

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 JUNE 30, 2008

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STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2008

BOARD OF EDUCATION

Dr. Allen Garrett	President
Mary Lou Rowley	Vice President
Inez Rodriguez	Secretary
David Brooks	Member
Rod Savage	Member

SCHOOL OFFICIALS

Randy Fowler	Superintendent
Carol Kriegshauser	Fiscal Officer

INDEPENDENT AUDITOR'S REPORT

Mr. Hector Balderas
New Mexico State Auditor
The Board of Directors
Portales Municipal Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portales Municipal Schools, 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 Portales Municipal Schools' 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 Portales Municipal Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Portales Municipal Schools, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Senate Bill Nine, and Technology Equity, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental fund of Portales Municipal Schools as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the non major governmental funds and Bond Building and Debt Service for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2008, on our consideration of Portales Municipal Schools' internal control over financial reporting and 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.

Portales Municipal Schools has not presented the managements discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and 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. of Management and Budget Circular A-133, Audits of State, Local Government, and Non-Profit Organizations. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Portales Municipal Schools. This information and the statement of expenditures of federal awards are not a required part of the basic financial statements of Portales Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole.

Roy *Woodard & Associates*

Portales, New Mexico
November 10, 2008

FINANCIAL SECTION

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS

June 30, 2008

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 9,047,587
Due from other governments	874,545
Property Taxes Receivable	155,966
Inventory	8,248
Non-current:	
Capital assets, net	25,563,007
Bond Issuance Costs-Net	164,345
Total assets	<u>\$ 35,813,698</u>

LIABILITIES

Current:	
Accounts Payable	243,477
Deferred Revenue	256,985
Debt due within one year	1,120,000
Non-current:	
Compensated Absences	115,791
Bond Premium-Net	78,164
Debt due in more than one year	9,105,000
Total liabilities	<u>10,919,417</u>

NET ASSETS

Invested in capital assets, net of related debt	15,338,007
Restricted for:	
Debt Service	620,532
Bond Building	4,728,567
Ed Tech Equipment Act	(3,332)
Energy Efficiency Act	39,506
PSCO 20%	1,360
Athletics	101,395
Cafeteria	505,040
Senate Bill Nine	1,360,613
Unrestricted	2,202,593
Total net assets	<u>\$ 24,894,281</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
	\$	\$	\$	\$	\$
Primary government:					
Governmental Activities:					
Instruction	13,523,781	56,993	928,305	-	(12,538,483)
Support Services	-	-	-	-	-
Support Services-Students	2,419,041	-	543,889	-	(1,875,152)
Support Services-Instruction	1,059,867	-	384,670	-	(675,197)
Support Services-General Administration	634,815	-	87,094	-	(547,721)
Support Services-School Administration	2,493,513	-	919,351	-	(1,574,162)
Central Services	1,009,662	-	235,299	-	(774,363)
Operation & Maintenance of Plant	2,653,656	-	-	-	(2,653,656)
Student Transportation	1,052,404	-	1,052,404	-	-
Other Support Services	-	-	-	-	-
Food Services-Operations	1,284,813	158,238	1,188,502	-	61,927
Community Services-Operations	5,486	-	5,486	-	-
Bond Interest Paid	321,429	-	-	-	(321,429)
Depreciation-Unallocated	1,207,797	-	-	-	(1,207,797)
Amortization-Unallocated	23,478	-	-	-	(23,478)
Unallocated	-	52,450	55,105	1,727,691	1,835,246
		-			
Total governmental activities	\$ 27,689,742	\$ 267,681	\$ 5,400,105	\$ 1,727,691	\$ (20,294,265)
General Revenues:					
Property Taxes:					
Levied for General Purposes					71,404
Levied for Debt Service					1,230,036
Levied for Capital Projects					313,945
State Equalization Guarantee					19,528,473
Federal & State aid not Restricted					6,562
State Capital Outlay Grants					384,266
Bond Premium -Amortization					11,166
Interest Earnings					200,236
Donations					9,072
Miscellaneous					6,116
			Total general revenues		21,761,276
			Change in net assets		1,467,011
			Net assets - beginning		20,674,276
			Restatement		2,752,994
			Restated Balance		23,427,270
			Net assets - ending	\$	24,894,281

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2008

	<u>GENERAL</u>	<u>SENATE BILL 9</u>	<u>BOND BUILDING</u>	<u>TECHNOLOGY EQUITY</u>
ASSETS				
Cash on Deposit	\$ 1,301,422	\$ 1,353,438	\$ 4,728,567	\$ -
Due from Other Funds	953,732	-	-	-
Due from Other Agencies	-	-	-	274,014
Property Tax Receivable	6,894	30,160	-	-
	-	-	-	-
TOTAL ASSETS	<u>\$ 2,262,048</u>	<u>\$ 1,383,598</u>	<u>\$ 4,728,567</u>	<u>\$ 274,014</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 25,184	\$ -	\$ -	\$ -
Deferred Revenue	5,284	22,985	-	-
Due to Other Funds	1,360	-	-	274,014
TOTAL LIABILITIES	<u>31,828</u>	<u>22,985</u>	<u>-</u>	<u>274,014</u>
FUND BALANCE				
Reserved for Inventory				
Reserved for Debt Service	-	-	-	-
Unreserved, Reported In: Designated for Subsequent Years Expenditures	2,230,220	-	-	-
Capital projects Funds	-	-	4,728,567	-
Special Revenue Funds	-	1,360,613	-	-
TOTAL FUND BALANCE	<u>2,230,220</u>	<u>1,360,613</u>	<u>4,728,567</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,262,048</u>	<u>\$ 1,383,598</u>	<u>\$ 4,728,567</u>	<u>\$ 274,014</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2008

	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash on Deposit	\$ 766,104	\$ 898,056	\$ 9,047,587
Due from Other Funds	3,332	1,360	958,424
Due from Other Agencies	-	600,531	874,545
Property Tax Receivable	91,666	27,246	155,966
Inventory	-	8,248	8,248
TOTAL ASSETS	<u>\$ 861,102</u>	<u>\$ 1,535,441</u>	<u>\$ 11,044,770</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 185,093	\$ 33,200	\$ 243,477
Deferred Revenue	69,235	161,465	258,969
Due to Other Funds	-	683,050	958,424
TOTAL LIABILITIES	<u>254,328</u>	<u>877,715</u>	<u>1,460,870</u>
FUND BALANCE			
Reserved for Inventory		8,248	8,248
Reserved for Debt Service	606,774	13,758	620,532
Unreserved, Reported In: Designated for Subsequent Years Expenditures	-		2,230,220
Capital projects Funds	-	37,534	4,766,101
Special Revenue Funds	-	598,187	1,958,800
TOTAL FUND BALANCE	<u>606,774</u>	<u>657,727</u>	<u>9,583,901</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 861,102</u>	<u>\$ 1,535,442</u>	<u>\$ 11,044,771</u>

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

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS 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	\$ 9,583,901
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	25,563,007
Compensated absences	(115,791)
Property taxes receivable will be collected during the year ended June 30, 2008 but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	1,984
Bond Premium	(78,165)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(10,225,000)
Bond Issuance Costs	<u>164,345</u>
Net assets of governmental activities	<u>\$ 24,894,281</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	General	SENATE BILL 9	Bond Building
REVENUE			
Federal Programs	\$ 65,901	\$ -	\$ -
State Programs	1,434,920	382,548	-
State Equalization	19,528,473		
Interest Earnings	117,878	26,365	48,566
Charges for Services	34,843		
Fees	17,607		
Donations	9,072		
Miscellaneous	5,089	-	
Sale of Bond Proceeds			4,524,824
Local Property Taxes	71,073	312,925	-
TOTAL REVENUES	<u>21,284,856</u>	<u>721,838</u>	<u>4,573,390</u>
EXPENDITURES			
Current			
Instruction	12,574,465	-	-
Support Services-Students	1,841,248	-	-
Support Services-Instruction	675,197	-	-
Support Services-General Administration	535,461	-	-
Support Services-School Administration	1,574,163	-	-
Central Services	774,363	-	-
Operation & Maintenance of Plant	2,575,101	-	-
Student Transportation	1,050,654	-	-
Food Services-Operations	-	-	-
Community Services-Operations	-	-	-
Acquisition & Construction	-	567,696	776,099
Debt Service		-	-
Principal			
Interest			
TOTAL EXPENDITURES	<u>21,600,652</u>	<u>567,696</u>	<u>776,099</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(315,796)	154,142	3,797,291
Other Financing Sources (uses)			
Transfers In/Out	(33,883)	-	-
Total Other Financial Sources	<u>(33,883)</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>(349,679)</u>	154,142	3,797,291
FUND BALANCE			
June 30, 2007	2,579,938	1,206,471	931,276
Restatement	(39)		
Restated Balance	<u>2,579,899</u>	<u>1,206,471</u>	<u>931,276</u>
FUND BALANCE June 30, 2008	<u>\$ 2,230,220</u>	<u>\$ 1,360,613</u>	<u>\$ 4,728,567</u>

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

<u>TECHNOLOGY EQUITY</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ 3,728,854	\$ 3,794,755
274,014	-	613,298	2,704,780
			19,528,473
	2,227	5,200	200,236
		-	34,843
		215,231	232,838
			9,072
		1,027	6,116
			4,524,824
-	977,383	252,020	1,613,401
<u>274,014</u>	<u>979,610</u>	<u>4,815,630</u>	<u>32,649,338</u>
-	-	935,126	13,509,591
-	-	577,793	2,419,041
274,014	-	110,656	1,059,867
-	9,721	89,633	634,815
-	-	919,350	2,493,513
-	-	235,299	1,009,662
-	-	78,555	2,653,656
-	-	1,750	1,052,404
-	-	1,284,813	1,284,813
-	-	5,486	5,486
-	-	338,816	1,682,611
-	-	-	-
	750,000	350,000	1,100,000
	298,444	22,985	321,429
<u>274,014</u>	<u>1,058,165</u>	<u>4,950,262</u>	<u>29,226,888</u>
-	(78,555)	(134,632)	3,422,450
-	-	33,883	-
-	-	33,883	-
-	(78,555)	(100,749)	3,422,450
-	685,329	788,126	6,191,140
-	-	(29,650)	(29,689)
-	-	758,476	6,161,451
<u>\$ -</u>	<u>\$ 606,774</u>	<u>\$ 657,727</u>	<u>\$ 9,583,901</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$ 3,422,450
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. This is the amount by which capital outlays exceeded depreciation in the current year.	474,814
This amount represents the cost of construction paid on the District's behalf by the New Mexico Public Schools Facilities Authority. This amount is recorded as revenue in Capital Grants and Contributions on the Statement of Activities and as an increase in Capital Assets.	1,019,089
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.	1,984
Bond Premium Amortization	11,166
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Bond issuance proceeds	(4,524,824)
Expenses in the statement of activities which do not require use of current financial resources	
Increase in compensated absences	(14,190)
Bond Principal	1,100,000
Issuance cost Amortization	<u>(23,478)</u>
Change in Net Assets	<u>\$ 1,467,011</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET
 (NON-GAAP) AND ACTUAL-GENERAL FUND
 Year Ended June 30 2008

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 71,713	\$ 71,713	\$ 70,787	\$ (926)
Fees - Educational	-	-	9,652	9,652
Rent and Leases	-	-	-	-
Fees Activities	-	-	-	-
Fees-Users	-	-	7,955	7,955
Fees-Summer School	-	-	-	-
Donations/Gifts	10,000	10,000	9,072	(928)
Interest Income	85,655	85,655	117,878	32,223
State Equalization	19,375,254	19,527,106	19,528,473	1,367
State Flow Through Grants	1,203,778	1,349,115	1,434,799	85,684
Impact Aid	4,061	4,061	6,562	2,501
Sale of Property/Equipment	-	-	3,485	3,485
Access Board	-	59,339	59,339	-
Refunds	-	-	1,724	1,724
Federal Revenue	37,761	37,761	34,843	(2,918)
Forest Reserve	-	-	-	-
TOTAL REVENUE	<u>20,788,222</u>	<u>21,144,750</u>	<u>\$ 21,284,569</u>	<u>\$ 139,819</u>

Cash Balance Budgeted	<u>2,066,696</u>	<u>2,066,696</u>		
TOTAL REVENUE & CASH	<u>\$ 22,854,918</u>	<u>\$ 23,211,446</u>		

EXPENDITURES				
Current				
Instruction	\$ 13,508,259	\$ 13,238,685	\$ 12,572,604	\$ 666,081
Support Services	-	-	-	-
Support Services-Students	2,059,668	2,059,668	1,841,248	218,420
Support Services-Instruction	361,890	708,323	675,197	33,126
Support Services-General Administration	605,524	608,399	535,461	72,938
Support Services-School Administration	1,566,156	1,639,347	1,548,979	90,368
Central Services	768,544	844,544	774,363	70,181
Operation & Maintenance of Plant	3,146,931	3,145,931	2,575,101	570,830
Student Transportation	922,051	1,050,654	1,050,654	-
Other Support Services	10,656	10,656	-	10,656
TOTAL EXPENDITURES	<u>\$ 22,949,679</u>	<u>\$ 23,306,207</u>	<u>\$ 21,573,606</u>	<u>\$ 1,732,601</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,284,569
Differences-Budget to GAAP	
Property tax Receivable	1,611
Prior Year Tax Receivables	(1,324)
Total Revenues (GAAP Basis)	<u>\$ 21,284,856</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 21,573,606
Differences-budget to GAAP	
Prior Year Interest Payable	27,046
Total Expenditures (GAAP Basis)	<u>\$ 21,600,652</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SENATE BILL 9

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 342,307	\$ 361,527	\$ 311,861	\$ (49,666)
Interest Income	-	-	26,365	26,365
State Flow Through Grants	363,382	382,548	382,548	-
TOTAL REVENUE	<u>705,689</u>	<u>744,075</u>	<u>\$ 720,773</u>	<u>\$ (23,302)</u>
Cash Balance Budgeted	<u>622,493</u>	<u>1,200,362</u>		
TOTAL REVENUE & CASH	<u>\$ 1,328,182</u>	<u>\$ 1,944,437</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 3,300	\$ 5,300	\$ 3,119	\$ 2,181
Acquisition & Construction	1,324,882	1,939,137	564,578	1,374,559
TOTAL EXPENDITURES	<u>\$ 1,328,182</u>	<u>\$ 1,944,437</u>	<u>\$ 567,696</u>	<u>\$ 1,376,741</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 720,773	
Differences-Budget to GAAP				
Property tax Receivable			7,175	
Prior Year Tax Receivables			(6,110)	
Total Revenues (GAAP Basis)			<u>\$ 721,838</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 567,696	
Differences-budget to GAAP				
Prior Year Interest Payable				
Amortization				
Issuance Cost				
Current Year Interest Payable				
Inventory Adjustment				
Total Expenditures (GAAP Basis)			<u>\$ 567,696</u>	

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY EQUITY

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 274,015	\$ 274,015	\$ -	\$ (274,015)
TOTAL REVENUE	<u>274,015</u>	<u>274,015</u>	<u>-</u>	<u>(274,015)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 274,015</u>	<u>\$ 274,015</u>		
EXPENDITURES				
Current				
Support Services-Students	62,520	62,520	62,519	1
Support Services-Instruction	211,495	211,495	211,495	-
TOTAL EXPENDITURES	<u>\$ 274,015</u>	<u>\$ 274,015</u>	<u>\$ 274,014</u>	<u>\$ 1</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	274,014
Total Revenues (GAAP Basis)	<u>\$ 274,014</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 274,014
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 274,014</u>

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

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FIDUCIARY ASSETS & LIABILITIES--AGENCY FUND

June 30, 2008

ASSETS	
Cash on Deposit	\$ 589,818
TOTAL ASSETS	<u>\$ 589,818</u>
LIABILITIES	
Due to Student Groups	\$ 589,818
TOTAL LIABILITIES	<u>\$ 589,818</u>

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

NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies

A. Reporting Entity

Portales Municipal School District 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 in the City of Portales and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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 Portales Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

There were no component units.

I. Summary of Significant Accounting Policies

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. 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. 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, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied, even if not available. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies (continued)

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

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Funds – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SB 9 – To account for 2 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, furnishing school buildings, and improving school grounds and maintenance of school buildings and grounds exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 1978, 22-25-1 to 22-25-10.

Bond Building Capital Projects Fund – To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for and furnishing school buildings, purchasing and improving school grounds funded from the sale of General Obligation Bonds.

Technology Equity – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act, as amended, Title III, Part A, Sections 3101, 3129.

Debt Service Fund – 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 government also reports the following fund types:

Governmental Funds:

Nonmajor Special Revenue Funds – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund.

Nonmajor Debt Service Funds – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Nonmajor Capital Project Funds – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

I. Summary of Significant Accounting Policies (continued)

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the above investment policies.

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 school 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.

Investments for the District are reported at fair value. The State Treasurer's Investment 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.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2008 fiscal year was \$180,763,560. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

1. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that extends beyond a single reporting period. The District is capitalizing qualifying software and library books as required. 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.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

It is the School District's policy to allow its 12-month employees to accrue up to 20 vacation days. Upon retirement or resignation the District will pay the employee for up to 20 days of unused vacation. Vacation is only accrued by 12-month employees, as they are not off work during the traditional summer break.

6. 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 discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 capital projects expenditures.

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

7. Fund equity

For the government-wide financial statements, net assets are reported as restricted when constraints are placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; 2) Imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report reservations of fund balance for amounts 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.

8. Comparative data/reclassifications

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

9. Indirect Costs

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

11. 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.

12. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$19,528,473 in state equalization guarantee distributions during the year ended June 30, 2008.

Transportation Distribution: School districts in the State of New Mexico received 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 \$1,050,654 in transportation distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, long-term liabilities, including bonds payable, is not due and payable in the current period and therefore is not reported in the funds." The details of the \$10,225,000 difference are as follows:

Bonds Payable	\$ 10,225,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 10,225,000</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "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." The details of this \$474,814 difference are as follows:

Capital Outlay	\$ 1,682,611
Depreciation expense	<u>(1,207,797)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 474,814</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, 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." The details of this \$1,100,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,100,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,100,000</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

III. Stewardship, compliance, and accountability

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public 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 reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

- 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.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- 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.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

	Original Budget	Final Budget
General Fund	\$ 20,864,084	\$ 21,697,690
Special Revenue Fund	4,916,949	6,857,367
Debt Service	2,268,648	2,268,648
Capital Projects Fund	2,399,997	2,454,471
	<u>\$ 30,449,678</u>	<u>\$ 33,278,176</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2008.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2008, the carrying amount of the District's deposits was \$9,637,402 and the bank balance was \$11,018,119. Of this balance \$223,827 was covered by federal depository insurance and \$7,004,753 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$3,789,539 is comprised of amounts in excess of those required to be collateralized under state law.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution.

The collateral pledged is identified in the Supplementary Information of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. 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.

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

For the year ended June 30, 2008, the investments held in the LGIP had an interest risk (WAM) of 46 days and a Standard and Poor's Rating of AAA.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

IV. Detailed notes on all funds (continued)

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial risk. As of June 30, 2008, \$3,789,539 of the government's bank balance of \$11,018,119 was exposed to custodial risk as follows:

Uninsured and Uncollateralized \$3,789,539

B. Receivables

Receivables as of year end for the government's individual major funds and non-major funds in the aggregate, including the following:

	Due From Other Agencies	Property Taxes Receivable
General Funds	\$ -	\$ 6,894
Senate Bill Nine	-	30,160
Debt Service	-	118,912
Title V-A	84	-
IDEA –B Preschool	15,509	-
Carl Perkins	32,032	-
Gear Up CHE	36,124	-
Reading Materials Fund	10,961	-
Title I Migrant	25,717	-
Title I	144,636	-
Libraries SB301 GO Bonds	19,930	-
Reading First	57,618	-
Schools in Need of Improvement	19,453	-
Rural & Low Income Schools	2,953	-
Library GO Bonds 2004	77	-
Safe & Drug Free Schools	1,758	-
IDEA – B Entitlement	43,227	-
Teacher/Principal Training	63,751	-
Teaching American History	34,133	-
Technology Equity	274,014	-
English Language Acquisition	10,657	-
Special Capital Outlay State	81,911	-
Totals	<u>\$ 874,545</u>	<u>\$ 155,966</u>

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Amount due to the District from delinquent property tax due to the County Treasurers were not available. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Grant draw downs prior to meeting all eligibility requirements	\$ 140,008
Property Taxes – Delinquent	<u>118,961</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 258,969</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance 06/30/07	Adjustments	Increases	Decreases	Balance 06/30/08
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 677,173	\$ (18,435)	\$ -	\$ -	\$ 658,738
Construction in Progress	-	-	599,810	-	599,810
Total Capital Assets not being depreciated	<u>677,173</u>	<u>(18,435)</u>	<u>599,810</u>	<u>-</u>	<u>1,258,548</u>
Capital Assets being depreciated					
Infrastructure	581,190	(581,190)	-	-	-
Buildings & Improvements	25,784,888	5,430,484	1,210,257	-	32,425,629
Equipment & Vehicles	6,480,493	(870,188)	891,633	121,801	6,380,137
Total Capital Assets being depreciated	<u>32,846,571</u>	<u>3,979,106</u>	<u>2,101,890</u>	<u>121,801</u>	<u>38,805,766</u>
Less: Accumulated Depreciation					
Infrastructure	531,248	(531,248)	-	-	-
Buildings & Improvements	6,991,600	2,324,726	678,303	-	9,994,629
Equipment & Vehicles	4,831,453	(732,467)	529,494	121,801	4,506,679
Total Accumulated Depreciation	<u>12,354,301</u>	<u>1,061,011</u>	<u>1,207,797</u>	<u>121,801</u>	<u>14,501,308</u>
Net Capital Assets being depreciated	<u>20,492,270</u>	<u>2,918,095</u>	<u>894,093</u>	<u>-</u>	<u>24,304,458</u>
Total Net Capital Assets	<u>\$ 21,169,443</u>	<u>\$ 2,899,660</u>	<u>\$ 1,493,903</u>	<u>\$ -</u>	<u>\$ 25,563,006</u>

The Schedule of General Capital Assets by Function and Activity, and the Schedule of Changes in General Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to function/programs of the School District because the detail information was not available due to historical data not being available. Depreciation was calculated using the estimated useful lives of 50 years for buildings and improvements and land improvements and using 10 years for equipment.

The increases in capital assets in the above schedule include \$1,019,089 of Public School Finance Authority funding for capital assets.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2007	Additions	Retirements	Balance 6/30/2008	Amount Due in One Year
2001	\$ 6,500,000	3.1%-4.6%	\$ 4,765,000	\$	590,000	\$ 4,175,000	\$ 620,000
2002	1,400,000	3.5%-4.75%	1,000,000		110,000	890,000	110,000
2003	600,000	2.3%-3.8%	470,000		50,000	420,000	50,000
2004	685,000	2.3%-3.8%	140,000		140,000	0	0
2005	900,000	3.0%-4.0%	450,000		210,000	240,000	240,000
2008	4,500,000	3.25%-4.0%	0	4,500,000	0	4,500,000	100,000
Total	\$ 14,585,000		\$ 6,825,000	\$ 4,500,000	1,100,000	\$ 10,225,000	\$ 1,120,000

Fiscal Year	Principal	Interest	Total
2009	\$ 1,120,000	\$ 407,730	\$ 1,527,730
2010	1,165,000	361,370	1,526,370
2011	1,200,000	312,941	1,512,941
2012	1,260,000	261,921	1,521,921
2013	1,295,000	207,966	1,502,966
2014-2016	4,185,000	249,105	4,434,105
	\$ 10,225,000	\$ 1,801,034	\$ 12,026,034

The operational fund, which is a part of the general fund, has typically been used in the past to liquidate other long term liabilities such as compensated absences.

Liability for Compensated Absences

Balance June 30, 2007	Vacation Used	Vacation Accrued	Balance June 30, 2008	Amount Due in One Year
\$101,601	\$66,123	\$77,810	\$115,791	\$115,791

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$10,845,814 including \$10,255,000 debt outstanding based on the 2008 valuation.

V. Other information

A. 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; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

V. Other information (continued)

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

C. Employee retirement plan

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

Funding Policy: Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$1,546,946, \$1,381,230, and \$1,216,772, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

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

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

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

V. Other information (continued)

D. Post-retirement health care benefits (continued)

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

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 District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$189,618, \$176,718 and \$168,153, respectively, which equal the required contributions for each year.

F. Interfund Balances

Due From							
	Operational	Debt Service	PSCO 20%	Total			
Operational	\$ -	\$ -	\$ 1,360	\$ 1,360			
Rural & Low Income Schools	2,953	-	-	2,953			
Title V A	84	-	-	84			
Title I Migrant	25,717	-	-	25,717			
English Language Acquisition	10,657	-	-	10,657			
Title I	144,636	-	-	144,636			
Idea B Entitlement	89,108	-	-	89,108			
Teacher/Principal Training	63,751	-	-	63,751			
Beginning Teacher Mentoring	5,986	-	-	5,986			
Carl D Perkins	32,032	-	-	32,032			
Safe & Drug Free Schools	1,758	-	-	1,758			
IDEA – B Preschool	17,486	-	-	17,486			
Teaching American History	4,133	-	-	4,133			
Library GO Bonds 2004	1,130	-	-	1,130			
Technology Equity	274,014	-	-	274,014			
Reading Materials	10,961	-	-	10,961			
Gear Up CHE	36,124	-	-	36,124			
Reading First	57,618	-	-	57,618			
School in Need of Improvement	23,743	-	-	23,743			
Libraries SB 301 GO Bonds	19,930	-	-	19,930			
Ed Tech Debt Service	50,000	-	-	50,000			
Ed Tech Equipment Act	-	3,332	-	3,332			
Special Capital Outlay State	81,911	-	-	81,911			
	<u>\$ 953,732</u>	<u>\$ 3,332</u>	<u>\$ 1,360</u>	<u>\$ 958,424</u>			

The balance of \$958,424 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

V. Other information (continued)

G. Restatement of Beginning Fund Balance

The following fund balances were restated to correct prior period receivable balances: Operating, \$162; Transportation, \$201; Learn & Serve, \$172; Physical Education, \$48; Public School Capital Outlay, (\$29,659); and Title VI \$133. Total fund balance restatement was (\$29,689).

Restatement of Net Assets

Net Assets – Governmental Activities at July 1, 2007	\$ 20,674,276
Deduct:	
Prior year fund balance adjustment	(29,689)
Prior periods accumulated depreciation on adjusted capital assets	(1061,010)
Prior Deferred Revenue to reflect amount collected	(116,978)
Add:	
Prior periods capital assets adjusted to inventory in the current year	<u>3,960,671</u>
Restated Balance at July 1, 2007	\$ <u>23,427,270</u>

NON-MAJOR FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Non-Major Capital Projects

ENERGY EFFICIENCY – To account for school projects designed to increase the efficiency of the District's buildings. The legislation allows the District to incur long-term contracts to complete these projects. Authority for this fund comes from the Public Building Energy Efficiency Act (6-32-1 to 6-23-10, NMSA 1978).

PUBLIC SCHOOL CAPITAL OUTLAY (PSCO) 20% – To account for monies to be set aside out of Impact Aid, Forest Reserve, and local taxes for capital improvements in public schools. Authority for the creation of this fund is Section 22-8-5 NMSA 1978.

EDUCATIONAL TECHNOLOGY EQUIPMENT ACT – To ensure that American children have skills they need to succeed in the information-intensive 21st century, the Federal Government is committed to working with the private sector to promote four major developments in American education: making modern computer technology an integral part of every classroom; providing teachers with the professional development they need to use new technologies effectively; connecting classrooms to the National Information Infrastructure; and encouraging the creation of excellent educational software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1949, ch. 288, 63 Stat. 377, and the National Defense Authorization Act for Fiscal Year 1996, Public Law 104-106.

Public School Capital Outlay State Capital Projects Fund – To account for financing and construction of school improvements funded from appropriations from the State of New Mexico.

Public School Capital Outlay – To account for financing and construction of school improvements fund from appropriations.

Debt Service

Ed Tech Debt Service - This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.

Special Revenue

Athletics – This is an auxiliary fund to account for budgeted athletics of the school for activities that are considered to be non-instructional. Authority for the creation of this fund is NMAC 6.20.2.

Incentive for School Improvement – To account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

RURAL AND LOW INCOME SCHOOLS – To account for federal grant assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools, and specifically to provide funds for teacher recruitment, retention, and teacher professional development, educational technology, and parental involvement activities. Authority for this fund comes from the Elementary and Secondary Education Act of 1965, as amended, Title VI, Part B, as amended.

Title V-A – To increase the capacity of state and local governments to support the development of more effective prevention programs to improve the juvenile justice system through risk and protective factor focused programming approach. The authority for the creation of this fund is the Juvenile Justice and Delinquency Prevention Act of 1974, Section 505, Title V, as amended.

IDEA B – PRESCHOOL – To account for revenue received under the Preschool Public Act P.L. 99-457 for the purpose of providing special educational services to the developmentally delayed preschool children. This fund is federally funded and is restricted to expenditure by grant application. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue (continued)

CAFETERIA – The purpose of this account is to receive income from lunch sales or state and federal school lunch grants, and to make disbursements for those activities, which have as their purpose the preparation and serving of meals, lunches or snacks in connection with bona-fide food service operations in agreement with the School Lunch Division of the State Department of Education. Authority for the creation of this fund is NMSA 1978, 22-13-13.

Title I Migrant – To account for a Federal program to implement school-wide bilingual education programs of special alternative instruction programs to improve, reform, and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency. The fund was created under the authority of Title VII, Section 7115 of the ESEA (20USC 7425).

Title I Special Revenue Funds – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq.

Title VI – To account for program revenues and expenditures to assist the District in making improvements in elementary and secondary education. Created under the authority of the Elementary and Secondary Education Act of 1965, as amended.

Libraries SB301 GO Bonds – This fund is used to account for the funds received from the Public School Library Funding: GO Bond C. These funds are used to acquire library books and library resources to support the library program. The authority for this fund was established by the New Mexico 47th Legislature.

School in Need of Improvement – To account for the funds provided to aid the District in meeting AYP standards.

IDEA B Entitlement Special Revenue Funds – P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17

Gear Up CHE – To increase the number of low-income students who graduate from high school who prepared to succeed in college. Funding and authorization provided through the US Department of Education and the New Mexico Higher Education Department.

Learn & Serve – To account for revenues and expenditures of a Federal grant provided to integrate service learning in the classroom. The fund was created by federal grant provisions.

Technology for Education – To account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Private Direct Grants – To account for grants received from outside private and corporate sources. Funding provided by grant contract in which sources will vary from year to year. Expenditures in this fund are stipulated by individual grant contract. All private grants are subject to board approval.

Beginning Teacher Mentoring Program – To account for funds used to pay stipends to teachers as mentors and to hire new teachers. This fund was created by the authority of the State Legislature.

Physical Education – To account for funds provided by the New Mexico Public Education Department used to provide quality physical education classes in the state's public schools for elementary grade students by providing programs in areas where no classes exist or increasing the amount of time students receive physical education in schools that currently have elementary physical education classes.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue (continued)

Impact Aid – To account for funding of a Federal program to provide financial assistance to school districts 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 (Sections 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Sections 7 (a)), for replacing or repairing damaged or destroyed supplied, equipment, and books, and for repairing minor damage to facilities. Authorized by Public Law 81-874.

Carl D. Perkins – To develop more fully the academic, vocational and technical skills of secondary and postsecondary students who elect to enroll in vocational and technical programs. The authority for the creation of this fund is Carl D. Perkins Vocational and Technical Education Act of 1998, Title I; Workforce Investment Act, Section 503.

Teacher/Principal Training – To provide grants to State Education Agencies on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

Safe and Drug Free Schools – To offer a disciplined environment conducive to learning, by *preventing violence in and around schools* and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents, and coordinated with related Federal, State and community efforts and resources.

Teaching American History – This fund is used to account for the expenditures and revenue from a program designed to improve the quality of education in the area of American History. This fund was created under the authority of the Elementary and Secondary Education Act of 1965; Title V, Part D as amended.

School Improvement Framework – To account for funds provided to fund a data project that will bridge the PED/District data needs until STARS has completed their work assessment data formats.

Breakfast of Elementary Students – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

Center for Teaching Excellence – To account for revenues and expenditures of grant funds provided by the Center for Teaching Excellence to specific teachers in the district. The expenditure of fund is restricted to items in grant application. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

Library GO Bonds 2004 – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

Title XIX Medicaid – The purpose of this fund is to account for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

Reading First – To ensure that every student can read at grade level or above by the end of third grade. The Reading First program will provide assistance to States and districts in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue (continued)

TANF GRADS – To provide assistance to 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. Authorized by the Social Security Act Title IV, Part A, as amended; Personal Responsibility Act and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 Balance Budget Act of 1997, Public Law 105-33.

GRADS Childcare – This fund is used to account for program revenues used to support community based programs design to develop, operate, expand, and enhance initiatives aimed at the prevention of child abuse and neglect. Funding authorized by the Child Abuse and Treatment Act, 42 USC 5116 et seq., as amended, Public Law 108-36.

PNM Foundation – To account for the grants received from the PNM Resources Foundation Classroom Innovation Grants.

Reading Materials – This fund is used to account for the revenues and expenditures used to assist schools in improving their reading materials to more scientifically researched materials. Funding and authority for this program was provided by HB 225 passed by the New Mexico Legislature.

English Language Acquisition – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act, as amended, Title III, Part A, Sections 3101, 3129.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET -- CAPITAL PROJECTS FUND
 AND OTHER NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	ENERGY EFFICIENCY ACT	PSCO 20%	Ed Tech Equipment Act	Special Capital Outlay State
ASSETS				
Cash on Deposit	\$ 39,506	\$ -	\$ -	\$ -
Property Taxes Receivable		-		
Due From Other Agencies	-			81,911
Due From Other Funds		1,360		
Inventory	-			
TOTAL ASSETS	<u>\$ 39,506</u>	<u>\$ 1,360</u>	<u>\$ -</u>	<u>\$ 81,911</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-		
Due to Other Funds	-	-	3,332	81,911
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>3,332</u>	<u>81,911</u>
FUND BALANCE				
Reserved for Inventory	-			
Reserved for Debt Service	-			
Unreserved-Designated for Subsequent Years Expenditures	39,506	1,360	(3,332)	
TOTAL FUND BALANCE	<u>39,506</u>	<u>1,360</u>	<u>(3,332)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 39,506</u>	<u>\$ 1,360</u>	<u>\$ -</u>	<u>\$ 81,911</u>

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

PUBLIC SCHOOL CAPITAL OUTLAY	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 39,506	\$ 797,381	\$ 61,169	\$ 898,056
-	-	-	27,246	27,246
-	81,911	518,620	-	600,531
-	1,360	-	-	1,360
-	-	8,248	-	8,248
<u>\$ -</u>	<u>\$ 122,777</u>	<u>\$ 1,324,249</u>	<u>\$ 88,415</u>	<u>\$ 1,535,441</u>
\$ -	\$ -	\$ 30,000	\$ 3,200	\$ 33,200
-	-	140,007	21,458	161,465
-	85,243	547,807	50,000	683,050
-	85,243	717,814	74,658	877,715
-	-	8,248	-	8,248
-	-	-	13,758	13,758
-	37,534	598,187	-	635,721
-	37,534	606,435	13,758	657,727
<u>\$ -</u>	<u>\$ 122,777</u>	<u>\$ 1,324,249</u>	<u>\$ 88,416</u>	<u>\$ 1,535,442</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE--CAPITAL PROJECTS FUND AND OTHER NONMAJOR FUNDS

Year Ended June 30, 2008

	ENERGY EFFICIENCY ACT	PSCO 20%	Ed Tech Equipment Act	Special Capital Outlay State
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	326,054
Charges for services	-	-	-	-
Fees	-	-	-	-
Interest Income	-	-	641	-
Miscellaneous	-	-	1,027	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,668</u>	<u>326,054</u>
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support Services	-	-	-	-
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	78,555	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	12,762	-	-	326,054
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>12,762</u>	<u>-</u>	<u>78,555</u>	<u>326,054</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(12,762)	-	(76,887)	-
Other Financing Sources (uses)				
Transfer In/Out	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	(12,762)	-	(76,887)	-
FUND BALANCE				
June 30, 2007	52,268	1,360	73,555	-
Restatement	-	-	-	-
Restated Balance	<u>52,268</u>	<u>1,360</u>	<u>73,555</u>	<u>-</u>
FUND BALANCE June 30, 2008	<u>\$ 39,506</u>	<u>\$ 1,360</u>	<u>\$ (3,332)</u>	<u>\$ -</u>

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

<u>PUBLIC SCHOOL CAPITAL OUTLAY</u>	<u>TOTAL NONMAJOR CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>	<u>TOTAL NONMAJOR DEBT SERVICE FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ 3,728,854	\$ -	\$ 3,728,854
-	326,054	287,244	-	613,298
-	-	-	-	-
-	-	215,231	-	215,231
-	641	1,976	2,583	5,200
-	1,027	-	-	1,027
-	-	-	252,020	252,020
<u>-</u>	<u>327,722</u>	<u>4,233,305</u>	<u>254,603</u>	<u>4,815,630</u>
-	-	935,126	-	935,126
-	-	-	-	-
-	-	577,793	-	577,793
-	-	110,656	-	110,656
-	-	87,093	2,540	89,633
-	-	919,350	-	919,350
-	-	235,299	-	235,299
-	78,555	-	-	78,555
-	-	1,750	-	1,750
-	-	-	-	-
-	-	1,284,813	-	1,284,813
-	-	5,486	-	5,486
-	338,816	-	-	338,816
-	-	-	350,000	350,000
-	-	-	22,985	22,985
<u>-</u>	<u>417,371</u>	<u>4,157,366</u>	<u>375,525</u>	<u>4,950,262</u>
-	(89,649)	75,939	(120,922)	(134,632)
<u>29,659</u>	<u>29,659</u>	<u>4,224</u>	<u>-</u>	<u>33,883</u>
<u>29,659</u>	<u>29,659</u>	<u>4,224</u>	<u>-</u>	<u>33,883</u>
29,659	(59,990)	80,163	(120,922)	(100,749)
-	127,183	526,263	134,680	788,126
(29,659)	(29,659)	9	-	(29,650)
<u>(29,659)</u>	<u>97,524</u>	<u>526,263</u>	<u>134,680</u>	<u>758,476</u>
\$ -	\$ 37,534	\$ 606,426	\$ 13,758	\$ 657,727

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	<u>ATHLETICS</u>	<u>INCENTIVES FOR SCHOOL IMPROVEMENT</u>	<u>RURAL AND LOW INCOME SCHOOLS</u>	<u>TITLE V-A</u>
ASSETS				
Cash on Deposit	\$ 101,395	\$ 19,751	\$ -	\$ -
Due From Other Agencies	-	-	2,953	84
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 101,395</u>	<u>\$ 19,751</u>	<u>\$ 2,953</u>	<u>\$ 84</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	19,751	-	-
Due to Other Funds	-	-	2,953	84
TOTAL LIABILITIES	<u>-</u>	<u>19,751</u>	<u>2,953</u>	<u>84</u>
FUND BALANCE				
Reserved for Inventory	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	101,395	-	-	-
TOTAL FUND BALANCE	<u>101,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 101,395</u>	<u>\$ 19,751</u>	<u>\$ 2,953</u>	<u>\$ 84</u>

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

IDEA B PRESCHOOL	CAFETERIA	TITLE I MIGRANT	TITLE I	Title VI	LIBRARIES SB301 GO BONDS
\$ 1,977	\$ 496,792	\$ -	\$ -	\$ -	\$ -
15,509	-	25,717	144,636	-	19,930
-	8,248	-	-	-	-
<u>\$ 17,486</u>	<u>\$ 505,040</u>	<u>\$ 25,717</u>	<u>\$ 144,636</u>	<u>\$ -</u>	<u>\$ 19,930</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,486	-	25,717	144,636	-	19,930
<u>17,486</u>	<u>-</u>	<u>25,717</u>	<u>144,636</u>	<u>-</u>	<u>19,930</u>
-	8,248	-	-	-	-
-	496,792	-	-	-	-
<u>-</u>	<u>505,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,486</u>	<u>\$ 505,040</u>	<u>\$ 25,717</u>	<u>\$ 144,636</u>	<u>\$ -</u>	<u>\$ 19,930</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	<u>SCHOOL IN NEED OF IMPROVEMENT</u>	<u>IDEA B ENTITLEMENT</u>	<u>GEAR UP CHE</u>	<u>LEARN AND SERVE</u>
ASSETS				
Cash on Deposit	\$ 4,290	\$ 45,881	\$ -	\$ -
Due From Other Agencies	19,453	43,227	36,124	-
Due From Other Funds	-			-
Property Taxes Receivable				
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ 23,743	\$ 89,108	\$ 36,124	\$ -
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	23,743	89,108	36,124	-
TOTAL LIABILITIES	23,743	89,108	36,124	-
FUND BALANCE				
Reserved for Inventory	-	-	-	-
Unreserved-Designated for				
Subsequent Years Expenditures	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 23,743	\$ 89,108	\$ 36,124	\$ -

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

<u>TECHNOLOGY FOR EDUCATION</u>	<u>PRIVATE DIRECT GRANTS</u>	<u>BEG. TEACHER MENTORING PROGRAM</u>	<u>PHYSICAL EDUCATION PROGRAM</u>	<u>IMPACT AID TITLE VIII</u>
\$ 49,579	\$ 3,660	\$ 8,360	\$ -	\$ 9,469
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 49,579</u>	<u>\$ 3,660</u>	<u>\$ 8,360</u>	<u>\$ -</u>	<u>\$ 9,469</u>
\$ 49,579	\$ 3,660	\$ 2,374	\$ -	\$ 9,469
-	-	5,986	-	-
<u>49,579</u>	<u>3,660</u>	<u>8,360</u>	<u>-</u>	<u>9,469</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 49,579</u>	<u>\$ 3,660</u>	<u>\$ 8,360</u>	<u>\$ -</u>	<u>\$ 9,469</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	<u>CARL D PERKINS</u>	<u>TEACHER PRINCIPAL TRAINING</u>	<u>SAFE AND DRUG FREE SCHOOLS</u>	<u>TEACHING AMERICAN HISTORY</u>
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ -	\$ -
Due From Other Agencies	32,032	63,751	1,758	34,133
Due From Other Funds				
Property Taxes Receivable				
Inventory				
TOTAL ASSETS	<u>\$ 32,032</u>	<u>\$ 63,751</u>	<u>\$ 1,758</u>	<u>\$ 34,133</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ 30,000
Deferred Revenue	-	-	-	-
Due to Other Funds	<u>32,032</u>	<u>63,751</u>	<u>1,758</u>	<u>4,133</u>
TOTAL LIABILITIES	<u>32,032</u>	<u>63,751</u>	<u>1,758</u>	<u>34,133</u>
FUND BALANCE				
Reserved for Inventory				-
Unreserved-Designated for Subsequent Years Expenditures				
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 32,032</u>	<u>\$ 63,751</u>	<u>\$ 1,758</u>	<u>\$ 34,133</u>

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

<u>SCHOOL IMPROVEMENT FRAMEWORK</u>	<u>Breakfast for Elementary Students</u>	<u>Center for Teacher Excellence</u>	<u>Library GO Bonds 2004</u>	<u>TITLE XIX MEDICAID 3/21 YEARS</u>	<u>READING FIRST</u>	<u>TANF Grads</u>
\$ -	\$ -	\$ -	\$ 1,053	\$ 55,061	\$ -	\$ -
-	-	-	77	-	57,618	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130</u>	<u>55,061</u>	<u>57,618</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -
-	-	-	1,130	55,061	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130</u>	<u>55,061</u>	<u>57,618</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130</u>	<u>55,061</u>	<u>57,618</u>	<u>-</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	Grads Childcare	PNM Foundation	Reading Materials Fund	ENGLISH LANGUAGE ACQUISITION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS					
Cash on Deposit	\$	\$ 113	\$ -	\$ -	\$ 797,381
Due From Other Agencies			10,961	10,657	518,620
Due From Other Funds					-
Property Taxes Receivable					-
Inventory					8,248
TOTAL ASSETS	\$ -	\$ 113	\$ 10,961	\$ 10,657	\$ 1,324,249
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$				\$ 30,000
Deferred Revenue		113			140,007
Due to Other Funds			10,961	10,657	547,807
TOTAL LIABILITIES	-	113	10,961	10,657	717,814
FUND BALANCE					
Reserved for Inventory					8,248
Unreserved-Designated for Subsequent Years Expenditures					-
TOTAL FUND BALANCE	-				598,187
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 113	\$ 10,961	\$ 10,657	\$ 1,324,249

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	ATHLETICS	INCENTIVES FOR SCHOOL IMPROVEMENT	RURAL AND LOW INCOME SCHOOLS	TITLE V-A
REVENUE				
Federal Programs	\$ -	\$ -	\$ 110,434	\$ 1,944
State Programs	-	33,903	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	56,993	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>56,993</u>	<u>33,903</u>	<u>110,434</u>	<u>1,944</u>
EXPENDITURES				
Current				
Instruction	40,724	-	-	-
Support Services	-	-	-	-
Support Services-Students	-	33,903	-	-
Support Services-Instruction	-	-	-	1,944
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	110,434	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>40,724</u>	<u>33,903</u>	<u>110,434</u>	<u>1,944</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	16,269	-	-	-
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	16,269	-	-	-
FUND BALANCE				
June 30, 2007	85,126	-	-	-
Restatement	-	-	-	-
Restated Balance	<u>85,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE	-	-	-	-
June 30, 2008	<u>\$ 101,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	IDEA B PRESCHOOL	CAFETERIA	TITLE I MIGRANT	TITLE I	Title VI	LIBRARIES SB301 GO BONDS
\$	38,920	\$ 1,115,462	\$ 64,632	\$ 847,576	\$ -	\$ -
	-	-	-	-	-	23,601
		1,976				
		-				
		158,238				
	-	-	-	-	-	-
	<u>38,920</u>	<u>1,275,676</u>	<u>64,632</u>	<u>847,576</u>	<u>-</u>	<u>23,601</u>
	38,583	-	5,137	622,261	-	-
	-	-	-	-	-	-
	-	-	57,482	72,806	-	-
	-	-	-	967	-	23,601
	337	-	1,013	13,871	-	-
	-	-	-	141,088	-	-
	-	-	-	-	-	-
	-	-	1,000	750	-	-
	-	-	-	-	-	-
		1,211,773		484		
	-	-	-	-	-	-
	<u>38,920</u>	<u>1,211,773</u>	<u>64,632</u>	<u>852,227</u>	<u>-</u>	<u>23,601</u>
		63,903				
				4,651	(133)	
				4,651	(133)	
		63,903			(133)	
		441,137			-	
					133	
		<u>441,137</u>			<u>133</u>	
\$	<u>-</u>	<u>\$ 505,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	SCHOOL IN NEED OF IMPROVEMENT	IDEA B ENTITLEMENT	GEAR UP CHE	LEARN AND SERVE
REVENUE				
Federal Programs	\$ -	\$ 607,292	\$ -	\$ -
State Programs	19,453	-	62,897	-
State Equalization				
Interest Earnings				
Charges For Services				
Fees				
Donations				
Miscellaneous				
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>19,453</u>	<u>607,292</u>	<u>62,897</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	19,453	158,479	-	-
Support Services	-	-	-	-
Support Services-Students	-	306,552	-	-
Support Services-Instruction	-	5,963	-	-
Support Services-General Administration	-	8,975	62,897	-
Support Services-School Administration	-	127,315	-	-
Central Services	-	6	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations				
Community Services-Operations		2		
Acquisition & Construction	-	-	-	-
Debt Service				
Principal				
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>19,453</u>	<u>607,292</u>	<u>62,897</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES				
Other Financing Sources (uses)				
Transfer/Refunds				172
Total Other Financial Sources	-	-	-	172
Net Change In Fund Balance	-	-	-	172
FUND BALANCE				
June 30, 2007	-	-	-	-
Restatement				(172)
Restated Balance	-	-	-	(172)
FUND BALANCE				
June 30, 2008	\$ -	\$ -	\$ -	\$ -

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

TECHNOLOGY FOR EDUCATION	PRIVATE DIRECT GRANTS	BEG. TEACHER MENTORING PROGRAM	PHYSICAL EDUCATION PROGRAM	IMPACT AID TITLE VIII
\$ -	\$ -	\$ -	\$ -	\$ 216
47,197	1,029	6,186	-	-
-	-	-	-	-
<u>47,197</u>	<u>1,029</u>	<u>6,186</u>	<u>-</u>	<u>216</u>
596	-	6,186	-	216
-	-	-	-	-
30,583	-	-	-	-
12,564	-	-	-	-
-	-	-	-	-
-	1,029	-	-	-
3,036	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>46,779</u>	<u>1,029</u>	<u>6,186</u>	<u>-</u>	<u>216</u>
(418)	-	-	(48)	-
<u>(418)</u>	-	-	<u>(48)</u>	-
-	-	-	(48)	-
-	-	-	-	-
-	-	-	48	-
-	-	-	<u>48</u>	-
\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2007

	CARL D PERKINS	TEACHER PRINCIPAL TRAINING	SAFE AND DRUG FREE SCHOOLS	TEACHING AMERICAN HISTORY
REVENUE				
Federal Programs	\$ 32,106	\$ 222,558	\$ 15,912	\$ 262,098
State Programs				-
State Equalization				-
Interest Earnings				
Charges For Services				
Fees				
Donations				
Miscellaneous				
Local Property Taxes				
TOTAL REVENUES	<u>32,106</u>	<u>222,558</u>	<u>15,912</u>	<u>262,098</u>
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support Services	-	-	-	-
Support Services-Students	-	-	15,912	-
Support Services-Instruction	32,106	-	-	30,000
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	222,558	-	-
Central Services	-	-	-	232,098
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>32,106</u>	<u>222,558</u>	<u>15,912</u>	<u>262,098</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES				
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2007	-	-	-	-
Restatement	-	-	-	-
Restated Balance	-	-	-	-
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2008	\$ -	\$ -	\$ -	\$ -

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

SCHOOL IMPROVEMENT FRAMEWORK	Breakfast for Elementary Students	Center for Teacher Excellence	Library GO Bonds 2004	TITLE XIX MEDICAID 3/21 YEARS	READING FIRST	TANF Grads
\$ -	\$ -	\$ -	\$ -	\$ 60,505	\$ 316,926	\$ 8,000
159	73,040	73	3,511	-	-	-
<u>159</u>	<u>73,040</u>	<u>73</u>	<u>3,511</u>	<u>60,505</u>	<u>316,926</u>	<u>8,000</u>
-	-	73	-	-	-	8,000
-	-	-	-	60,505	-	-
-	-	-	3,511	-	-	-
-	-	-	-	-	316,926	-
159	-	-	-	-	-	-
-	-	-	-	-	-	-
-	73,040	-	-	-	-	-
-	-	-	-	-	-	-
<u>159</u>	<u>73,040</u>	<u>73</u>	<u>3,511</u>	<u>60,505</u>	<u>316,926</u>	<u>8,000</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2007

	Grads Childcare	PNM FOUNDATION	READING MATERIALS FUND	ENGLISH LANGUAGE ACQUISITION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE					
Federal Programs	\$ 5,000	\$ -	\$ -	\$ 19,273	3,728,854
State Programs	-	50	16,145	-	287,244
State Equalization	-	-	-	-	-
Interest Earnings	-	-	-	-	1,976
Charges For Services	-	-	-	-	-
Fees	-	-	-	-	215,231
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Local Property Taxes	-	-	-	-	-
TOTAL REVENUES	<u>5,000</u>	<u>50</u>	<u>16,145</u>	<u>19,273</u>	<u>4,233,305</u>
EXPENDITURES					
Current					
Instruction	-	-	16,145	19,273	935,126
Support Services	-	-	-	-	-
Support Services-Students	-	50	-	-	577,793
Support Services-Instruction	-	-	-	-	110,656
Support Services-General Administration	-	-	-	-	87,093
Support Services-School Administration	-	-	-	-	919,350
Central Services	-	-	-	-	235,299
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	1,750
Other Support Services	-	-	-	-	-
Food Services-Operations	-	-	-	-	1,284,813
Community Services-Operations	5,000	-	-	-	5,486
Acquisition & Construction	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>5,000</u>	<u>50</u>	<u>16,145</u>	<u>19,273</u>	<u>4,157,366</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					75,939
Other Financing Sources (uses)					
Transfer/Refunds	-	-	-	-	4,224
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,224</u>
Net Change In Fund Balance	-	-	-	-	80,163
FUND BALANCE					
June 30, 2007	-	-	-	-	526,263
Restatement	-	-	-	-	9
Restated Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,272</u>
FUND BALANCE					
June 30, 2008	\$ -	\$ -	\$ -	\$ -	\$ 606,435

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--ENERGY EFFICIENCY ACT

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE	-	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
Cash Balance Budgeted	37,018	37,018		
TOTAL REVENUE & CASH	\$ 37,018	\$ 37,018		
EXPENDITURES				
Acquisition & Construction	\$ 37,018	\$ 37,018	\$ 12,763	
TOTAL EXPENDITURES	\$ 37,018	\$ 37,018	\$ 12,763	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)

\$ -

Differences-Budget to GAAP

Total Revenues (GAAP Basis)

\$ -

Uses/outflows of resources

Actual amounts (budgetary basis)

\$ 12,763

Differences-budget to GAAP

Total Expenditures (GAAP Basis)

\$ 12,763

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--ED TECH EQUIPMENT ACT

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ -	\$ -	\$ 641	\$ 641
Refunds	-	-	1,027	1,027
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 1,668</u>	<u>\$ 1,668</u>
Cash Balance Budgeted	<u>89,104</u>	<u>89,104</u>		
TOTAL REVENUE & CASH	<u>\$ 89,104</u>	<u>\$ 89,104</u>		
EXPENDITURES				
Acquisition & Construction	\$ 89,104	\$ 89,104	\$ 78,555	\$ 10,549
TOTAL EXPENDITURES	<u>\$ 89,104</u>	<u>\$ 89,104</u>	<u>\$ 78,555</u>	<u>\$ 10,549</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 1,668
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 1,668

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 78,555
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 78,555

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Fees Activities	54,000	54,000	54,670	670
Interest Income	1,000	1,000	2,323	1,323
TOTAL REVENUE	<u>55,000</u>	<u>55,000</u>	<u>\$ 56,993</u>	<u>\$ 1,993</u>
Cash Balance Budgeted	<u>66,954</u>	<u>66,954</u>		
TOTAL REVENUE & CASH	<u>\$ 121,954</u>	<u>\$ 121,954</u>		
EXPENDITURES				
Current				
Instruction	\$ 121,954	121,954	40,724	81,230
TOTAL EXPENDITURES	<u>\$ 121,954</u>	<u>\$ 121,954</u>	<u>\$ 40,724</u>	<u>\$ 81,230</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 56,993
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 56,993

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 40,724
 Total Expenditures (GAAP Basis) \$ 40,724

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT ACT

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 53,665	\$ 53,655	\$ 50,964	\$ (2,691)
TOTAL REVENUE	<u>53,665</u>	<u>53,655</u>	<u>50,964</u>	<u>(2,691)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 53,665</u>	<u>\$ 53,655</u>		
EXPENDITURES				
Current				
Instruction	\$ 52,965	\$ 52,965	\$ 33,903	\$ 19,062
Support Services-Instruction	690	690	-	690
TOTAL EXPENDITURES	<u>\$ 53,655</u>	<u>\$ 53,655</u>	<u>33,903</u>	<u>19,752</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources		
Actual amounts (budgetary basis)		\$ 50,964
Differences-Budget to GAAP		
Current Year Deferral		(19,751)
Prior Year Deferral		2,690
Total Revenues (GAAP Basis)		<u>\$ 33,903</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis)		\$ 33,903
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 33,903</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--RURAL & LOW INCOME SCHOOLS

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 139,717	\$ 132,334	\$ 135,821	\$ 3,487
TOTAL REVENUE	<u>139,717</u>	<u>132,334</u>	<u>135,821</u>	<u>3,487</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 139,717</u>	<u>\$ 132,334</u>		
EXPENDITURES				
Current				
Instruction	\$ 56,192	\$ 56,192	\$ 44,537	\$ 11,655
Support Services-Students	45,968	58,748	55,890	2,858
Support Services-Instruction	35,000	3,917	2,213	1,704
Support Services-General Administration	2,557	3,857	3,182	675
Support Services-School Administration	-	9,620	8,680	940
TOTAL EXPENDITURES	<u>\$ 139,717</u>	<u>\$ 132,334</u>	<u>\$ 114,502</u>	<u>\$ 17,832</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 135,821
Differences-Budget to GAAP	
Property tax Receivable	
Prior Year Tax Receivables	(28,340)
Current Year Receivable	2,953
Total Revenues (GAAP Basis)	<u>\$ 110,434</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 114,502
Prior Year Payable	(4,068)
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 110,434</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE V -A

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 4,924	\$ 5,120	\$ 1,663	\$ (3,457)
TOTAL REVENUE	<u>4,924</u>	<u>5,120</u>	<u>1,663</u>	<u>(3,457)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 4,924</u>	<u>\$ 5,120</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 4,924	\$ 5,120	\$ 1,944	\$ 3,176
TOTAL EXPENDITURES	<u>4,924</u>	<u>5,120</u>	<u>1,944</u>	<u>3,176</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,663
Differences-Budget to GAAP	
Current Year Receivable	84
Prior Year Deferral	197
Total Revenues (GAAP Basis)	<u>\$ 1,944</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,944
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,944</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVEUE FUND--IDEA B PRESCHOOL

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 27,642	45,142	22,980	(22,162)
TOTAL REVENUE	\$ 27,642	45,142	\$ 22,980	\$ (22,162)
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	\$ 27,642	\$ 45,142		
EXPENDITURES				
Current				
Instruction	\$ 26,134	43,634	38,583	5,051
Support Services-General Administration	1,508	1,508	338	1,170
TOTAL EXPENDITURES	\$ 27,642	\$ 45,142	\$ 38,920	\$ 6,222

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 22,980
Differences-Budget to GAAP	
Current Year Receivable	15,509
Prior Year Receivable	431
Total Revenues (GAAP Basis)	\$ 38,920

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 38,920
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 38,920

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Summer School	\$ 150,310	\$ 150,310	\$ 158,238	\$ 7,928
Interest Income	1,581	1,581	1,976	395
State Flow Through Grants	-	-	2,454	2,454
Federal Revenue	993,172	993,172	1,051,355	58,183
TOTAL REVENUE	<u>1,145,063</u>	<u>1,145,063</u>	<u>\$ 1,214,023</u>	<u>\$ 68,960</u>
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	<u>\$ 1,145,063</u>	<u>\$ 1,145,063</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 1,521,530	\$ 1,521,530	\$ 1,111,534	\$ 409,996
TOTAL EXPENDITURES	<u>\$ 1,521,530</u>	<u>\$ 1,521,530</u>	<u>\$ 1,111,534</u>	<u>\$ 409,996</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,214,023
Differences-Budget to GAAP	
Commodities Received	61,653
Total Revenues (GAAP Basis)	<u>\$ 1,275,676</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,111,534
Differences-budget to GAAP	
Cost of Commodities Used	61,653
Inventory Adjustment	38,585
Total Expenditures (GAAP Basis)	<u>\$ 1,211,772</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--MIGRANT CHILDREN EDUCATION

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 70,000	\$ 70,000	33,232	(36,768)
TOTAL REVENUE	<u>70,000</u>	<u>70,000</u>	<u>\$ 33,232</u>	<u>\$ (36,768)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 70,000</u>	<u>\$ 70,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 7,840	7,840	5,137	2,703
Support Services-Students	58,879	59,879	57,482	2,397
Support Services-General Administration	1,281	1,281	1,013	268
Student Transportation	2,000	1,000	1,000	-
TOTAL EXPENDITURES	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 64,632</u>	<u>\$ 5,368</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 33,232
Differences-Budget to GAAP	
Current Year Receivable	25,717
Prior Year Deferral	5,683

Total Revenues (GAAP Basis) \$ 64,632

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 64,632
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 64,632</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,072,944	\$ 1,156,911	\$ 636,595	\$ (520,316)
TOTAL REVENUE	<u>1,072,944</u>	<u>1,156,911</u>	<u>636,595</u>	<u>(520,316)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,072,944</u>	<u>\$ 1,156,911</u>		
EXPENDITURES				
Current				
Instruction	\$ 747,743	786,843	622,261	164,582
Support Services-Students	89,940	114,010	72,806	41,204
Support Services-Instruction	67,535	65,430	967	64,463
Support Services-General Administration	21,079	24,589	13,871	10,718
Support Services-School Administration	136,647	149,739	141,088	8,651
Student Transportation	10,000	10,000	750	9,250
Community Services-operations	-	6,300	484	5,816
TOTAL EXPENDITURES	<u>\$ 1,072,944</u>	<u>\$ 1,156,911</u>	<u>\$ 852,228</u>	<u>\$ 304,683</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 636,595
Differences-Budget to GAAP	
Current Year Receivable	144,636
Prior Year Deferral	66,345

Total Revenues (GAAP Basis) \$ 847,576

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 852,228
Total Expenditures (GAAP Basis)	<u>\$ 852,228</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARIES SB 301 G.O. BONDS

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 28,486	\$ 28,486	\$ 3,671	\$ (24,815)
TOTAL REVENUE	<u>28,486</u>	<u>28,486</u>	<u>3,671</u>	<u>(24,815)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 28,486</u>	<u>\$ 28,486</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 28,486	\$ 28,486	\$ 23,601	\$ 4,885
TOTAL EXPENDITURES	<u>\$ 28,486</u>	<u>\$ 28,486</u>	<u>23,601</u>	<u>4,885</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,671
Differences-Budget to GAAP	
Current Year Receivable	19,930
Total Revenues (GAAP Basis)	<u>\$ 23,601</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 23,601
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 23,601</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES—BUDGET (NON-GAAP)
 AND ACTUAL—SPECIAL REVENUE FUND—SCHOOL IN NEED OF IMPROVEMENT

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 29,174	\$ 29,174	\$ -	\$ (29,174)
TOTAL REVENUE	<u>29,174</u>	<u>29,174</u>	<u>-</u>	<u>(29,174)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 29,174</u>	<u>\$ 29,174</u>		
EXPENDITURES				
Current				
Instruction	\$ 29,174	\$ 29,174	\$ 19,453	\$ 9,721
TOTAL EXPENDITURES	<u>29,174</u>	<u>29,174</u>	<u>19,453</u>	<u>9,721</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Receivable	19,453
Total Revenues (GAAP Basis)	<u>\$ 19,453</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 19,453
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 19,453</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ENTITLEMENT

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 641,176	675,989	552,146	(123,843)
TOTAL REVENUE	<u>641,176</u>	<u>675,989</u>	<u>\$ 552,146</u>	<u>\$ (123,843)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 641,176</u>	<u>\$ 675,989</u>		
EXPENDITURES				
Current				
Instruction	\$ 161,527	185,199	158,479	26,720
Support Services-Students	326,769	330,194	306,552	23,642
Support Services-Instruction	9,359	8,399	5,963	2,436
Support Services-General Administration	19,441	19,441	8,976	10,465
Support Services-School Administration	124,080	132,716	127,315	5,401
Central Services	-	20	6	14
Community Services-operations	-	20	2	18
TOTAL EXPENDITURES	<u>\$ 641,176</u>	<u>\$ 675,989</u>	<u>\$ 607,292</u>	<u>\$ 68,697</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 552,146
Differences-Budget to GAAP	
Current Year Receivable	43,228
Prior Year Deferral	11,918
Total Revenues (GAAP Basis)	<u>\$ 607,292</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 607,292
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 607,292</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--GEAR UP - CHE

Year Ended June 30 2008

	ORIGINAL BUDGET	ACTUAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 75,707	\$ 75,707	\$ 63,392	\$ (12,315)
TOTAL REVENUE	<u>75,707</u>	<u>75,707</u>	<u>63,392</u>	<u>(12,315)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 75,707</u>	<u>\$ 75,707</u>		
EXPENDITURES				
Current				
Instruction	\$ 48,861	\$ 48,861	\$ 42,339	\$ 6,522
Support Services-Students	8,787	8,787	3,830	4,957
Support Services-General Administration	18,059	18,059	16,728	1,331
TOTAL EXPENDITURES	<u>\$ 75,707</u>	<u>\$ 75,707</u>	<u>\$ 62,897</u>	<u>\$ 12,810</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 63,392
Differences-Budget to GAAP	
Current Year Receivable	36,124
Prior Year Receivable	(36,619)
Total Revenues (GAAP Basis)	<u>\$ 62,897</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 62,897
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 62,897</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	59,443	59,443	115,423	55,980
TOTAL REVENUE	<u>59,443</u>	<u>59,443</u>	<u>\$ 115,423</u>	<u>\$ 55,980</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 59,443</u>	<u>\$ 59,443</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,000	\$ 1,000	\$ 596	\$ 404
Support Services-Students	42,482	42,482	30,583	11,899
Support Services-Instruction	12,865	12,865	12,564	301
Central Services	3,096	3,096	3,036	60
TOTAL EXPENDITURES	<u>\$ 59,443</u>	<u>\$ 59,443</u>	<u>\$ 46,779</u>	<u>\$ 12,664</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 115,423
Differences-Budget to GAAP	
Prior Year Receivable	(18,646)
Current Year Deferral	(49,579)
Total Revenues (GAAP Basis)	<u>\$ 47,198</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 46,779
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 46,779</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--PRIVATE GRANTS

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Private Grants	\$ 2,789	\$ 2,789	\$ 3,900	\$ 1,111
TOTAL REVENUE	<u>2,789</u>	<u>2,789</u>	<u>3,900</u>	<u>1,111</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,789</u>	<u>\$ 2,789</u>		
EXPENDITURES				
Current				
Support Services	\$ 2,789	\$ 2,789	\$ 1,029	\$ 1,760
TOTAL EXPENDITURES	<u>2,789</u>	<u>2,789</u>	<u>1,029</u>	<u>1,760</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,900
Differences-Budget to GAAP	
Current Year Deferral	(3,660)
Prior Year Deferral	789
Total Revenues (GAAP Basis)	<u>\$ 1,029</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,029
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,029</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BEGINNING TEACHER MENTORING PROGRAM

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	8,360	8,360	12,776	4,416
TOTAL REVENUE	<u>8,360</u>	<u>8,360</u>	<u>\$ 12,776</u>	<u>\$ 4,416</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 8,360</u>	<u>\$ 8,360</u>		
 EXPENDITURES				
Current				
Instruction	\$ 8,360	\$ 8,360	\$ 6,186	\$ 2,174
TOTAL EXPENDITURES	<u>\$ 8,360</u>	<u>\$ 8,360</u>	<u>\$ 6,186</u>	<u>\$ 2,174</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,776
Differences-Budget to GAAP	
Prior Year Receivable	(4,216)
Current Year Deferral	(2,374)
Total Revenues (GAAP Basis)	<u>\$ 6,186</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,186
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,186</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND-IMPACT AID- SPECIAL EDUCATION

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 3,150	\$ 3,150	\$ 4,474	\$ 1,324
TOTAL REVENUE	<u>3,150</u>	<u>3,150</u>	<u>4,474</u>	<u>1,324</u>
Cash Balance Budgeted	<u>5,211</u>	<u>5,211</u>		
TOTAL REVENUE & CASH	<u>\$ 8,361</u>	<u>\$ 8,361</u>		
EXPENDITURES				
Current				
Instruction	\$ 8,361	\$ 8,361	216	\$ 8,145
TOTAL EXPENDITURES	<u>\$ 8,361</u>	<u>\$ 8,361</u>	<u>216</u>	<u>\$ 8,145</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,474
Differences-Budget to GAAP	
Current Year Deferral	(9,469)
Prior Year Deferral	5,211

Total Revenues (GAAP Basis) \$ 216

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 216
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 216</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CARL PERKINS SECONDARY - CURRENT

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 37,004	\$ 37,004	\$ 3,270	\$ (33,734)
TOTAL REVENUE	<u>37,004</u>	<u>37,004</u>	<u>3,270</u>	<u>(33,734)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 37,004</u>	<u>\$ 37,004</u>		
EXPENDITURES				
Current				
Instruction	\$ 37,004	\$ 37,004	\$ 32,106	\$ 4,898
TOTAL EXPENDITURES	<u>37,004</u>	<u>37,004</u>	<u>32,106</u>	<u>4,898</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,270
Differences-Budget to GAAP	
Current Year Receivable	32,032
Prior Year Receivable	(3,196)
Total Revenues (GAAP Basis)	<u>\$ 32,106</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 32,106
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 32,106</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING & RECRUITING

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 292,557	328,100	157,583	\$ (170,517)
TOTAL REVENUE	<u>292,557</u>	<u>328,100</u>	<u>\$ 157,583</u>	<u>\$ (170,517)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 292,557</u>	<u>\$ 328,100</u>		
EXPENDITURES				
Current				
Instruction	\$ 209,537	244,192	201,760	\$ 42,432
Support Services-Instruction	61,738	54,238	-	54,238
Support Services-General Administration	5,362	5,962	3,119	2,843
Support Services-School Administration	15,920	23,708	17,679	6,029
TOTAL EXPENDITURES	<u>\$ 292,557</u>	<u>\$ 328,100</u>	<u>\$ 222,558</u>	<u>\$ 105,542</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 157,583
Differences-Budget to GAAP	
Current Year Receivable	63,751
Prior Year Deferral	1,224
Total Revenues (GAAP Basis)	<u>\$ 222,558</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 222,558
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 222,558</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SAFE & DRUG FREE SCHOOLS & COMMUNITIES

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 18,677	\$ 25,553	\$ 21,134	\$ (4,419)
Forest Reserve				-
TOTAL REVENUE	<u>18,677</u>	<u>25,553</u>	<u>21,134</u>	<u>(4,419)</u>
 Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ 18,677</u>	<u>\$ 25,553</u>		
 EXPENDITURES				
Current				
Instruction	\$ 8,677	14,949	8,813	\$ 6,136
Support Services-Students	10,000	10,604	7,099	3,505
TOTAL EXPENDITURES	<u>\$ 18,677</u>	<u>\$ 25,553</u>	<u>\$ 15,912</u>	<u>\$ 9,641</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,134
Differences-Budget to GAAP	
Current Year Receivable	1,758
Prior Year Receivable	(6,980)
Total Revenues (GAAP Basis)	<u>\$ 15,912</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 15,912
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 15,912</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND-TEACHING AMERICAN HISTORY

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 359,497	\$ 386,510	227,950	\$ (158,560)
TOTAL REVENUE	<u>359,497</u>	<u>386,510</u>	<u>\$ 227,950</u>	<u>\$ (158,560)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 359,497</u>	<u>\$ 386,510</u>		
EXPENDITURES				
Current				
Instruction	\$ 161,750	\$ 188,763	\$ 118,288	\$ 70,475
Support Services-General Administration	5,678	5,678	3,678	2,000
Support Services-School Administration	192,069	188,769	107,177	81,592
Central Services	-	3,300	2,955	345
TOTAL EXPENDITURES	<u>\$ 359,497</u>	<u>\$ 386,510</u>	<u>\$ 232,098</u>	<u>\$ 154,412</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 227,950
Differences-Budget to GAAP	
Current Year Receivable	34,133
Prior Year Deferral	15
Total Revenues (GAAP Basis)	<u>\$ 262,098</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 232,098
Differences-budget to GAAP	
Current Year Payable	30,000
Total Expenditures (GAAP Basis)	<u>\$ 262,098</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SCHOOL IMPROVEMENT FRAMEWORK

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 159	\$ 159	\$ 11,781	\$ 11,622
TOTAL REVENUE	<u>159</u>	<u>159</u>	<u>11,781</u>	<u>11,622</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 159</u>	<u>\$ 159</u>		
EXPENDITURES				
Current				
Central Services	\$ 159	\$ 159	\$ 159	\$ -
TOTAL EXPENDITURES	<u>\$ 159</u>	<u>\$ 159</u>	<u>\$ 159</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 11,781
Differences-Budget to GAAP	
Prior Year Receivable	(11,622)

Total Revenues (GAAP Basis) \$ 159

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 159
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 159</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CENTER FOR TEACHING EXCELLENCE

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 662	\$ 662	\$ 2,499	\$ 1,837
TOTAL REVENUE	<u>662</u>	<u>662</u>	<u>2,499</u>	<u>1,837</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 662</u>	<u>\$ 662</u>		
EXPENDITURES				
Current				
Instruction	\$ 662	\$ 662	\$ 73	\$ 589
TOTAL EXPENDITURES	<u>662</u>	<u>662</u>	<u>73</u>	<u>589</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,499
Differences-Budget to GAAP	
Prior Year Receivable	(2,426)

Total Revenues (GAAP Basis) \$ 73

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 73
Differences-budget to GAAP	
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 73</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY GO BONDS

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 7,604	\$ 7,604	\$ 15,698	\$ 8,094
TOTAL REVENUE	<u>7,604</u>	<u>7,604</u>	<u>15,698</u>	<u>8,094</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 7,604</u>	<u>\$ 7,604</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 7,604	\$ 7,604	\$ 7,604	\$ -
TOTAL EXPENDITURES	<u>7,604</u>	<u>7,604</u>	<u>7,604</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 15,698
Differences-Budget to GAAP	
Prior Year Tax Receivables	(12,264)
Current Year Receivable	77

Total Revenues (GAAP Basis) \$ 3,511

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 7,604
Differences-budget to GAAP	
Prior Year Payable	(4,093)
Total Expenditures (GAAP Basis)	<u>\$ 3,511</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID TITLE XIX

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 94,341	\$ 94,341	\$ 43,009	\$ (51,332)
TOTAL REVENUE	<u>94,341</u>	<u>94,341</u>	<u>43,009</u>	<u>(51,332)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 94,341</u>	<u>\$ 94,341</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 94,341	\$ 94,341	\$ 60,850	\$ 33,491
TOTAL EXPENDITURES	<u>94,341</u>	<u>94,341</u>	<u>60,850</u>	<u>33,491</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 43,009
Differences-Budget to GAAP	
Current Year Deferral	(55,061)
Prior Year Deferral	72,556

Total Revenues (GAAP Basis) \$ 60,504

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 60,850
Differences-budget to GAAP	
Prior Year Payable	(346)
Total Expenditures (GAAP Basis)	<u>\$ 60,504</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--READING FIRST

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 313,212	\$ 334,112	330,902	\$ (3,210)
TOTAL REVENUE	<u>313,212</u>	<u>334,112</u>	<u>\$ 330,902</u>	<u>\$ (3,210)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 313,212</u>	<u>\$ 334,112</u>		
EXPENDITURES				
Current				
Instruction	\$ 295,354	\$ 303,149	288,259	\$ 14,890
Support Services-Students	16,358	16,588	16,588	1
Support Services-General Administration	1,500	9,424	7,770	1,654
Support Services-School Administration	-	4,951	4,310	641
TOTAL EXPENDITURES	<u>\$ 313,212</u>	<u>\$ 334,112</u>	<u>\$ 316,926</u>	<u>\$ 17,186</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 330,902
Differences-Budget to GAAP	
Current Year Receivable	57,618
Prior Year Receivable	(71,594)
Total Revenues (GAAP Basis)	<u>\$ 316,926</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 316,926
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 316,926</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TANF GRADS

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
TOTAL REVENUE	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
 Cash Balance Budgeted	<u> </u>	<u> </u>		
 TOTAL REVENUE & CASH	<u>\$ 8,000</u>	<u>\$ 8,000</u>		
 EXPENDITURES				
Current				
Instruction	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
TOTAL EXPENDITURES	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
 Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 8,000	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>8,000</u>	
 Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 8,000	
Differences-budget to GAAP				
Inventory Adjustment				
Total Expenditures (GAAP Basis)			<u>8,000</u>	

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--GRADS - CHILD CARE

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	5,000	5,000	5,000	-
TOTAL REVENUE	<u>5,000</u>	<u>5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 5,000</u>	<u>\$ 5,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
TOTAL EXPENDITURES	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 5,000
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 5,000

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 5,000
 Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 5,000

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--PNM FOUNDATION

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 1,900	\$ 1,900	\$ -	\$ (1,900)
TOTAL REVENUE	<u>1,900</u>	<u>1,900</u>	<u>-</u>	<u>(1,900)</u>
Cash Balance Budgeted	<u>163</u>	<u>163</u>		
TOTAL REVENUE & CASH	<u>\$ 2,063</u>	<u>\$ 2,063</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,563	\$ 1,563	\$ 50	\$ 1,513
Support Services-Students	500	500	-	500
TOTAL EXPENDITURES	<u>\$ 2,063</u>	<u>\$ 2,063</u>	<u>\$ 50</u>	<u>\$ 2,013</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Deferral	(113)
Prior Year Deferral	163
Total Revenues (GAAP Basis)	<u>\$ 50</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 50
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 50</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--READING MATERIAL

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 17,874	\$ 17,874	\$ 6,836	\$ (11,038)
TOTAL REVENUE	<u>17,874</u>	<u>17,874</u>	<u>6,836</u>	<u>(11,038)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 17,874</u>	<u>\$ 17,874</u>		
EXPENDITURES				
Current				
Instruction	\$ 17,874	\$ 17,874	\$ 16,145	\$ 1,729
TOTAL EXPENDITURES	<u>17,874</u>	<u>17,874</u>	<u>16,145</u>	<u>1,729</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,836
Differences-Budget to GAAP	
Prior Year Tax Receivables	(1,652)
Current Year Receivable	10,961
Total Revenues (GAAP Basis)	<u>\$ 16,145</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 16,145
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 16,145</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ENGLISH LANGUAGE ACQUISITION

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 13,074	\$ 23,681	\$ 8,616	\$ (15,065)
TOTAL REVENUE	<u>13,074</u>	<u>23,681</u>	<u>8,616</u>	<u>(15,065)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 13,074</u>	<u>\$ 23,681</u>		
EXPENDITURES				
Current				
Instruction	\$ -	23,681	19,273	4,408
Support Services-Instruction	13,074	-	-	-
TOTAL EXPENDITURES	<u>\$ 13,074</u>	<u>\$ 23,681</u>	<u>19,273</u>	<u>4,408</u>

Explanation of Difference between Budgetary inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 8,616
Differences-Budget to GAAP	
Current Year Receivable	10,657

Total Revenues (GAAP Basis) \$ 19,273

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 19,273
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 19,273</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2008

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
ASSETS				
Cash on Deposit	\$ 1,120,436	\$ -	\$ 180,986	\$ 1,301,422
Due from Other Funds	953,732	-	-	953,732
Property Tax Receivable	6,894	-	-	6,894
Due from other Agencies	-	-	-	-
TOTAL ASSETS	<u>\$ 2,081,062</u>	<u>\$ -</u>	<u>\$ 180,986</u>	<u>\$ 2,262,048</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 25,184	\$ -	\$ -	\$ 25,184
Deferred Revenue	5,284	-	-	5,284
Due to Other Funds	1,360	-	-	1,360
TOTAL LIABILITIES AND OTHER CREDITS	31,828	-	-	31,828
FUND BALANCE				
Unreserved-Designated for Subsequent Years Expenditures	2,049,234	-	180,986	2,230,220
TOTAL FUND BALANCE	<u>2,049,234</u>	<u>-</u>	<u>180,986</u>	<u>2,230,220</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,081,062</u>	<u>\$ -</u>	<u>\$ 180,986</u>	<u>\$ 2,262,048</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2008

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
REVENUE				
Federal Programs	\$ 65,901	\$ -	\$ -	\$ 65,901
State Programs	-	1,050,654	384,266	1,434,920
State Equalization	19,528,473			19,528,473
Interest Earnings	117,878			117,878
Charges For Services	34,843			34,843
Fees	17,607			17,607
Donations	9,072			9,072
Miscellaneous	5,089			5,089
Local Property Taxes	71,073	-	-	71,073
TOTAL REVENUES	<u>19,849,936</u>	<u>1,050,654</u>	<u>384,266</u>	<u>21,284,856</u>
EXPENDITURES				
Current	-			
Instruction	12,305,076	-	269,389	12,574,465
Support Services	-	-	-	-
Support Services-Students	1,841,248	-	-	1,841,248
Support Services-Instruction	645,905	-	29,292	675,197
Support Services-General Administration	535,461	-	-	535,461
Support Services-School Administration	1,574,163	-	-	1,574,163
Central Services	774,363	-	-	774,363
Operation & Maintenance of Plant	2,575,101	-	-	2,575,101
Student Transportation	-	1,050,654	-	1,050,654
Other Support Services				
Food Services-Operations				
Community Services-Operations				
Acquisition & Construction	-			-
Debt Service	-	-	-	-
Principal				
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>20,251,317</u>	<u>1,050,654</u>	<u>298,681</u>	<u>21,600,652</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(401,381)	-	85,585	(315,796)
Other Financing Sources (uses)				
Transfer IN (OUT)	(41,932)	201	7,848	(33,883)
Total Other Financial Sources	<u>(41,932)</u>	<u>201</u>	<u>7,848</u>	<u>(33,883)</u>
Net Change In Fund Balances	(443,313)	201	93,433	(349,679)
FUND BALANCE				
June 30, 2007	2,492,385	-	87,553	2,579,938
Restatement	162	(201)		(39)
Restated Balance	<u>2,492,547</u>	<u>(201)</u>	<u>87,553</u>	<u>2,579,899</u>
FUND BALANCE June 30, 2008	<u><u>\$ 2,049,234</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,986</u></u>	<u><u>\$ 2,230,220</u></u>

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

STATE OF NEW MEXICO
MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 71,713	71,713	70,787	(926)
Fees - Educational	-	-	9,652	9,652
Fees-Users	-	-	7,955	7,955
Donations/Gifts	10,000	10,000	9,072	(928)
Interest Income	85,655	85,655	117,878	32,223
State Equalization	19,375,254	19,527,106	19,528,473	1,367
Impact Aid	4,061	4,061	6,562	2,501
Sale of Property/Equipment	-	-	3,485	3,485
Access Board	-	59,339	59,339	-
Refunds	-	-	1,603	1,603
Federal Revenue	37,761	37,761	34,843	(2,918)
TOTAL REVENUE	<u>\$ 19,584,444</u>	<u>19,795,635</u>	<u>\$ 19,849,649</u>	<u>\$ 54,014</u>
Cash Balance Budgeted	<u>2,066,696</u>	<u>2,066,696</u>		
TOTAL REVENUE & CASH	<u>\$ 21,651,140</u>	<u>\$ 21,862,331</u>		
EXPENDITURES				
Current				
Instruction	\$ 13,169,343	12,885,343	12,303,215	582,128
Support Services-Students	2,059,668	2,059,668	1,841,248	218,420
Support Services-Instruction	324,318	668,443	645,905	22,538
Support Services-General Administration	605,524	608,399	535,461	72,938
Support Services-School Administration	1,566,156	1,639,347	1,548,979	90,368
Central services	768,544	844,544	774,363	70,181
Operation & Maintenance of Plant	3,146,931	3,145,931	2,575,101	570,830
Other Support Services	10,656	10,656	-	10,656
TOTAL EXPENDITURES	<u>\$ 21,651,140</u>	<u>\$ 21,862,331</u>	<u>\$ 20,224,271</u>	<u>\$ 1,638,060</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 19,849,649
Differences-Budget to GAAP	
Property tax Receivable	1,611
Prior Year Tax Receivables	(1,324)
Total Revenues (GAAP Basis)	<u>\$ 19,849,936</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 20,224,271
Differences-budget to GAAP	
Current Year Payables	27,046
Total Expenditures (GAAP Basis)	<u>\$ 20,251,317</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TRANSPORTATION FUND

Year Ended June 30 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 922,051	\$ 1,050,654	\$ 1,050,654	\$ -
TOTAL REVENUE	<u>922,051</u>	<u>1,050,654</u>	<u>1,050,654</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 922,051</u>	<u>\$ 1,050,654</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 922,051	\$ 1,050,654	\$ 1,050,654	\$ -
TOTAL EXPENDITURES	<u>922,051</u>	<u>1,050,654</u>	<u>1,050,654</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 1,050,654
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 1,050,654

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 1,050,654
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 1,050,654

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TRANSPORTATION FUND

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	281,727	298,461	384,145	85,684
Refunds	-	-	121	121
TOTAL REVENUE	<u>281,727</u>	<u>298,461</u>	<u>\$ 384,266</u>	<u>\$ 85,805</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 281,727</u>	<u>\$ 298,461</u>		
EXPENDITURES				
Current				
Instruction	\$ 338,916	\$ 353,342	\$ 269,389	\$ 83,953
Support Services-Instruction	37,572	39,880	29,292	10,588
TOTAL EXPENDITURES	<u>\$ 376,488</u>	<u>\$ 393,222</u>	<u>\$ 298,681</u>	<u>\$ 94,541</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 384,266
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 384,266</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 298,681
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 298,681</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--CAPITAL PROJECTS FUND--BOND BUILDING

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	-	-	48,567	48,567
Bond Proceeds	4,592,799	4,592,799	4,524,824	(67,975)
TOTAL REVENUE	<u>4,592,799</u>	<u>4,592,799</u>	<u>\$ 4,573,391</u>	<u>\$ (19,408)</u>
Cash Balance Budgeted	<u>746,202</u>	<u>931,276</u>		
TOTAL REVENUE & CASH	<u>\$ 5,339,001</u>	<u>\$ 5,524,075</u>		
EXPENDITURES				
Acquisition & Construction	746,202	5,524,075	776,099	4,747,976
TOTAL EXPENDITURES	<u>\$ 746,202</u>	<u>\$ 5,524,075</u>	<u>\$ 776,099</u>	<u>\$ 4,747,976</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 4,573,391	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>\$ 4,573,391</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 776,099	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 776,099</u>	

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET -- NONMAJOR DEBT SERVICE FUND

June 30, 2008

	EDUCATIONAL TECHNOLOGY	<u>TOTAL</u>
ASSETS		
Cash on Deposit	\$ 61,169	\$ 61,169
Due From Other Funds		-
Property Tax Receivable	27,246	27,246
TOTAL ASSETS	<u>\$ 88,415</u>	<u>\$ 88,415</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ 3,200	\$ 3,200
Deferred Revenue	21,458	21,458
Due to Other Funds	50,000	50,000
TOTAL LIABILITIES		-
	74,658	74,658
		-
FUND BALANCE		-
Reserved for Debt Service	13,758	13,758
Unreserved-Designated for Subsequent Years Expenditures	-	-
TOTAL FUND BALANCE	<u>13,758</u>	<u>13,758</u>
		-
TOTAL LIABILITIES AND FUND Balance	<u>\$ 88,416</u>	<u>\$ 88,416</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE-- NONMAJOR DEBT SERVICE FUND

Year Ended June 30, 2008

	EDUCATIONAL TECHNOLOGY	TOTAL
REVENUE		
Local Property Taxes	\$ 252,020	\$ 252,020
Interest Earnings	2,583	2,583
TOTAL REVENUES	<u>254,603</u>	<u>254,603</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services-Students	-	-
Support Services-Instruction	-	-
Support Services-General Administration	2,540	2,540
Support Services-School Administration	-	-
Central Services	-	-
Operation & Maintenance of Plant	-	-
Student Transportation	-	-
Other Support Services	-	-
Food Services-Operations	-	-
Community Services-Operations	-	-
Acquisition & Construction	-	-
Debt Service	-	-
Principal	350,000	350,000
Interest	22,985	22,985
TOTAL EXPENDITURES	<u>375,525</u>	<u>375,525</u>
EXCESS (DEFICIENCY) OF		
REVENUE OVER EXPENDITURES	(120,922)	(120,922)
Other Financing Sources (uses)		
Transfer In/Out	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>
Net Change In Fund Balance	(120,922)	(120,922)
FUND BALANCE		
June 30, 2007	<u>134,680</u>	<u>134,680</u>
FUND BALANCE		
June 30, 2008	<u>\$ 13,758</u>	<u>13,758</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND

Year Ended June 30 2008

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Residential/Non-Residential Taxes	\$ 1,002,135	\$ 1,002,135	\$ 972,083	\$ (30,052)
Interest Income	-	5,000	2,227	(2,773)
TOTAL REVENUE	<u>1,002,135</u>	<u>1,007,135</u>	<u>\$ 974,310</u>	<u>\$ (32,825)</u>
Cash Balance Budgeted	<u>1,037,044</u>	<u>1,037,044</u>		
TOTAL REVENUE & CASH	<u>\$ 2,039,179</u>	<u>\$ 2,044,179</u>		
EXPENDITURES				
Current				
Support Services-General Administration	10,021	10,021	9,721	300
Principal	750,000	750,000	750,000	-
Interest and Finance Charges	252,138	252,138	252,135	3
Debt Service Reserve	1,032,020	1,032,020	-	1,032,020
TOTAL EXPENDITURES	<u>\$ 2,044,179</u>	<u>\$ 2,044,179</u>	<u>\$ 1,011,856</u>	<u>\$ 1,032,323</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 974,310
Differences-Budget to GAAP	
Property tax Receivable	22,431
Prior Year Tax Receivables	(17,131)
Total Revenues (GAAP Basis)	<u>\$ 979,610</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,011,856
Differences-budget to GAAP	
Prior Year Interest Payable	(138,784)
Current Year Interest Payable	185,093
Total Expenditures (GAAP Basis)	<u>\$ 1,058,165</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND--ED TECH DEBT SERVICE

Year Ended June 30 2008

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 374,785	\$ 374,785	\$ 253,948	\$ (120,837)
Interest Income	500	500	2,583	2,083
TOTAL REVENUE	<u>375,285</u>	<u>375,285</u>	<u>\$ 256,531</u>	<u>\$ (118,754)</u>
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	<u>\$ 375,285</u>	<u>\$ 375,285</u>		
EXPENDITURES				
Current				
Support Services-General Administration	3,715	3,715	2,540	1,175
Principal	350,000	350,000	350,000	-
Interest and Finance Charges	21,570	21,570	21,570	-
TOTAL EXPENDITURES	<u>\$ 375,285</u>	<u>\$ 375,285</u>	<u>\$ 374,110</u>	<u>\$ 1,175</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 256,531
Differences-Budget to GAAP	
Property tax Receivable	5,788
Prior Year Tax Receivables	(7,717)
Total Revenues (GAAP Basis)	<u>\$ 254,602</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 374,110
Differences-budget to GAAP	
Prior Year Interest Payable	(1,785)
Current Year Interest Payable	3,200
Total Expenditures (GAAP Basis)	<u>\$ 375,525</u>

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

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2008

	BALANCE 7/01/07	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6/30/08
Administration	\$ 101,379	\$ 56,947	\$ 18,001	\$ 6,765	\$ 169,562
High School	128,222	210,320	-	194,076	144,466
Junior High School	35,949	51,535	-	49,723	37,761
Brown Elementary	18,900	27,167	-	27,038	19,029
James Elementary	79,891	51,969	-	101,289	30,571
Lindsey Elementary	13,970	20,886	-	20,914	13,942
Steiner Elementary	19,927	9,130	-	13,712	15,345
Valencia Elementary	31,989	42,184	-	44,242	29,931
Portales High School Daycare	92,366	125,594	-	113,178	104,782
Scholarships	23,087	1,340	302	300	24,429
Henckee	302	-	(302)	-	-
Total	<u>\$ 545,982</u>	<u>\$ 597,072</u>	<u>\$ 18,001</u>	<u>\$ 571,237</u>	<u>\$ 589,818</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

<u>US DEPARTMENT OF EDUCATION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
Passed through New Mexico Public Education Department			
E Rate	88.001	11,000.00	\$ 59339
Title I	84.010	24101	852,228
Migrant Children Education	84.011	24103	64,632
Idea B Entitlement	84.027	24106	607,292
Idea B Preschool	84.027	24109	38,920
Title V	84.298	24150	1,944
English Language Acquisition	84.365A	25153	29,273
Teacher/Principal Training	84.367	24154	222,558
Safe & Drug Free Schools	84.186	24157	15,912
Rural & Low Income Schools	<1> 84.358	24160	114,502
Reading First	84.357A	24167	316,926
Carl Perkins	84.048	24174	32,106
Impact Aid	84.041	11000	6,562
Teaching American History	<1> 84.215X	25107	232,098
Impact Aid Special Ed	84.041	25145	216
TANF GRADS	93.590	25149	5,000
Title XIX Medicaid	93.778	25153	55,061
TANF/GRADS HSD	93.558	25162	8,000
Total Department of Education			<u>2,662,569</u>
US DEPARTMENT OF AGRICULTURE			
Passed Through New Mexico Public Education Department			
National School Lunch	<1> 10.555	21000	1,053,809
School Food Commodity Distribution Program	10.559	21000	61,653
Total Department of Agriculture			<u>1,115,462</u>
TOTAL FEDERAL AWARDS EXPENDITURES			\$ <u>3,778,031</u>

<1> Major Program

Note 1 This schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Note 2 Non-Monetary assistance of \$61,653 is included in the schedule at fair market value of the commodities received from the Department of Agriculture.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2008

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED BANK BALANCE	COLLATERAL REQUIRED	COLLATERAL PLEGDED	SECURITY DEFICIT	UNINSURED & UNCOLLATERALIZED DEPOSITS
PORTALES NATIONAL BANK	\$ 7,595,646	\$ 200,000	\$ 7,395,646	\$ 3,697,823	\$ 3,606,107	\$ (91,716)	\$ 3,789,539
<u>COLLATERAL</u>	<u>CUSIP #</u>	<u>MATURITY</u>	<u>MARKET VALUE</u>				
TREASURY NOTE 0702070005	912828FR6	08/31/08	251,367	Treasury Note			
FHLMC NOCAL FR 0801310010	3128X2ME2	01/12/09	251,328	FHLMC Agency Note			
TREASURY NOTE 0703090010	912828BZ2	06/10/11	150,551	Treasury Note			
FHLMC NOCAL STEP 0801310008	3128X3J20	11/18/09	508,127	FHLMC Agency Note			
FHLB NOCAL FR 0801310007	3133XGYT5	12/11/09	511,875	FHLB Agency Note			
ELIDA SD 0104270006	776465BC9	02/15/09	65,000	GO Bonds			
FHLB NO CALL FR 0705100005	3133XFJY3	06/10/11	517,969	FHLB Agency Note			
ELIDA SD 0104270007	776465BE5	07/01/12	80,000	GO Bonds			
FHLB NO CALL FR 0706140043	3133XFJY3	06/10/11	103,594	FHLB Agency Note			
FHLB CALL 0707100009	3133XLMV2	07/06/11	152,859	FHLB Agency Note			
FHLB NO CALL 0703090011	3133XJUT3	03/09/12	513,437	FHLB Agency Note			
CLOUDCROFT SD 01042400004	189134DF3	08/01/10	250,000	GO Bonds			
RIO RANCH SD 0110240005	767171EH0	08/01/10	250,000	GO Bonds			
			\$ 3,606,107				
NEW MEXICO STATE TREASURER	\$ 3,398,646	\$ -	\$ 3,398,646	\$ 3,398,646	\$ 3,398,646	\$ -	\$ -
FIRST COMMUNITY BANK	\$ 23,827	\$ 23,827	\$ -	\$ -	\$ -	\$ -	\$ -
Total all Institutions	\$ 11,018,119	\$ 223,827	\$ 10,794,292	\$ 7,096,469	\$ 7,004,753	\$ (91,716)	\$ 3,789,539

All pledged securities are held by the financial institutions trust Department or it's agent.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BANK SUMMARY

June 30, 2008

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	NET CASH BALANCE
PORTALES NATIONAL BANK	CHK	PAYROLL	\$ 998,167	\$ -	\$ 1,000,029	\$ (1,862)
	CHK	OPERATING	* 1,478,484	6	-	1,478,490
	CHK	CAP OUTLAY/DEBT SERVICE	* 3,923,083	-	-	3,923,083
	CHK	CAFETERIA	* 496,792	-	-	496,792
	CHK	ACTIVITY	* 263,420	-	-	263,420
	CHK	ATHLETICS	* 55,006	-	-	55,006
	CHK	A/P CLEARING	380,694		380,694	-
			<u>\$ 7,595,646</u>	<u>\$ 6</u>	<u>\$ 1,380,723</u>	<u>\$ 6,214,929</u>
NEW MEXICO STATE TREASURER SAVINGS			\$ 3,398,646	\$ -	\$ -	\$ 3,398,646
FIRST COMMUNITY BANK	CD		* \$ 23,827			\$ 23,827
TOTAL DEPOSITS			<u>\$ 11,018,119</u>	<u>\$ 6</u>	<u>\$ 1,380,723</u>	<u>\$ 9,637,402</u>
		* interest bearing				

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2008

	Operational	Transportation	Food Services	Athletics	Federal Projects	Local & State	SB-9	Energy Efficiency
Audited Net Cash JUNE 30, 2007	\$ 2,049,840	\$ (201)	\$ 394,304	\$ 85,126	\$ 258,667	\$ (3,812)	\$ 1,200,361	\$ 52,268
TOTAL CASH BALANCE JUNE 30, 2008	2,049,840	(201)	394,304	85,126	258,667	(3,812)	1,200,361	52,268
Add: Prior year void checks	-	-	-	-	-	-	-	-
2007-2008 Revenue	19,849,650	1,050,654	1,214,022	56,993	2,224,927	359,981	720,773	-
Loans Paid back	460,580	-	-	-	-	-	-	-
Loans In	-	-	-	-	449,934	368,076	-	-
Transfers In	5,167	201	-	-	4,690	-	-	1
TOTAL AVAILABLE CASH	22,365,237	1,050,654	1,608,326	142,119	2,938,218	724,245	1,921,134	52,269
2007-2008 Expenditures	20,224,271	1,050,654	1,111,534	40,724	2,592,458	564,932	567,696	12,763
Loans Out	971,906	-	-	-	-	-	-	-
Loans Paid Back	-	-	-	-	233,324	75,900	-	-
Transfers Out	46,764	-	-	-	48	418	-	-
NET CASH, JUNE 30, 2008	1,122,296	-	496,792	101,395	112,388	86,807	1,353,438	39,506
Cash On hand	-	-	-	-	-	-	-	-
TOTAL CASH, JUNE 30, 2008	\$ 1,122,296	\$ -	\$ 496,792	\$ 101,395	\$ 112,388	\$ 86,807	\$ 1,353,438	\$ 39,506

Ed Tech Equipment Act	Ed Tech Debt Service	Debt Service	Activities	Instructional Materials	PSCO 20%	SPECIAL CAP OUTLAY STATE	Bond Building	Public School Capital Outlay	Payroll Clearing
\$ 76,887	\$ 209,603	\$ 803,650	\$ 545,369	\$ 87,553	\$ -	\$ 16,452	\$ 931,276	\$ 3,854	\$ -
76,887	209,603	803,650	545,369	87,553	-	16,452	931,276	3,854	-
1,668	256,531	974,310	597,384	384,266	-	249,991	4,637,897	6,487	-
	50,000					81,911			
	-		18,000	7,848	-	-	-	29,659	
1,668	306,531	974,310	615,384	392,114	-	331,902	4,637,897	36,146	
78,555	516,134	1,777,960	1,160,753	479,667	-	348,354	5,569,173	40,000	
78,555	374,110	1,011,856	570,937	298,681	-	326,054	840,606	-	
	80,855					22,300		40,000	
78,555	454,965	1,011,856	570,937	298,681	-	348,354	840,606	40,000	
-	61,169	766,104	589,816	180,986	-	-	4,728,567	-	(1,862)
\$ -	\$ 61,169	\$ 766,104	\$ 589,816	\$ 180,986	\$ -	\$ -	\$ 4,728,567	\$ -	\$ (1,862)

SINGLE AUDIT 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**

Mr. Hector H Balderas, State Auditor
The Board of Directors
Portales Municipal Schools
Portales, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons of the general fund and major special revenue funds, and the aggregate remaining fund information of Portales Municipal Schools, 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 and have issued our report thereon dated November 10, 2008. We also have audited the financial statements of each of Portales Municipal Schools non major governmental and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of an for the year ended June 30, 2008, as listed in the table of contents. We conducted our audit in accordance with auditing 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 an performing our audit, we considered Portales Municipal Schools internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Portales Municipal Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Portales Municipal Schools' internal control over financial reporting.

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 the agency's internal control.

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 the agency's internal control.

Our consideration of 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 internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Portales Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 08-01.

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

This report is intended solely for the information and use of the Board of Education, management, the office of the New Mexico State Auditor, the New Mexico Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Portales, New Mexico
November 10, 2008

Roy Woodard & Associates

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

Mr. Hector Balderas, State Auditor
 The Board of Directors,
 Portales Municipal Schools
 Portales, New Mexico

Compliance

We have audited the compliance of Portales Municipal Schools with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Portales Municipal Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Portales Municipal Schools' management. Our responsibility is to express an opinion on Portales Municipal 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 Portales Municipal 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 on Portales Municipal Schools' compliance with those requirements.

In our opinion, Portales Municipal Schools complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Portales Municipal Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Portales Municipal Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions 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 Portales Municipal Schools' 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 the entity's internal control.

Our consideration of 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 do 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 Board of Education, Management, the Office of the New Mexico State Auditor, the New Mexico Public Education Department 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.

Portales, New Mexico
 November 10, 2008

Roy Woodard & Associates

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2008

PRIOR YEAR AUDIT FINDINGS – Portales Municipal Schools

CAPITAL ASSETS NOT INVENTORIED AND DEPRECIATED – 07-1

Statement of Condition: Capital assets are not being inventoried and depreciated by category in accordance to GASB 34.

Recommendation: District personnel need to finish the input and depreciation calculations in the accounting software. .

Response: The district personnel responsible have received training in the software and the input of fixed assets is almost complete. The existing assets have been physically inventoried and entered into the accounting system. The district only needs to finish the depreciation calculation and review the schedules for completeness.

Status: Resolved

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2008

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	Rural and Low Income Schools#84.358 Teaching American History #84.215X National School Lunch #10.555
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified

II. FEDERAL PROGRAM FINDINGS:

None

III. FINANCIAL STATEMENT FINDINGS:

UNDER COLLATERALIZED FUNDS – 08-01

Statement of Condition: Funds held by financial institution (Portales National Bank) were under collateralized. The account was uncollateralized by \$91,716.

Criteria: Violation of 6-10-17 NMSA 1978 Compilation.

Cause: The bank was not holding collateral for the District's Accounts Payable Clearing account and the Payroll Clearing account. These two accounts were added within the past fiscal year.

Effect: Risk of loss if bank fails.

Recommendation: Review pledged collateral at least monthly and compare to bank balance.

Response: The bank and management are aware of collateral required.

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

June 30, 2008

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the District's internal control, thus the preparation of the report is not a substitute for managements internal control and is not considered in the auditors evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

Three exit conferences, to discuss the contents of this report, were held on November 10, 2008. In attendance at the 4:30pm meeting were Randy Fowler, Superintendent; Alan Garrett, School Board Member; Carol Kriegshauser, Assistant Superintendent of Finance; and Pricilla Hernandez, Assistant Superintendent. At the 5:00pm meeting Mrs. Kriegshauser attended the meeting with School Board Member Rod Savage and School Board Member David Brooks. At 5:30pm meeting Board Member Mary Lou Rowley and Board Member Dr. Allen Garrett. Gayland Cowen represented our firm at all three of the meetings.