.2.11 of NMAC.

Condition: The Student Nutrition Director of the Food Services Department performs all the disbursement duties and functions without review by another party. This includes creating and approving of purchase orders with no involvement of another party.

Cause: The Food Service Department disbursement process is decentralized. Management did not address lack of segregation of duties over the disbursement process in the Food Services Department.

Effect: Lack of adequate segregation of duties or a formal review process prevents the District from detecting errors or fraudulent activity on a timely basis.

Auditor's Recommendations: All disbursements for the Food Services Department should be processed through the District's centralized procurement process.

Management's Response: Training has begun and on-line systems are in place to begin the integration of Food Services financial activity into the District's financial accounting, procurement and encumbrance systems. This integration will provide adequate segregation of duties and essential internal controls for the Food Services Department that are in place for other departments.

FS 08-02 - Cash Appropriations in Excess of Available Cash Balances

Criteria: All District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Public Education Department for approval. Once adopted, any claims or warrants in excess of budget are a violation of Section 6.20.2.9.

Condition: The District's designated cash appropriations in excess of available balances in the following funds:

Operating Fund	\$ 3,423,299
Capital Improvement SB-9 Capital Projects Fund	595,547
Public Building Energy Efficient Capital Projects Fund	43,327
Bond Building Capital Projects Fund	2,090,753
Special Capital Outlay Federal	<u>134,816</u>
Total Governmental Funds	<u>\$ 6,287,742</u>

Cause: Inadequate monitoring of cash available to be rebudgeted is the cause of this problem.

Effect: The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the District incurring debt to pay for current year budgeted expenditures, which would result in noncompliance with the Bateman Act.

Auditor's Recommendation: Greater attention should be given to the cash balances actually available to cover budgeted expenditures in excess of budgeted revenues.

Management's Response: The District will implement a process through the Performance Budget Analysis Team to consider an estimate of designated cash when budgets are established.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

Primary Government (continued):

FS 08-03– IT Control Deficiencies

Criteria: State of New Mexico Statewide Guideline S-GUIDE-002.003 (per NMSA 1978 Section 15-1C-1 et. Seq. and NMAC 1.12.6 and NMAC 1.12.2) establishes an Enterprise Security Policy for the protection of IT assets and resources including data and information. The policy establishes that protection must be provided for IT assets, resources, and data/information from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, availability, accountability, and assurance, and establishes that controls must be maintained over information systems, resources, and data/information sufficient to contain risk of loss or misuse of information.

Condition: During our audit, we noted that:

- Adequate controls for access to programs and data have not been established by management to restrict access to properly authorized individuals. Lack of such controls exist in the following areas:
 1. Configuration of Access Rules/Access Administration (Inappropriate access to CIMS)
- Adequate controls are not in place to ensure recoverability from interruptions in service in a timely manner and to restore critical information services in the event of a disaster.

Cause: Gallup-McKinley County Schools is not properly safeguarding IT assets and resources. The following deficiencies were noted:

- Lack of segregation of duties: IT Personnel have capability to enter financial transactions into CIMS and on occasion perform transaction entry into CIMS
- Lack of contingency plan for disaster recovery
- Lack of offsite storage for backups, lack of secure storage for backups, lack of testing performed on backups

Effect: Lack of segregation of duties, lack of proper backup procedures and lack of contingency planning leave Gallup-McKinley County Schools at risk for loss or misuse of data and information. Adequate protection has not been established to safeguard IT assets and resources.

Auditor's Recommendations: Gallup-McKinley County Schools should consider implementing the following recommendations:

- Restrict financial transaction entry privileges to appropriate personnel. IT personnel or any other personnel responsible for management and administration of CIMS should not be allowed to enter financial transactions into CIMS.
- Establish a Disaster Recovery Plan or another written plan detailing how to recover systems and data in the event of an interruption in service or a disaster.
- Designate an offsite area for storage of backup tapes. Any tapes stored temporarily onsite should be kept in a secure location accessible only by authorized personnel. Backups should be periodically tested for recoverability.

Management's Response: Some IT personnel are required to have access to all applications in CIMS in order to maintain the program. Occasionally, the IT personnel enter financial information into CIMS, however they are directed to do so by personnel in the department for which they are working at the time. Entries by IT personnel are reviewed by personnel in that department.

The District will establish a written Disaster Recovery Plan to ensure that systems and data can be recovered in the event of a service interruption or a disaster. Under normal circumstances, the District can obtain new equipment in two weeks; in emergency situations, we may receive this equipment sooner. We also have an established procedure of backing up the CIMS program and data daily onto tapes. The tapes are maintained in secure places so that they can be restored to the new hardware immediately.

The District will establish an appropriate offsite area for storage of backup tapes to be noted in our Disaster Recovery Plan. Currently, the District stores the daily tapes in a fireproof safe that is separated by a brick wall from the room containing the server. Weekly, the Friday backup tape is taken offsite to an IT staff's home, as an additional security measure. Several times per year, the tapes are used to retrieve information not available on the server. They are tested for recoverability during this process.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

Component Unit

FS 07-07 Component Unit Exceeded Budget Authority

Condition: The Charter School has the following expenditure functions where actual expenditures exceeded budgetary authority.

	<u>Amount</u>
General Fund	
Support service	\$ 85,887
Title I Special Revenue Fund	
Instruction	\$ 1,178
Public School Capital Outlay	
Instruction	\$ 27,829

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For the Charter School, the expenditure function is the legal level of control.

Cause: The Charter School’s policies and procedures do not prevent over expenditure of funds nor require budget adjustments when necessary.

Effect: The result is that the Charter School over spent its budget and could possibly receive less money from PED because of this.

Auditors’ Recommendation: The Charter School should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management’s Response: The budget will be reviewed quarterly and adjustments as needed will be done at that time.

FS 08-04 — Understanding of Financial Reports

Criteria: The AICPA Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that “the financial statements are management’s responsibility. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process and report transactions (as well as events and conditions) consistent with management’s assertions embodied in the financial statements.”

Condition: During our test work, the Charter School was unable to provide detailed information regarding their accounts receivable, accounts payable, and deferred revenue accounts without contacting UNM.

Cause: The Charter School receives monthly reports from UNM detailing their accounts receivable and accounts payable balances. Because the School is on a cash basis, they do not keep their own records of those accounts.

Effect: The Charter School could not provide detail or an explanation for the three accounts noted above. Also because of the School not understanding the reports, they would never be able to know if the reports were incorrect and be able to fix them.

Auditor’s Recommendation: We recommend that the Charter School obtain at the minimum a quarterly report from UNM detailing the balances for all accounts managed by UNM. It is important for the Charter School to understand how UNM is booking their transactions rather than just relying on UNM’s numbers.

Management’s Response: During the quarterly reporting to PED we will include these accounts in the analysis to ensure full understanding and verify that all transactions for billing and receipts are booked.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

Primary Government and Component Unit

FS- 07-05: Preparation of Financial Statements

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures. The body charged with governance must provide effective oversight of the controls over the financial reporting process.

Condition: The Body charged with governance does not exercise effective oversight, as defined by Statement on Auditing Standards No. 112, of the internal control and financial reporting processing. The financial statements and related disclosures are not being prepared by District management.

Cause: The Body charged with governance was unaware of the requirements of Statement on Auditing Standards No. 112 to provide effective oversight of control over the financial reporting processing. District personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting including the preparation of financial statements and related footnote disclosures.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Auditor's Recommendation: We recommend that District management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB)
 - Generally Accepted Accounting Principles (specifically as applied to governmental units)
 - Financial Accounting Standards Board (FASB)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
 - Management's discussion and analysis
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the District management should periodically present a reporting package to the body charged with governance for review. The governing board's review of the reporting package should be documented in the minutes. The reporting package could include items such as budget variances and analyses, a review of internal control processes over a significant transaction class like payroll or cash receipts, and other reports or processes that management uses for the internal control and financial reporting processes. The Body charged with governance should gain an understanding of internal control processes and the financial reporting process.

Management's Response: Additional training, including a larger number of personnel, will be scheduled in order to become more familiar with the requirements of external financial reporting. District management will periodically present a reporting package for the governing board's review; this package will be refined to include various budgetary analyses, internal control processes and other processes used for internal control. The goal will be to increase the understanding of the governing body of these processes.

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Schedule VI
Page 7 of 7

C. **FEDERAL FINDINGS - NONE**

D. **PRIOR YEAR AUDIT FINDINGS**

FS 06-01: Expenditures Exceed Budgetary Authority - Resolved

FS 07-01: Lack of Proper Authorization for Disbursement - Resolved

FS 07-02: Item Coded to Wrong General Ledger Account - Resolved

FS 07-03: Incomplete Personnel Files - Resolved

FS 07-04: – Bond Use Requirements –Repeated and Revised

FS 07-05: Preparation of Financial Statements - Repeated

FS 07-06: Member of Governing Body Not Present at Exit Conference -Resolved

FS 07-07 Component Unit Exceeded Budget Authority - Repeated

FA-07-01 Unallowable Costs - Resolved

(This page intentionally left blank)

STATE OF NEW MEXICO
Gallup-McKinley County Public Schools
Other Disclosures
For the Year Ended June 30, 2008

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Although it would be preferred and desirable for the Schools to prepare its own GAAP-basis financial statements, it is felt that the Schools' personnel do not have the time to prepare them. Therefore, the outside auditor prepared 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 October 6, 2008. The following individuals were in attendance.

Gallup-McKinley Schools Personnel

Accounting & Consulting Group, LLP

Ray Arsenault - Superintendent
Joe Delao – Board of Education Member
John Samford - Asst Superintendent
of Business Services
Leonard Haskie - Asst Superintendent
of Support Services
Paul Kraft – Director of Student Services
Tony Major – Director of Business Operation –Charter School
Walter Feldman – Principal of Charter School
Kim Brown - Director of Fiscal Services

Jeffrey McWhorter, CPA, Director