

**STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2009**

**RWA**

**Roy Woodard & Associates**  
Certified Public Accountants

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS  
 JUNE 30, 2009

TABLE OF CONTENTS

Table of Contents	i – iii
Official Roster	iv
Independent Auditor’s Report	v – vi
FINANCIAL SECTION	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3 – 4
Reconciliation of the Balance Sheet – All Governmental Funds to The Statement of Net Assets	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	6 – 7
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	8
Major Funds:	
Statement of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	9
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – SB 9	10
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Entitlement	11
Statement of Fiduciary Assets and Liabilities – Agency Fund	12
NOTES TO FINANCIAL STATEMENTS	13 – 26
NON-MAJOR FUNDS	
Non – Major Fund Descriptions	27 – 30
Combining Balance Sheet – Capital Projects Fund Non-Major Governmental	31 – 32
Combining Statements of Revenue, Expenditures, and Changes in Fund Balance—Capital Project Funds –Non-Governmental Funds	33 – 34
Combining Balance Sheet—Non-Major Governmental Funds— Special Revenue Funds	35 – 40
Combining Statement of Revenues, Expenses and Changes in Fund Balance – Non-Major Governmental Funds—Special Revenue Funds	41 – 46
Energy Efficiency Act – Capital Projects Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	47
Athletics – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	48
Incentives for School Improvements – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	49
Rural and Low Income Schools – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	50
Title V-A – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	51

TABLE OF CONTENTS

NON-MAJOR FUNDS (continued)

Idea B Preschool – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	52
Cafeteria – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	53
Title I-Migrant – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	54
Title I – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	55
Libraries SB 301 GO Bonds – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	56
School in Need of Improvement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	57
Gear Up CHE – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	58
Technology for Education – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	59
Private Direct Grants – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	60
Beginning Teacher Mentoring Program – Special Revenue Funds Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	61
Impact Aid-Title VIII – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	62
Carl D Perkins – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	63
Teacher/Principal Training – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	64
Safe and Drug Free Schools – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	65
Teaching American History – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	66
School Improvement Framework – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	67
Breakfast for Elementary Students – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	68
Center for Teaching Excellence – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	69
Title XIX Medicaid – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	70
Reading First – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	71
TANF GRADS – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	72
PNM Foundation – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	73
Reading Materials Fund – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	74
English Language Acquisition – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	75

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS  
 JUNE 30, 2009

TABLE OF CONTENTS

NON-MAJOR FUNDS (continued)

IDEA - Discretionary – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	76
Title I School Improvement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	77
Carl Perkins - Carryover – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	78
Title I ASA Federal Stimulus – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	79
Library Book Fund – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	80

MAJOR FUNDS

Combining Balance Sheet—General Fund	81
Statement of Revenue, Expenditures and Changes in Fund Balance—General Fund	82
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual—General Fund—Operational	83
Statement of Revenue & Expenditures—Budget (Non GAAP) and Actual—General Fund—Transportation Fund	84
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual—General Fund—Instructional Materials Fund	85
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Bond Building	86
Combining Balance Sheet – Debt Service Fund Non-Major Governmental	87
Combining Statements of Revenue, Expenditures, and Changes in Fund Balance – Debt Service Fund – Non-Governmental Funds	88
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Debt Service	89
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Educational Technology	90

SUPPLEMENTAL INFORMATION

Schedule of Changes in Assets and Liabilities – Agency Fund	91
Schedule of Expenditures of Federal Awards	92
Schedule of Pledged Collateral	93
Bank Summary	94
Bank Reconciliation	95 – 96

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 <i>Government Auditing Standards</i>	97 – 98
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	99
Prior Year Audit Findings	100
Schedule of Findings and Questioned Costs	101
Other Disclosures	102

STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2009

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

STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2009

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Randy Fowler	Superintendent
Carol Kriegshauser	Fiscal Officer

# Roy Woodard & Associates

Certified Public Accountants

305 S. Ave B, P.O. Box 445, Portales New Mexico Office (575) 356-8564 Fax (575) 356-2453

## 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, 2009, 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, 2009, 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, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund, IDEA B Entitlement, Senate Bill – 9, Bond Building, Public School Capital Outlay, and Debt Service, 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, 2009, 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 October 27, 2009, 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.

Ray Woodard & Associates

Portales, New Mexico  
October 27, 2009



FINANCIAL SECTION

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS

June 30, 2009

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 9,944,075
Due from other governments	302,861
Property Taxes Receivable	149,465
Inventory	30,350
Non-current:	
Capital assets, Net	31,999,937
Bond Issuance Costs-Net	188,605
Total assets	<u>\$ 42,615,293</u>
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	254,545
Deferred Revenue	246,293
Debt due within one year	1,165,000
Non-current:	
Compensated Absences	102,257
Debt due in more than one year	9,640,000
Total liabilities	<u>11,408,095</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	21,194,937
Restricted for:	
Debt Service	806,660
Bond Building	4,427,426
Athletics	116,319
Cafeteria	627,735
Senate Bill Nine	1,524,410
Unrestricted	2,509,711
Total net assets	<u>\$ 31,207,198</u>

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

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	15,184,632	89,036	2,436,493	-	(12,659,103)
Support Services	4,662	-	4,662	-	-
Support Services-Students	2,311,582	-	495,958	-	(1,815,624)
Support Services-Instruction	498,844	-	15,444	-	(483,400)
Support Services-General Administration	600,062	-	53,605	-	(546,457)
Support Services-School Administration	2,077,762	-	409,505	-	(1,668,257)
Central Services	849,492	-	8,132	-	(841,360)
Operation & Maintenance of Plant	2,502,063	-	-	-	(2,502,063)
Student Transportation	1,050,794	-	1,050,794	-	-
Other Support Services	-	-	-	-	-
Food Services-Operations	1,323,628	192,243	1,252,728	-	121,343
Community Services-Operations	37,751	-	37,751	-	-
Bond Interest Paid	429,945	-	-	-	(429,945)
Depreciation-Unallocated	1,299,488	-	-	-	(1,299,488)
Amortization-Unallocated	30,298	-	-	-	(30,298)
Unallocated	-	6,474	-	-	6,474
<b>Total governmental activities</b>	<b>\$ 28,201,003</b>	<b>\$ 287,753</b>	<b>\$ 5,765,072</b>	<b>\$ -</b>	<b>\$ (22,148,178)</b>

General Revenues:

Property Taxes:

Levied for General Purposes	76,254
Levied for Debt Service	1,622,492
Levied for Capital Projects	323,653
State Equalization Guarantee	20,770,851
Federal & State aid not Restricted	101,867
State Capital Outlay Grants	5,245,177
Bond Premium	28,458
Interest Earnings	95,516
Donations	2,051
Loss on Sale of Equipment	(11,597)
Miscellaneous	8,400
<b>Total general revenues</b>	<b>28,263,122</b>

Change in net assets	6,114,944
Net assets - beginning	24,894,281
Restatement	197,973
Restated Balance	25,092,254
<b>Net assets - ending</b>	<b>\$ 31,207,198</b>

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2009

	<u>GENERAL</u>	<u>SENATE BILL 9</u>	<u>BOND BUILDING</u>
<b>ASSETS</b>			
Cash on Deposit	\$ 1,786,339	\$ 1,517,538	\$ 4,427,426
Due from Other Funds	690,960	-	-
Due from Other Agencies	-	-	-
Property Tax Receivable	5,841	25,125	-
	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 2,483,140</u></b>	<b><u>\$ 1,542,663</u></b>	<b><u>\$ 4,427,426</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ 44,037	\$ -	\$ -
Deferred Revenue	4,244	18,253	-
Due to Other Funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>48,281</u></b>	<b><u>18,253</u></b>	<b><u>-</u></b>
<b>FUND BALANCE</b>			
Reserved for Inventory			
Reserved for Debt Service	-	-	-
Unreserved, Reported In: Designated for			
Subsequent Years Expenditures	2,434,859	-	-
Capital projects Funds	-	-	4,427,426
Special Revenue Funds	-	1,524,410	-
<b>TOTAL FUND BALANCE</b>	<b><u>2,434,859</u></b>	<b><u>1,524,410</u></b>	<b><u>4,427,426</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 2,483,140</u></b>	<b><u>\$ 1,542,663</u></b>	<b><u>\$ 4,427,426</u></b>

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

Public School Capital Outlay	Entitlement	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 247,660	\$ 991,011	\$ 974,101	\$ 9,944,075
-	-	-	-	690,960
-	24,821	-	278,040	302,861
-	-	99,034	19,464	149,464
-	-	-	30,348	30,348
<u>\$ -</u>	<u>\$ 272,481</u>	<u>\$ 1,090,045</u>	<u>\$ 1,301,953</u>	<u>\$ 11,117,708</u>
\$ -	\$ -	\$ 210,508	\$ -	\$ 254,545
-	-	70,572	141,727	234,796
-	272,481	-	418,477	690,958
-	272,481	281,080	560,204	1,180,299
-	-	808,965	30,348 (2,305)	806,660
-	-	-	-	2,434,859
-	-	-	-	4,427,426
-	-	-	713,706	2,238,116
-	-	808,965	741,749	9,937,409
<u>\$ -</u>	<u>\$ 272,481</u>	<u>\$ 1,090,045</u>	<u>\$ 1,301,953</u>	<u>\$ 11,117,708</u>

The accompanying footnotes 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, 2009

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

Fund balances - total governmental funds	\$ 9,937,409
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	31,999,937
Compensated absences	(102,256)
Property taxes receivable not available for current year expenditures and therefore are deferred in the funds	(11,497)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(10,805,000)
Bond Issuance Costs	<u>188,605</u>
Net assets of governmental activities	<u>\$ 31,207,198</u>

The accompanying footnotes 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, 2009

	General	SENATE BILL 9	Bond Building
<b>REVENUE</b>			
Federal Programs	\$ 53,993	\$ -	\$ -
State Programs	1,352,879	383,188	-
State Equalization	20,770,851		
Interest Earnings	38,162	3,894	48,392
Charges for Services	-		
Fees	6,474		
Donations	2,051		
Sale of Property	3,043		
Miscellaneous	58,704	-	
Sale of Bond Proceeds			1,700,000
Premium on Bond Sale			
Local Property Taxes	77,294	328,385	-
<b>TOTAL REVENUES</b>	<u>22,363,451</u>	<u>715,467</u>	<u>1,748,392</u>
<b>EXPENDITURES</b>			
Current			
Instruction	13,052,261	-	-
Support Services	-	-	-
Support Services-Students	1,815,625	-	-
Support Services-Instruction	478,516	-	-
Support Services-General Administration	526,940	3,287	-
Support Services-School Administration	1,668,257	-	-
Central Services	841,360	-	-
Operation & Maintenance of Plant	2,502,063	-	-
Student Transportation	1,043,790	-	-
Food Services-Operations	-	-	-
Community Services-Operations	-	-	-
Acquisition & Construction	221,313	531,231	1,956,734
Debt Service		-	-
Principal			
Interest			
<b>TOTAL EXPENDITURES</b>	<u>22,150,125</u>	<u>534,518</u>	<u>1,956,734</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	213,326	180,949	(208,342)
Other Financing Sources (uses)			
Transfers In/Out	(11,574)	-	(92,799)
Total Other Financial Sources	<u>(11,574)</u>	<u>-</u>	<u>(92,799)</u>
<b>Net Change In Fund Balance</b>	201,752	180,949	(301,141)
<b>FUND BALANCE</b>			
June 30, 2008	2,230,220	1,360,613	4,728,567
Restatement	2,887	(17,152)	
Restated Balance	<u>2,233,107</u>	<u>1,343,461</u>	<u>4,728,567</u>
<b>FUND BALANCE June 30, 2009</b>	<u>\$ 2,434,859</u>	<u>\$ 1,524,410</u>	<u>\$ 4,427,426</u>

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

Public School Capital Outlay	Entitlement	Debt Service	Other Governmental Funds	Total Governmental
\$ -	\$ 643,396	\$ -	\$ 3,405,337	\$ 4,102,726
4,604,611	-	-	623,408	6,964,086
		2,718	2,350	20,770,851
			-	95,516
			276,603	-
				283,077
				2,051
				3,043
			4,676	63,380
				1,700,000
		28,458		28,458
		1,399,023	229,194	2,033,896
<u>4,604,611</u>	<u>643,396</u>	<u>1,430,199</u>	<u>4,541,568</u>	<u>36,047,084</u>
-	180,377	-	2,022,107	15,254,745
-	-	-	4,662	4,662
-	308,094	-	187,863	2,311,582
-	5,917	-	14,411	498,844
-	12,291	13,930	43,614	600,062
-	136,713	-	272,792	2,077,762
-	-	-	8,132	849,492
-	-	-	-	2,502,063
-	4	-	7,000	1,050,794
-	-	-	1,323,628	1,323,628
-	-	-	37,751	37,751
4,604,611	-	-	302,732	7,616,621
-	-	-	-	-
		880,000	240,000	1,120,000
		423,545	6,400	429,945
<u>4,604,611</u>	<u>643,396</u>	<u>1,317,475</u>	<u>4,471,092</u>	<u>35,677,951</u>
-	-	112,724	70,476	369,133
-	-	89,467	14,906	-
-	-	89,467	14,906	-
-	-	202,191	85,382	369,133
-	-	606,774	657,727	9,583,901
-	-	-	(1,360)	(15,625)
			656,367	9,568,276
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 808,965</u>	<u>\$ 741,749</u>	<u>\$ 9,937,409</u>

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



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, 2009

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

Net change in fund balance - total governmental funds	\$ 369,133
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.	6,299,509
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.	-
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.	(11,497)
Bond issuance Cost	54,559
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Bond issuance proceeds	(1,700,000)
Expenses in the statement of activities which do not require use of current financial resources	
Decrease in compensated absences	13,538
Bond Principal	1,120,000
Issuance cost Amortization	<u>(30,298)</u>
Change in Net Assets	<u>\$ 6,114,944</u>

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

PORTALES MUNICIPAL SCHOOLS  
 COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET  
 (NON-GAAP) AND ACTUAL-GENERAL FUND  
 Year Ended June 30 2009

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 81,660	\$ 81,660	\$ 77,306	\$ (4,354)
Fees-Users	-	-	6,473	6,473
Donations/Gifts	10,000	10,000	2,052	(7,948)
Interest Income	130,000	30,000	38,162	8,162
State Equalization	20,638,008	20,768,214	20,770,851	2,637
State Flow Through Grants	1,259,875	1,296,640	1,352,879	56,239
Impact Aid	5,029	5,029	5,311	282
Sale of Property/Equipment	-	-	3,043	3,043
Access Board	-	48,683	48,683	-
Refunds	-	-	8,436	8,436
Federal Revenue	25,000	25,000	50,268	25,268
<b>TOTAL REVENUE</b>	<u>22,149,572</u>	<u>22,265,226</u>	<u>\$ 22,363,464</u>	<u>\$ 98,238</u>
Cash Balance Budgeted	<u>2,224,752</u>	<u>2,232,053</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 24,374,324</u>	<u>\$ 24,497,279</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 14,249,911	\$ 13,980,469	\$ 13,052,261	\$ 928,208
Support Services-Students	2,176,376	2,132,376	1,815,625	316,751
Support Services-Instruction	533,808	587,128	434,479	152,649
Support Services-General Administration	664,766	664,766	526,940	137,826
Support Services-School Administration	1,767,351	1,857,663	1,693,441	164,222
Central Services	823,714	896,714	841,361	55,353
Operation & Maintenance of Plant	3,142,300	3,099,800	2,502,063	597,737
Student Transportation	1,007,025	1,044,490	1,043,790	700
Other Support Services	9,073	9,073	-	9,073
<b>TOTAL EXPENDITURES</b>	<u>\$ 24,374,324</u>	<u>\$ 24,497,279</u>	<u>\$ 22,131,273</u>	<u>\$ 2,366,006</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 22,363,464
Differences-Budget to GAAP	
Property tax Receivable	1,597
Prior Year Tax Receivables	(1,610)
Total Revenues (GAAP Basis)	<u>\$ 22,363,451</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 22,131,273
Differences-budget to GAAP	
Cost of Commodities Used	44,037
Prior Year Payable	(25,185)
Total Expenditures (GAAP Basis)	<u>\$ 22,150,125</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 361,528	\$ 361,528	\$ 328,687	\$ (32,841)
Interest Income	26,000	26,000	3,894	(22,106)
State Flow Through Grants	-	383,188	383,188	-
<b>TOTAL REVENUE</b>	<u>387,528</u>	<u>770,716</u>	<u>\$ 715,769</u>	<u>\$ (54,947)</u>
Cash Balance Budgeted	<u>1,366,858</u>	<u>1,349,706</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,754,386</u>	<u>\$ 2,120,422</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Support Services-General Administration	\$ 5,000	\$ 5,800	\$ 3,287	\$ 2,513
Acquisition & Construction	1,749,386	2,114,622	531,231	1,583,391
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,754,386</u>	<u>\$ 2,120,422</u>	<u>\$ 534,518</u>	<u>\$ 1,585,904</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 715,769
Differences-Budget to GAAP	
Property tax Receivable	6,872
Prior Year Tax Receivables	(7,174)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 715,467</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 534,518
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 534,518</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 642,652	\$ 755,857	661,803	(94,054)
TOTAL REVENUE	<u>642,652</u>	<u>755,857</u>	<u>\$ 661,803</u>	<u>\$ (94,054)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 642,652</u>	<u>\$ 755,857</u>		
EXPENDITURES				
Current				
Instruction	\$ 160,841	248,443	180,377	68,066
Support Services-Students	318,727	346,477	308,094	38,383
Support Services-Instruction	-	6,600	5,917	683
Support Services-General Administration	20,076	13,076	12,291	785
Support Services-School Administration	143,008	141,251	136,713	4,538
Student Transportation	-	10	4	6
TOTAL EXPENDITURES	<u>\$ 642,652</u>	<u>\$ 755,857</u>	<u>\$ 643,396</u>	<u>\$ 112,461</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 661,803
Differences-Budget to GAAP	
Current Year Receivable	24,821
Prior Year Receivable	(43,228)
Total Revenues (GAAP Basis)	<u>\$ 643,396</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 643,396
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 643,396</u>

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

STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FIDUCIARY ASSETS & LIABILITIES--AGENCY FUND

June 30, 2009

ASSETS	
Cash on Deposit	\$ 556,243
TOTAL ASSETS	<u>\$ 556,243</u>
LIABILITIES	
Due to Student Groups	\$ 556,243
TOTAL LIABILITIES	<u>\$ 556,243</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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.

STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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.

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

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.

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

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.

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.



STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

1. 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 investment policies listed below.

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, 2009

I. 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 \$1,000 (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, 2009

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 \$20,770,851 in state equalization guarantee distributions during the year ended June 30, 2009.

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, 2009.

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 \$10,805,000 difference are as follows:

Bonds Payable	\$ 10,805,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 10,805,000</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 that 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 \$6,299,509 difference are as follows:

Capital Outlay	\$ 7,598,997
Depreciation expense	<u>( 1,299,488)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 6,299,509</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 \$1,700,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,700,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,700,000</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009 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, 2009

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, 2009.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2009, the carrying amount of the District's deposits was \$10,500,318 and the bank balance was \$11,402,206. Of this balance \$524,345 was covered by federal depository insurance and \$7,857,323 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$3,023,538 is comprised of amounts in excess of those required to be collateralized under state law.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the 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 \$250,000 in aggregate and separate from the \$250,000 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, 2009, the investments held in the LGIP had an interest risk (WAM) of 43 days and a Standard and Poor's Rating of AAAM.

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009, \$3,023,538 of the government's bank balance of \$11,402,206 was exposed to custodial risk as follows:

Uninsured and Uncollateralized \$3,023,538

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	\$ -	\$ 5,841
Senate Bill Nine	-	25,125
Debt Service	-	118,498
IDEA –B Preschool	2,507	-
Carl D. Perkins	1,266	-
Gear Up CHE	2,215	-
Reading Materials Fund	1,729	-
Title I Migrant	1,484	-
Title I	131,944	-
Libraries SB301 GO Bonds	4,884	-
IDEA – B Discretionary	26,973	-
Schools in Need of Improvement	4,451	-
Rural & Low Income Schools	6,757	-
Title I School Improvement	5,132	-
IDEA – B Entitlement	24,821	-
Teacher/Principal Training	32,526	-
IASA Federal Stimulus	47,477	-
English Language Acquisition	6,970	-
School Improvement Network	570	-
Special Capital Outlay State	1,155	-
Totals	\$ <u>302,861</u>	\$ <u>149,464</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. Amounts due to the District from delinquent property tax due to the County Treasurer 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, 2009

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance 06/30/07	Adjustments	Increases	Decreases	Balance 06/30/08
<b>Governmental Activities</b>					
Capital Assets not being depreciated					
Land	\$ 658,738	\$ -	\$ -	\$ -	\$ 658,738
Construction in Progress	599,810	-	6,198,252	483,781	6,314,281
Total Capital Assets not being depreciated	<u>1,258,548</u>	<u>-</u>	<u>6,198,252</u>	<u>483,781</u>	<u>6,973,019</u>
Capital Assets being depreciated					
Infrastructure	-	-	-	-	-
Buildings & Improvements	32,425,629	-	1,539,613	-	33,965,242
Equipment & Vehicles	6,380,137	-	359,553	256,924	6,482,766
Total Capital Assets being depreciated	<u>38,805,766</u>	<u>-</u>	<u>1,899,166</u>	<u>256,924</u>	<u>40,448,008</u>
Less: Accumulated Depreciation					
Infrastructure	-	-	-	-	-
Buildings & Improvements	9,994,629	(43,369)	847,391	-	10,798,651
Equipment & Vehicles	4,506,679	(94,052)	452,097	242,284	4,622,440
Total Accumulated Depreciation	<u>14,501,308</u>	<u>(137,421)</u>	<u>1,299,488</u>	<u>242,284</u>	<u>15,421,091</u>
Net Capital Assets being depreciated	<u>24,304,458</u>	<u>137,421</u>	<u>599,678</u>	<u>14,640</u>	<u>25,026,917</u>
Total Net Capital Assets	<u>\$ 25,563,006</u>	<u>\$ 137,421</u>	<u>\$ 6,797,930</u>	<u>\$ 498,421</u>	<u>\$ 31,999,936</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 \$4,604,611 of Public School Finance Authority funding for capital assets. This amount is reported in the Public School Capital Outlay fund.



STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2008	Additions	Retirements	Balance 6/30/2009	Amount Due in One Year
2001	\$ 6,500,000	3.1%-4.6%	\$ 4,175,000	\$	620,000	\$ 3,555,000	\$ 645,000
2002	1,400,000	3.5%-4.75%	890,000		110,000	780,000	115,000
2003	600,000	2.3%-3.8%	420,000		50,000	370,000	55,000
2005	900,000	3.0%-4.0%	240,000		240,000	0	0
2008	4,500,000	3.25%-4.0%	4,500,000		100,000	4,400,000	350,000
2009	1,700,000	3.0%	0	1,700,000	0	1,700,000	0
<b>Total</b>	<b>\$ 16,285,000</b>		<b>\$ 10,225,000</b>	<b>\$ 1,700,000</b>	<b>1,120,000</b>	<b>\$ 10,805,000</b>	<b>\$ 1,165,000</b>

Fiscal Year	Principal	Interest	Total
2010	\$ 1,165,000	\$ 417,264	\$ 1,577,264
2011	1,200,000	368,933	1,563,933
2012	1,260,000	318,068	1,573,068
2013	1,295,000	264,559	1,549,559
2014	2,140,000	208,356	2,343,356
2015-2017	3,745,000	217,905	4,102,905
	<b>\$ 10,805,000</b>	<b>\$ 1,795,084</b>	<b>\$ 12,710,084</b>

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, 2008	Vacation Used	Vacation Accrued	Balance June 30, 2009	Amount Due in One Year
\$115,791	\$103,949	\$90,415	\$102,257	\$102,257

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 \$11,177,405 including \$10,805,000 debt outstanding based on the 2009 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, 2009.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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](http://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, 2009, 2008, and 2007, were \$1,748,601, \$1,546,946, and \$1,381,230, 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, 2009

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](http://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 January 1, 1998 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 \$201,696, \$189,618 and \$176,718, respectively, which equal the required contributions for each year.

F. Interfund Balances

Due from	Due to Operational
Rural & Low Income Schools	7,970
Federal Stimulus	47,477
Title I Migrant	9,052
English Language Acquisition	10,970
Title I	131,944
Idea B Entitlement	272,481
Teacher/Principal Training	32,526
Carl D Perkins	24,080
IDEA – B Preschool	9,881
School Improvement Framework	20,900
IDEA – B Discretionary	26,973
Reading Materials	1,729
Gear Up CHE	4,921
School in Need of Improvement	17,002
Libraries SB 301 GO Bonds	4,884
Ed Tech Debt Service	7,373
Title I School Improvement	59,640
Special Capital Outlay State	1,155
	\$ 690,958

The balance of \$690,958 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, 2009

V. Other information (continued)

G. Interfund Transfers

The District made transfers from the General Fund to other funds to cover negative cash balances.

Transfers from the General Fund	
Non-major Capital Projects Funds	\$ 9,180
Non-major Special Revenue Funds	<u>2,394</u>
Total transfers from the General Fund	<u>\$ 11,574</u>

The District also made an interfund transfer to move bond premiums received from Bond Building to Debt Service.

Transfers from Bond Building	
Debt Service	\$ 89,467
Non-major Debt Service	<u>3,332</u>
Total transfers from Bond Building	<u>\$ 92,799</u>

H. Restatement of Beginning Fund Balance

The following fund balances were restated to correct prior period receivable balances: Operating, \$2,887; PSCO 20%, (\$1,360); and Senate Bill 9, (\$17,152). Total fund balance restatement was (\$15,625).

Restatement of Net Assets

Net Assets – Governmental Activities at July 1, 2008	\$ 24,894,281
Deduct:	
PSCO 20%: Correction of prior year receivable	(1,360)
Senate Bill 9: Repayment of funds to State agency	(17,152)
Prior year correction of delinquent taxes receivable	(1,987)
Add:	
Operational: Correction of prior year payable	2,887
Prior year depreciation	137,421
Prior year bond premium misclassified	<u>78,164</u>
Restated Balance at July 1, 2008	<u>\$ 25,092,254</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 come 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 21<sup>st</sup> 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.

### 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 efseq.

**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 47<sup>th</sup> Legislature.

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

**Gear Up CHE** – To increase the number of low-income students who graduate from high school who are prepared to succeed in college. Funding and authorization is 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 supplies, 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 funds 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 schools 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.

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.

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

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

June 30, 2009

	ENERGY EFFICIENCY ACT	PSCO 20%	Ed Tech Equipment Act	Special Capital Outlay State
<b>ASSETS</b>				
Cash on Deposit	\$ -	\$ -	\$ -	\$ -
Property Taxes Receivable		-		
Due From Other Agencies	-			1,155
Due From Other Funds		-	-	
Inventory	-			
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-		
Due to Other Funds	-		-	1,155
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,155</u>
<b>FUND BALANCE</b>				
Reserved for Inventory	-			
Reserved for Debt Service	-			
Unreserved-Designated for Subsequent Years Expenditures	-	-	-	
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155</u>

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

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 974,101	\$ -	\$ 974,101
-	-	19,464	19,464
1,155	276,885	-	278,040
-	-	-	-
-	30,348	-	30,348
<u>\$ 1,155</u>	<u>\$ 1,281,334</u>	<u>\$ 19,464</u>	<u>\$ 1,301,953</u>
\$ -	\$ -	\$ -	\$ -
-	127,331	14,396	141,727
1,155	409,949	7,373	418,477
<u>1,155</u>	<u>537,280</u>	<u>21,769</u>	<u>560,204</u>
-	-	-	-
-	30,348	-	30,348
-	-	(2,305)	(2,305)
-	713,706	-	713,706
-	744,054	(2,305)	741,749
<u>\$ 1,155</u>	<u>\$ 1,281,334</u>	<u>\$ 19,464</u>	<u>\$ 1,301,953</u>

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

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, 2009

	ENERGY EFFICIENCY ACT	PSCO 20%	Ed Tech Equipment Act	Special Capital Outlay State
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	257,378
Charges for services	-	-	-	-
Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,378</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services	-	-	-	-
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	39,506	-	-	263,226
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>39,506</u>	<u>-</u>	<u>-</u>	<u>263,226</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>(39,506)</u>	<u>-</u>	<u>-</u>	<u>(5,848)</u>
<b>Other Financing Sources (uses)</b>				
Transfer In/Out	-	-	3,332	5,848
<b>Total Other Financial Sources</b>	<u>-</u>	<u>-</u>	<u>3,332</u>	<u>5,848</u>
<b>Net Change In Fund Balance</b>	<u>(39,506)</u>	<u>-</u>	<u>3,332</u>	<u>-</u>
<b>FUND BALANCE</b>				
June 30, 2008	39,506	1,360	(3,332)	-
Restatement	-	(1,360)	-	-
Restated Balance	<u>39,506</u>	<u>-</u>	<u>(3,332)</u>	<u>-</u>
<b>FUND BALANCE June 30, 2009</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 3,405,337	\$ -	\$ 3,405,337
257,378	366,030	-	623,408
-	-	-	-
-	276,603	-	276,603
-	2,240	110	2,350
-	4,676	-	4,676
-	-	229,194	229,194
<u>257,378</u>	<u>4,054,886</u>	<u>229,304</u>	<u>4,541,568</u>
-	2,022,107	-	2,022,107
-	4,662	-	4,662
-	187,863	-	187,863
-	14,411	-	14,411
-	41,315	2,299	43,614
-	272,792	-	272,792
-	8,132	-	8,132
-	-	-	-
-	7,000	-	7,000
-	-	-	-
-	1,323,628	-	1,323,628
-	37,751	-	37,751
302,732	-	-	302,732
-	-	-	-
-	-	240,000	240,000
-	-	6,400	6,400
<u>302,732</u>	<u>3,919,661</u>	<u>248,699</u>	<u>4,471,092</u>
(45,354)	135,225	(19,395)	70,476
9,180	2,394	3,332	14,906
<u>9,180</u>	<u>2,394</u>	<u>3,332</u>	<u>14,906</u>
(36,174)	137,619	(16,063)	85,382
37,534	606,435	13,758	657,727
(1,360)	-	-	(1,360)
<u>36,174</u>	<u>606,435</u>	<u>13,758</u>	<u>656,367</u>
\$ -	\$ 744,054	\$ (2,305)	\$ 741,749

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS  
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	ATHLETICS	INCENTIVES FOR SCHOOL IMPROVEMENT	RURAL AND LOW INCOME SCHOOLS	TITLE V-A	IDEA B PRESCHOOL
<b>ASSETS</b>					
Cash on Deposit	\$ 116,319	\$ -	\$ 1,213	\$ -	\$ 7,374
Due From Other Agencies	-	-	6,757	-	2,507
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 116,319</b>	<b>\$ -</b>	<b>\$ 7,970</b>	<b>\$ -</b>	<b>\$ 9,881</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	-	7,970	-	9,881
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>7,970</b>	<b>-</b>	<b>9,881</b>
<b>FUND BALANCE</b>					
Reserved for Inventory	-	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	116,319	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>116,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 116,319</b>	<b>\$ -</b>	<b>\$ 7,970</b>	<b>\$ -</b>	<b>\$ 9,881</b>

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

CAFETERIA	TITLE I MIGRANT	TITLE I	LIBRARIES SB301 GO BONDS	SCHOOL IN NEED OF IMPROVEMENT	GEAR UP CHE
\$ 597,387	\$ 7,568	\$ -	\$ -	\$ 12,551	\$ 2,706
-	1,484	131,944	4,884	4,451	2,215
-	-	-	-	-	-
-	-	-	-	-	-
30,348	-	-	-	-	-
<u>\$ 627,735</u>	<u>\$ 9,052</u>	<u>\$ 131,944</u>	<u>\$ 4,884</u>	<u>\$ 17,002</u>	<u>\$ 4,921</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	9,052	131,944	4,884	17,002	4,921
-	9,052	131,944	4,884	17,002	4,921
30,348	-	-	-	-	-
597,387	-	-	-	-	-
<u>627,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 627,735</u>	<u>\$ 9,052</u>	<u>\$ 131,944</u>	<u>\$ 4,884</u>	<u>\$ 17,002</u>	<u>\$ 4,921</u>

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS  
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	TECHNOLOGY FOR EDUCATION	PRIVATE DIRECT GRANTS	BEG. TEACHER MENTORING PROGRAM	IMPACT AID TITLE VIII
<b>ASSETS</b>				
Cash on Deposit	\$ 58,330	\$ 2,710	\$ 3,418	\$ 9,473
Due From Other Agencies	-	-	-	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
	<u>58,330</u>	<u>2,710</u>	<u>3,418</u>	<u>9,473</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>58,330</u></b>	<b>\$ <u>2,710</u></b>	<b>\$ <u>3,418</u></b>	<b>\$ <u>9,473</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$	\$	\$	\$
Deferred Revenue	58,330	2,710	3,418	9,473
Due to Other Funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>58,330</u>	<u>2,710</u>	<u>3,418</u>	<u>9,473</u>
<b>FUND BALANCE</b>				
Reserved for Inventory	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>58,330</u></b>	<b>\$ <u>2,710</u></b>	<b>\$ <u>3,418</u></b>	<b>\$ <u>9,473</u></b>

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



CARL D PERKINS	TEACHER PRINCIPAL TRAINING	SAFE AND DRUG FREE SCHOOLS	TEACHING AMERICAN HISTORY	SCHOOL IMPROVEMENT FRAMEWORK	BREAKFAST FOR ELEMENTARY STUDENTS	CENTER FOR TEACHER EXCELLENCE
\$ 22,814	\$ -	\$ -	\$ -	\$ 20,330	\$ -	\$ -
1,266	32,526	-	-	570	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>24,080</u>	<u>32,526</u>	<u>-</u>	<u>-</u>	<u>20,900</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
24,080	32,526	-	-	20,900	-	-
<u>24,080</u>	<u>32,526</u>	<u>-</u>	<u>-</u>	<u>20,900</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 24,080	\$ 32,526	\$ -	\$ -	\$ 20,900	\$ -	\$ -

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--SPECIAL REVENUE FUNDS  
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	TITLE XIX MEDICAID 3/21 YEARS	READING FIRST	TANF GRADS	PNM FOUNDATION	READING MATERIALS FUND
<b>ASSETS</b>					
Cash on Deposit	\$ 44,888	\$ -	\$ -	\$ -	\$ -
Due From Other Agencies	-	-	-	-	1,729
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 44,888</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,729</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	44,888	-	-	-	-
Due to Other Funds	-	-	-	-	1,729
<b>TOTAL LIABILITIES</b>	<b>44,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,729</b>
<b>FUND BALANCE</b>					
Reserved for Inventory	-	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 44,888</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,729</b>

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

ENGLISH LANGUAGE ACQUISITION	DISCRETIONARY	TITLE I SCHOOL IMPROVEMENT	CARL PERKINS CARRYOVER	TITLE I IASA FEDERAL STIMULUS	LIBRARY BOOK FUND	GRADS CHILD CARE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 4,000	\$ -	\$ 54,508	\$ -	\$ -	\$ 8,512	\$ -	\$ 974,101
6,970	26,973	5,132	-	47,477	-	-	276,885
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	30,348
<u>10,970</u>	<u>26,973</u>	<u>59,640</u>	<u>\$ -</u>	<u>\$ 47,477</u>	<u>8,512</u>	<u>-</u>	<u>1,281,334</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	8,512	-	127,331
10,970	26,973	59,640	-	47,477	-	-	409,949
<u>10,970</u>	<u>26,973</u>	<u>59,640</u>	<u>-</u>	<u>47,477</u>	<u>8,512</u>	<u>-</u>	<u>537,280</u>
-	-	-	-	-	-	-	30,348
-	-	-	-	-	-	-	713,706
-	-	-	-	-	-	-	744,054
<u>\$ 10,970</u>	<u>\$ 26,973</u>	<u>\$ 59,640</u>	<u>\$ -</u>	<u>\$ 47,477</u>	<u>\$ 8,512</u>	<u>\$ -</u>	<u>\$ 1,281,334</u>

The accompanying footnotes 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, 2009

	ATHLETICS	INCENTIVES FOR SCHOOL IMPROVEMENT	RURAL AND LOW INCOME SCHOOLS	TITLE V-A	IDEA B PRESCHOOL
<b>REVENUE</b>					
Federal Programs	\$ -	\$ -	\$ 29,881	\$ 1,367	\$ 24,370
State Programs	-	19,751	-	-	-
State Equalization	-	-	-	-	-
Interest Earnings	888	-	-	-	-
Charges For Services	-	-	-	-	-
Fees	89,036	-	-	-	-
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Local Property Taxes	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>89,924</u>	<u>19,751</u>	<u>29,881</u>	<u>1,367</u>	<u>24,370</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Instruction	75,000	19,751	17,348	-	24,174
Support Services	-	-	4,662	-	-
Support Services-Students	-	-	9,606	-	-
Support Services-Instruction	-	-	-	1,367	-
Support Services-General Administration	-	-	659	-	196
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	-	-	-	-	-
Interest	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>75,000</u>	<u>19,751</u>	<u>32,275</u>	<u>1,367</u>	<u>24,370</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>14,924</b>	<b>-</b>	<b>(2,394)</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (uses)</b>					
Transfer/Refunds	-	-	2,394	-	-
<b>Total Other Financial Sources</b>	<u>-</u>	<u>-</u>	<u>2,394</u>	<u>-</u>	<u>-</u>
<b>Net Change In Fund Balance</b>	<b>14,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
June 30, 2008	101,395	-	-	-	-
Restatement	-	-	-	-	-
<b>Restated Balance</b>	<u>101,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE June 30, 2009</b>	<u>\$ 116,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CAFETERIA	TITLE I MIGRANT	TITLE I	LIBRARIES SB301 GO BONDS	SCHOOL IN NEED OF IMPROVEMENT	GEAR UP CHE
\$ 1,128,905	\$ 67,070	\$ 1,244,949	\$ -	\$ -	\$ -
54,585	-	-	4,884	30,652	55,082
-	-	-	-	-	-
1,352	-	-	-	-	-
-	-	-	-	-	-
187,567	-	-	-	-	-
-	-	-	-	-	-
4,676	-	-	-	-	-
-	-	-	-	-	-
<u>1,377,085</u>	<u>67,070</u>	<u>1,244,949</u>	<u>4,884</u>	<u>30,652</u>	<u>55,082</u>
-	4,560	978,110	-	30,652	53,974
-	-	-	-	-	-
-	60,134	80,106	-	-	271
-	-	1,181	4,884	-	-
-	1,376	24,368	-	-	724
-	-	159,613	-	-	113
-	-	-	-	-	-
-	-	-	-	-	-
-	1,000	-	-	-	-
-	-	-	-	-	-
1,254,390	-	-	-	-	-
-	-	1,571	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,254,390</u>	<u>67,070</u>	<u>1,244,949</u>	<u>4,884</u>	<u>30,652</u>	<u>55,082</u>
122,695	-	-	-	-	-
-	-	-	-	-	-
122,695	-	-	-	-	-
505,040	-	-	-	-	-
<u>505,040</u>	-	-	-	-	-
<u>\$ 627,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2009

	TECHNOLOGY FOR EDUCATION	PRIVATE DIRECT GRANTS	BEG. TEACHER MENTORING PROGRAM	IMPACT AID TITLE VIII
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ 3,840
State Programs	41,180	9,050	6,981	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
<b>TOTAL REVENUES</b>	<u>41,180</u>	<u>9,050</u>	<u>6,981</u>	<u>3,840</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	4,564	9,050	6,981	3,840
Support Services	-	-	-	-
Support Services-Students	20,860	-	-	-
Support Services-Instruction	6,979	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	645	-	-	-
Central Services	8,132	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>41,180</u>	<u>9,050</u>	<u>6,981</u>	<u>3,840</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-	-	-
<b>Other Financing Sources (uses)</b>				
Transfer/Refunds	-	-	-	-
<b>Total Other Financial Sources</b>	-	-	-	-
<b>Net Change In Fund Balance</b>	-	-	-	-
<b>FUND BALANCE</b>				
June 30, 2008	-	-	-	-
Restatement	-	-	-	-
<b>Restated Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CARL D PERKINS	TEACHER PRINCIPAL TRAINING	SAFE AND DRUG FREE SCHOOLS	TEACHING AMERICAN HISTORY	SCHOOL IMPROVEMENT FRAMEWORK	BREAKFAST FOR ELEMENTARY STUDENTS	CENTER FOR TEACHER EXCELLENCE
\$ 37,804	\$ 258,198	\$ 6,660	\$ 290,541	\$ -	\$ -	\$ -
-	-	-	-	65,121	69,238	764
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>37,804</u>	<u>258,198</u>	<u>6,660</u>	<u>290,541</u>	<u>65,121</u>	<u>69,238</u>	<u>764</u>
37,804	221,667	4,595	163,150	65,121	-	-
-	-	-	-	-	-	-
-	1,717	2,065	-	-	-	764
-	5,192	-	8,800	-	-	-
-	29,622	-	82,411	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	69,238	-
-	-	-	36,180	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>37,804</u>	<u>258,198</u>	<u>6,660</u>	<u>290,541</u>	<u>65,121</u>	<u>69,238</u>	<u>764</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes 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, 2009

	TITLE XIX MEDICAID 3/21 YEARS	READING FIRST	TANF GRADS	PNM FOUNDATION	READING MATERIALS FUND
<b>REVENUE</b>					
Federal Programs	\$ 11,840	\$ 13,731	\$ 8,000	\$ -	\$ -
State Programs	-	-	-	2,013	1,729
State Equalization	-	-	-	-	-
Interest Earnings	-	-	-	-	-
Charges For Services	-	-	-	-	-
Fees	-	-	-	-	-
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Local Property Taxes	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>11,840</u>	<u>13,731</u>	<u>8,000</u>	<u>2,013</u>	<u>1,729</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Instruction	-	13,343	8,000	1,513	1,729
Support Services	-	-	-	-	-
Support Services-Students	11,840	-	-	500	-
Support Services-Instruction	-	-	-	-	-
Support Services-General Administration	-	-	-	-	-
Support Services-School Administration	-	388	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services-Operations	-	-	-	-	-
Community Services-Operations	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>11,840</u>	<u>13,731</u>	<u>8,000</u>	<u>2,013</u>	<u>1,729</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-	-	-	-
<b>Other Financing Sources (uses)</b>					
Transfer/Refunds	-	-	-	-	-
<b>Total Other Financial Sources</b>	-	-	-	-	-
<b>Net Change In Fund Balance</b>	-	-	-	-	-
<b>FUND BALANCE</b>					
June 30, 2008	-	-	-	-	-
Restatement	-	-	-	-	-
<b>Restated Balance</b>	-	-	-	-	-
<b>FUND BALANCE</b>	-	-	-	-	-
June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



ENGLISH LANGUAGE ACQUISITION	DISCRETIONARY	TITLE I SCHOOL IMPROVEMENT	CARL PERKINS CARRYOVER	TITLE I IASA FEDERAL STIMULUS	LIBRARY BOOK FUND	GRADS CHILD CARE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 15,258	\$ 26,973	\$ 183,945	\$ 4,528	\$ 47,477	\$ -	\$ -	3,405,337
-	-	-	-	-	-	5,000	366,030
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,240
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	276,603
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,676
-	-	-	-	-	-	-	-
<u>15,258</u>	<u>26,973</u>	<u>183,945</u>	<u>4,528</u>	<u>47,477</u>	<u>-</u>	<u>5,000</u>	<u>4,054,886</u>
15,258	26,973	183,945	4,528	41,477	-	5,000	2,022,107
-	-	-	-	-	-	-	4,662
-	-	-	-	-	-	-	187,863
-	-	-	-	-	-	-	14,411
-	-	-	-	-	-	-	41,315
-	-	-	-	-	-	-	272,792
-	-	-	-	-	-	-	8,132
-	-	-	-	-	-	-	-
-	-	-	-	6,000	-	-	7,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,323,628
-	-	-	-	-	-	-	37,751
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>15,258</u>	<u>26,973</u>	<u>183,945</u>	<u>4,528</u>	<u>47,477</u>	<u>-</u>	<u>5,000</u>	<u>3,919,661</u>
-	-	-	-	-	-	-	135,225
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,394
-	-	-	-	-	-	-	2,394
-	-	-	-	-	-	-	137,619
-	-	-	-	-	-	-	606,435
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	606,435
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,054</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE	-	-	-	
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
Cash Balance Budgeted	39,506	39,506		
TOTAL REVENUE & CASH	\$ 39,506	\$ 39,506		
EXPENDITURES				
Acquisition & Construction	\$ 39,506	\$ 39,506	\$ 39,506	
TOTAL EXPENDITURES	\$ 39,506	\$ 39,506	\$ 39,506	\$ -

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)

\$ 39,506

Differences-budget to GAAP

Total Expenditures (GAAP Basis)

\$ 39,506

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	54,000	54,000	89,036	35,036
Interest Income	2,000	2,000	888	(1,112)
TOTAL REVENUE	<u>56,000</u>	<u>56,000</u>	<u>\$ 89,924</u>	<u>\$ 33,924</u>
Cash Balance Budgeted	<u>100,900</u>	<u>100,900</u>		
TOTAL REVENUE & CASH	<u>\$ 156,900</u>	<u>\$ 156,900</u>		
EXPENDITURES				
Current				
Instruction	\$ 156,900	156,900	75,000	81,900
TOTAL EXPENDITURES	<u>\$ 156,900</u>	<u>\$ 156,900</u>	<u>\$ 75,000</u>	<u>\$ 81,900</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis)			\$ 89,924	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>\$ 89,924</u>	
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis)			\$ 75,000	
Total Expenditures (GAAP Basis)			<u>\$ 75,000</u>	

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 19,752	\$ -	\$ (19,752)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>19,752</u>	<u>-</u>	<u>(19,752)</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 19,752</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 19,752	\$ 19,751	\$ 1
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>19,752</u>	<u>19,751</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	19,751
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 19,751</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 19,751
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 19,751</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Federal Revenue	\$ 80,411	\$ 80,411	\$ 26,078	\$ (54,333)
<b>TOTAL REVENUE</b>	<u>80,411</u>	<u>80,411</u>	<u>26,078</u>	<u>(54,333)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 80,411</u>	<u>\$ 80,411</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 40,915	\$ 40,915	\$ 17,348	\$ 23,567
Support Services-Students	-	11,000	9,606	1,394
Support Services-Instruction	32,000	21,000	-	21,000
Support Services-General Administration	2,459	2,459	659	1,800
Support Services-School Administration	5,037	5,037	4,662	375
<b>TOTAL EXPENDITURES</b>	<u>\$ 80,411</u>	<u>\$ 80,411</u>	<u>\$ 32,275</u>	<u>\$ 48,136</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 26,078
Differences-Budget to GAAP	
Current Year Receivable	6,756
Prior Year Receivable	(2,953)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 29,881</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 32,275
Prior Year Payable	-
Inventory Adjustment	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 32,275</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 1,369	\$ 1,451	\$ 82
TOTAL REVENUE	<u>-</u>	<u>1,369</u>	<u>1,451</u>	<u>82</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,369</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ -	\$ 1,369	\$ 1,367	\$ 2
TOTAL EXPENDITURES	<u>-</u>	<u>1,369</u>	<u>1,367</u>	<u>2</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,451
Differences-Budget to GAAP	
Prior Year Receivable	(84)
Total Revenues (GAAP Basis)	<u>\$ 1,367</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,367
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,367</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 27,201	25,989	37,371	11,382
TOTAL REVENUE	<u>27,201</u>	<u>25,989</u>	<u>\$ 37,371</u>	<u>\$ 11,382</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 27,201</u>	<u>\$ 25,989</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 26,371	25,159	24,174	985
Support Services-General Administration	830	830	196	634
TOTAL EXPENDITURES	<u>\$ 27,201</u>	<u>\$ 25,989</u>	<u>\$ 24,370</u>	<u>\$ 1,619</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 37,371
Differences-Budget to GAAP	
Current Year Receivable	2,508
Prior Year Receivable	(15,509)
Total Revenues (GAAP Basis)	<u>\$ 24,370</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 24,370
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 24,370</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ 158,700	\$ 158,700	\$ 187,567	\$ 28,867
Interest Income	2,200	2,200	1,352	(848)
State Flow Through Grants	-	-	54,585	54,585
Refunds			4,676	4,676
Federal Revenue	1,089,500	1,089,500	1,043,945	(45,555)
<b>TOTAL REVENUE</b>	<u>1,250,400</u>	<u>1,250,400</u>	<u>\$ 1,292,125</u>	<u>\$ 41,725</u>
Cash Balance Budgeted	<u>445,924</u>	<u>496,792</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,696,324</u>	<u>\$ 1,747,192</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Food Services-Operations	\$ 1,696,324	\$ 1,747,192	\$ 1,191,530	\$ 555,662
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,696,324</u>	<u>\$ 1,747,192</u>	<u>\$ 1,191,530</u>	<u>\$ 555,662</u>
<b>Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</b>				
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis)			\$ 1,292,125	
Differences-Budget to GAAP				
Commodities Received			84,960	
<b>Total Revenues (GAAP Basis)</b>			<u>\$ 1,377,085</u>	
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis)			\$ 1,191,530	
Differences-budget to GAAP				
Cost of Commodities Used			84,960	
Inventory Adjustment			(22,100)	
<b>Total Expenditures (GAAP Basis)</b>			<u>\$ 1,254,390</u>	

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 70,000	\$ 70,000	91,303	21,303
TOTAL REVENUE	<u>70,000</u>	<u>70,000</u>	<u>\$ 91,303</u>	<u>\$ 21,303</u>
Cash Balance: Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 70,000</u>	<u>\$ 70,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 2,030	4,730	4,560	170
Support Services-Students	64,898	62,798	60,134	2,664
Support Services-General Administration	2,072	1,472	1,376	96
Student Transportation	1,000	1,000	1,000	-
TOTAL EXPENDITURES	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 67,070</u>	<u>\$ 2,930</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 91,303
Differences-Budget to GAAP	
Current Year Receivable	1,484
Prior Year Receivable	(25,717)
Total Revenues (GAAP Basis)	<u>\$ 67,070</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 67,070
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 67,070</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 1,306,135	\$ 1,306,135	\$ 1,257,641	\$ (48,494)
<b>TOTAL REVENUE</b>	<u>1,306,135</u>	<u>1,306,135</u>	<u>\$ 1,257,641</u>	<u>\$ (48,494)</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,306,135</u>	<u>\$ 1,306,135</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 1,015,887	1,015,887	978,110	37,777
Support Services-Students	106,840	82,640	80,106	2,534
Support Services-Instruction	-	1,400	1,181	219
Support Services-General Administration	38,659	29,659	24,368	5,291
Support Services-School Administration	144,749	173,549	159,613	13,936
Student Transportation	-	-	-	-
Community Services-operations	-	3,000	1,571	1,429
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,306,135</u>	<u>\$ 1,306,135</u>	<u>\$ 1,244,949</u>	<u>\$ 61,186</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,257,641
Differences-Budget to GAAP	
Current Year Receivable	131,944
Prior Year Receivable	(144,636)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 1,244,949</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,244,949
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,244,949</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 4,884	\$ 19,930	\$ 15,046
<b>TOTAL REVENUE</b>	<u>-</u>	<u>4,884</u>	<u>19,930</u>	<u>15,046</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 4,884</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 4,884	\$ 4,884	\$ -
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>4,884</u>	<u>4,884</u>	<u>-</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 19,930
Differences-Budget to GAAP	
Current Year Receivable	4,884
Prior Year Receivable	(19,930)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 4,884</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 4,884
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 4,884</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 35,000	\$ 45,654	\$ 10,654
<b>TOTAL REVENUE</b>	<u>-</u>	<u>35,000</u>	<u>45,654</u>	<u>10,654</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 35,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 35,000	\$ 30,652	\$ 4,348
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>35,000</u>	<u>30,652</u>	<u>4,348</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 45,654
Differences-Budget to GAAP	
Current Year Receivable	4,451
Prior Year Receivable	(19,453)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 30,652</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 30,652
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 30,652</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ACTUAL BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 57,631	\$ 88,992	\$ 31,361
<b>TOTAL REVENUE</b>	<u>-</u>	<u>57,631</u>	<u>88,992</u>	<u>31,361</u>
 Cash Balance Budgeted	 -	 -		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 57,631</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 56,456	\$ 53,974	\$ 2,482
Support Services-Students	-	272	272	-
Support Services-General Administration	-	790	724	66
Support Services-School Administration	-	113	113	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 57,631</u>	<u>\$ 55,083</u>	<u>\$ 2,548</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 88,992
Differences-Budget to GAAP	
Current Year Receivable	2,215
Prior Year Receivable	(36,124)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 55,083</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 55,083
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 55,083</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	-	49,930	49,930	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>49,930</u>	<u>\$ 49,930</u>	<u>\$ -</u>
Cash Balance Budgeted	-	49,579		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 99,509</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 15,000	\$ 4,564	\$ 10,436
Support Services-Students	-	40,927	20,860	20,067
Support Services-Instruction	-	20,000	6,979	13,021
Support Services-School Administration	-	6,000	645	5,355
Central Services	-	17,582	8,132	9,450
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 99,509</u>	<u>\$ 41,180</u>	<u>\$ 58,329</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 49,930
Differences-Budget to GAAP	
Current Year Receivable	49,579
Prior Year Receivable	(58,329)
Current Year Deferral	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 41,180</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 41,180
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 41,180</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Private Grants	\$ -	\$ 11,760	\$ 8,100	\$ (3,660)
TOTAL REVENUE	<u>-</u>	<u>11,760</u>	<u>8,100</u>	<u>(3,660)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 11,760</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 11,760	\$ 9,050	\$ 2,710
TOTAL EXPENDITURES	<u>-</u>	<u>11,760</u>	<u>9,050</u>	<u>2,710</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 8,100
Differences-Budget to GAAP	
Current Year Deferral	(2,710)
Prior Year Deferral	3,660
Total Revenues (GAAP Basis)	<u>\$ 9,050</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 9,050
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 9,050</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	-	8,025	8,025	-
TOTAL REVENUE	<u>-</u>	<u>8,025</u>	<u>\$ 8,025</u>	<u>\$ -</u>
Cash Balance Budgeted	-	2,374		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 10,399</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 10,399	\$ 6,981	\$ 3,418
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 10,399</u>	<u>\$ 6,981</u>	<u>\$ 3,418</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 8,025
Differences-Budget to GAAP	
Current Year Receivable	2,374
Prior Year Receivable	(3,418)
Total Revenues (GAAP Basis)	<u>\$ 6,981</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 6,981
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,981</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 13,312	\$ 3,844	\$ (9,468)
TOTAL REVENUE	<u>-</u>	<u>13,312</u>	<u>3,844</u>	<u>(9,468)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 13,312</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 13,312	3,840	\$ 9,472
TOTAL EXPENDITURES	<u>-</u>	<u>13,312</u>	<u>3,840</u>	<u>9,472</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 3,844
Differences-Budget to GAAP	
Prior Year Deferral	(4)
Total Revenues (GAAP Basis)	<u>\$ 3,840</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 3,840
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,840</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 38,906	\$ 68,570	\$ 29,664
TOTAL REVENUE	<u>-</u>	<u>38,906</u>	<u>68,570</u>	<u>29,664</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 38,906</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 38,906	\$ 37,804	\$ 1,102
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 38,906</u>	<u>\$ 37,804</u>	<u>\$ 1,102</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 68,570
Differences-Budget to GAAP	
Current Year Receivable	1,266
Prior Year Receivable	(32,032)
Total Revenues (GAAP Basis)	<u>\$ 37,804</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 37,804
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 37,804</u>

The accompanying footnotes are 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 323,539	279,223	289,423	\$ 10,200
<b>TOTAL REVENUE</b>	<u>323,539</u>	<u>279,223</u>	<u>\$ 289,423</u>	<u>\$ 10,200</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 323,539</u>	<u>\$ 279,223</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 297,008	231,222	221,667	\$ 9,555
Support Services-Students		2,100	1,717	383
Support Services-General Administration	9,576	6,876	5,192	1,684
Support Services-School Administration	16,955	39,025	29,622	9,403
<b>TOTAL EXPENDITURES</b>	<u>\$ 323,539</u>	<u>\$ 279,223</u>	<u>\$ 258,198</u>	<u>\$ 21,025</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 289,423
Differences-Budget to GAAP	
Current Year Receivable	32,526
Prior Year Receivable	(63,751)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 258,198</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 258,198
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 258,198</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Federal Revenue	\$ 17,441	\$ 17,441	\$ 8,418	\$ (9,023)
TOTAL REVENUE	<u>17,441</u>	<u>17,441</u>	<u>8,418</u>	<u>(9,023)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 17,441</u>	<u>\$ 17,441</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 12,500	12,500	4,595	\$ 7,905
Support Services-Students	4,941	4,941	2,065	2,876
TOTAL EXPENDITURES	<u>\$ 17,441</u>	<u>\$ 17,441</u>	<u>\$ 6,660</u>	<u>\$ 10,781</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 8,418
Differences-Budget to GAAP	
Prior Year Receivable	(1,758)

Total Revenues (GAAP Basis)	<u>\$ 6,660</u>
-----------------------------	-----------------

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 6,660
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,660</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 331,550	\$ 487,687	324,674	\$ (163,013)
<b>TOTAL REVENUE</b>	<u>331,550</u>	<u>487,687</u>	<u>\$ 324,674</u>	<u>\$ (163,013)</u>
 Cash Balance Budgeted	 -	 -		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 331,550</u>	<u>\$ 487,687</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 32,412	\$ 215,762	\$ 163,150	\$ 52,612
Support Services-General Administration	-	13,500	8,800	4,700
Support Services-School Administration	299,138	131,290	112,411	18,879
Community Services-operations		127,135	36,180	90,955
<b>TOTAL EXPENDITURES</b>	<u>\$ 331,550</u>	<u>\$ 487,687</u>	<u>\$ 320,541</u>	<u>\$ 167,146</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 324,674
Differences-Budget to GAAP	
Prior Year Receivable	(34,133)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 290,541</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 320,541
Differences-budget to GAAP	
Prior Year Payable	(30,000)
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 290,541</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 70,000	\$ 64,551	\$ (5,449)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>70,000</u>	<u>64,551</u>	<u>(5,449)</u>
 Cash Balance Budgeted	 -	 -		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 70,000</u>		
<b>EXPENDITURES</b>				
Current				
Central Services	\$ -	\$ 70,000	\$ 65,121	\$ 4,879
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>65,121</u>	<u>4,879</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 64,551
Differences-Budget to GAAP	
Current Year Receivable	570
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 65,121</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 65,121
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 65,121</u>

The accompanying footnotes 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--BREAKFAST FOR ELEMENTARY STUDENTS

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 73,040	\$ 73,040	\$ 69,238	\$ (3,802)
TOTAL REVENUE	<u>73,040</u>	<u>73,040</u>	<u>69,238</u>	<u>(3,802)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 73,040</u>	<u>\$ 73,040</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 73,040	\$ 69,238	\$ 69,238	\$ -
TOTAL EXPENDITURES	<u>73,040</u>	<u>69,238</u>	<u>69,238</u>	<u>-</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 69,238
Differences-Budget to GAAP	

Total Revenues (GAAP Basis) \$ 69,238

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 69,238
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 69,238</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 1,000	\$ 764	\$ (236)
TOTAL REVENUE	<u>-</u>	<u>1,000</u>	<u>764</u>	<u>(236)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,000</u>		
<b>EXPENDITURES</b>				
Current				
Support Services-Students	\$ -	\$ 1,000	\$ 764	\$ 236
TOTAL EXPENDITURES	<u>-</u>	<u>1,000</u>	<u>764</u>	<u>236</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 764
Differences-Budget to GAAP	

Total Revenues (GAAP Basis) \$ 764

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 764
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 764</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 56,728	\$ 1,668	\$ (55,060)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>56,728</u>	<u>1,668</u>	<u>(55,060)</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 56,728</u>		
<b>EXPENDITURES</b>				
Current				
Support Services-Students	\$ -	\$ 56,728	\$ 11,840	\$ 44,888
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>56,728</u>	<u>11,840</u>	<u>44,888</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	
Current Year Receivable	55,061
Prior Year Receivable	(44,889)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 11,840</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 11,840
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 11,840</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 14,036	71,349	\$ 57,313
TOTAL REVENUE	<u>-</u>	<u>14,036</u>	<u>71,349</u>	<u>57,313</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 14,036</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 13,534	13,343	\$ 191
Support Services-School Administration	<u>-</u>	<u>502</u>	<u>388</u>	<u>114</u>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 14,036</u>	<u>13,731</u>	<u>\$ 305</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 71,349
Differences-Budget to GAAP	
Prior Year Receivable	(57,618)
Total Revenues (GAAP Basis)	<u>\$ 13,731</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 13,731
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 13,731</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 8,000	\$ 8,000	\$ -
TOTAL REVENUE	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Cash Balance Budgeted	<u>                    </u>	<u>                    </u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 8,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 8,000	\$ 8,000	\$ -
TOTAL EXPENDITURES	<u>-</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	
Total Expenditures (GAAP Basis)	<u>\$ 8,000</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 2,013	\$ 1,900	\$ (113)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>2,013</u>	<u>1,900</u>	<u>(113)</u>
 Cash Balance Budgeted	 <u>-</u>	 <u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ <u>-</u></b>	<b>\$ <u>2,013</u></b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,513	\$ 1,513	\$ -
Support Services-Students	-	500	500	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>2,013</u>	<u>2,013</u>	<u>-</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,900
Differences-Budget to GAAP	
Prior Year Deferral	113
<b>Total Revenues (GAAP Basis)</b>	<b>\$ <u>2,013</u></b>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 2,013
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ <u>2,013</u></b>

The accompanying footnotes 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 MATERIALS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 1,729	\$ 10,961	\$ 9,232
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,729</u>	<u>10,961</u>	<u>9,232</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,729</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,729	\$ 1,729	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1,729</u>	<u>\$ -</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 10,961
Differences-Budget to GAAP	
Current Year Receivable	1,729
Prior Year Receivable	(10,961)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 1,729</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,729
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,729</u>

The accompanying footnotes 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, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 12,526	\$ 16,596	\$ 18,945	\$ 2,349
<b>TOTAL REVENUE</b>	<u>12,526</u>	<u>16,596</u>	<u>18,945</u>	<u>2,349</u>
 Cash Balance Budgeted	 <u>-</u>	 <u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ 12,526</u>	 <u>\$ 16,596</u>		
 <b>EXPENDITURES</b>				
Current				
Instruction	\$ 12,526	16,596	15,258	1,338
<b>TOTAL EXPENDITURES</b>	<u>\$ 12,526</u>	<u>16,596</u>	<u>15,258</u>	<u>1,338</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 18,945
Differences-Budget to GAAP	
Current Year Receivable	6,970
Prior Year Receivable	(10,657)
 Total Revenues (GAAP Basis)	 <u>\$ 15,258</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 15,258
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 15,258</u>

The accompanying footnotes 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--DISCRETIONARY

Year Ended June 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ -	28,553		\$ (28,553)
TOTAL REVENUE	<u>-</u>	<u>28,553</u>	<u>\$ -</u>	<u>\$ (28,553)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 28,553</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 28,553	\$ 26,973	\$ 1,580
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 28,553</u>	<u>\$ 26,973</u>	<u>\$ 1,580</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	26,973
Total Revenues (GAAP Basis)	<u>\$ 26,973</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 26,973
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 26,973</u>

The accompanying footnotes 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 SCHOOL IMPROVEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 200,000	\$ 178,813	\$ (21,187)
TOTAL REVENUE	<u>-</u>	<u>200,000</u>	<u>178,813</u>	<u>(21,187)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 200,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	200,000	183,945	16,055
TOTAL EXPENDITURES	<u>\$ -</u>	<u>200,000</u>	<u>183,945</u>	<u>16,055</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 178,813
Differences-Budget to GAAP	
Current Year Receivable	5,132
Total Revenues (GAAP Basis)	<u>\$ 183,945</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 183,945
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 183,945</u>

The accompanying footnotes 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 - CARRYOVER

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 4,705	4,528	\$ (177)
TOTAL REVENUE	<u>-</u>	<u>4,705</u>	<u>\$ 4,528</u>	<u>\$ (177)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 4,705</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 4,705	\$ 4,528	\$ 177
TOTAL EXPENDITURES	<u>-</u>	<u>4,705</u>	<u>4,528</u>	<u>177</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis) \$ 4,528

Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 4,528

**Uses/outflows of resources**

Actual amounts (budgetary basis) \$ 4,528

Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 4,528

The accompanying footnotes 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 IASA FEDERAL STIMULUS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 360,161	\$ -	\$ (360,161)
TOTAL REVENUE	<u>-</u>	<u>360,161</u>	<u>-</u>	<u>(360,161)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 360,161</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 324,954	\$ 41,477	\$ 283,477
Support Services-Students		19,405		19,405
Support Services-General Administration		7,802		7,802
Student Transportation		8,000	6,000	2,000
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 360,161</u>	<u>\$ 47,477</u>	<u>\$ 312,684</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	47,477
Total Revenues (GAAP Basis)	<u>\$ 47,477</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 47,477
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 47,477</u>

The accompanying footnotes 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 BOOK FUND

Year Ended June 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ -	\$ 8,509	\$ 8,509
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>8,509</u>	<u>8,509</u>
Cash Balance Budgeted	_____	_____		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis)			\$ 8,509	
Differences-Budget to GAAP				
Current Year Deferral			(8,509)	
Total Revenues (GAAP Basis)			<u>\$ -</u>	
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis)			\$ -	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ -</u>	

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

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

June 30, 2009

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
<b>ASSETS</b>				
Cash on Deposit	\$ 1,519,433	\$ -	\$ 266,906	\$ 1,786,339
Due from Other Funds	690,960	-	-	690,960
Property Tax Receivable	5,841	-	-	5,841
Due from other Agencies	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 2,216,234</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 266,906</u></b>	<b><u>\$ 2,483,140</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ 44,037	\$ -	\$ -	\$ 44,037
Deferred Revenue	4,244	-	-	4,244
Due to Other Funds	-	-	-	-
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b><u>48,281</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>48,281</u></b>
<b>FUND BALANCE</b>				
Unreserved-Designated for Subsequent Years Expenditures	2,167,953	-	266,906	2,434,859
<b>TOTAL FUND BALANCE</b>	<b><u>2,167,953</u></b>	<b><u>-</u></b>	<b><u>266,906</u></b>	<b><u>2,434,859</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 2,216,234</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 266,906</u></b>	<b><u>\$ 2,483,140</u></b>

The accompanying footnotes 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, 2009

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
<b>REVENUE</b>				
Federal Programs	\$ 53,993	\$ -	\$ -	\$ 53,993
State Programs	-	1,043,790	309,089	1,352,879
State Equalization	20,770,851			20,770,851
Interest Earnings	38,162			38,162
Charges For Services	-			-
Fees	6,474			6,474
Donations	2,051			2,051
Sale of Property	3,043			3,043
Miscellaneous	58,668		36	58,704
Local Property Taxes	77,294	-	-	77,294
TOTAL REVENUES	<u>21,010,536</u>	<u>1,043,790</u>	<u>309,125</u>	<u>22,363,451</u>
<b>EXPENDITURES</b>				
Current	-			
Instruction	12,842,020	-	210,241	13,052,261
Support Services	-	-	-	-
Support Services-Students	1,815,625	-	-	1,815,625
Support Services-Instruction	465,552	-	12,964	478,516
Support Services-General Administration	526,940	-	-	526,940
Support Services-School Administration	1,668,257	-	-	1,668,257
Central Services	841,360	-	-	841,360
Operation & Maintenance of Plant	2,502,063	-	-	2,502,063
Student Transportation	-	1,043,790	-	1,043,790
Other Support Services				
Food Services-Operations				
Community Services-Operations				
Acquisition & Construction	221,313			221,313
Debt Service	-	-	-	-
Principal				
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>20,883,130</u>	<u>1,043,790</u>	<u>223,205</u>	<u>22,150,125</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	127,406	-	85,920	213,326
Other Financing Sources (uses)				
Transfer IN (OUT)	(11,574)	-	-	(11,574)
Total Other Financial Sources	<u>(11,574)</u>	<u>-</u>	<u>-</u>	<u>(11,574)</u>
Net Change In Fund Balances	115,832	-	85,920	201,752
<b>FUND BALANCE</b>				
June 30, 2008	2,049,234	-	180,986	2,230,220
Restatement	2,887	-	-	2,887
Restated Balance	<u>2,052,121</u>	<u>-</u>	<u>180,986</u>	<u>2,233,107</u>
<b>FUND BALANCE</b>				
June 30, 2009	<u>\$ 2,167,953</u>	<u>\$ -</u>	<u>\$ 266,906</u>	<u>\$ 2,434,859</u>

The accompanying footnotes 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 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 81,660	\$ 81,660	\$ 77,306	\$ (4,354)
Fees-Users	-	-	6,473	6,473
Donations/Gifts	10,000	10,000	5,052	(4,948)
Interest Income	130,000	30,000	38,162	8,162
State Equalization	20,638,008	20,768,214	20,770,851	2,637
Impact Aid	5,029	5,029	5,311	282
Sale of Property/Equipment	-	-	3,043	3,043
Access Board	-	48,683	48,683	-
Refunds	-	-	8,400	8,400
Federal Revenue	25,000	25,000	50,268	25,268
Forest Reserve	-	-	-	-
<b>TOTAL REVENUE</b>	<u>20,889,697</u>	<u>20,968,586</u>	<u>\$ 21,013,549</u>	<u>\$ 44,963</u>
Cash Balance Budgeted	<u>2,051,067</u>	<u>2,051,067</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 22,940,764</u>	<u>\$ 23,019,653</u>		
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 13,847,084	\$ 13,572,290	\$ 12,842,020	\$ 730,270
Support Services-Students	2,176,376	2,132,376	1,815,625	316,751
Support Services-Instruction	510,100	561,471	421,515	139,956
Support Services-General Administration	664,766	664,766	526,940	137,826
Support Services-School Administration	1,767,351	1,857,663	1,693,441	164,222
Central services	823,714	896,714	841,361	55,353
Operation & Maintenance of Plant	3,142,300	3,099,800	2,502,063	597,737
Student Transportation	-	700	-	700
Other Support Services	9,073	9,073	-	9,073
Acquisition & Construction	-	224,800	221,313	3,487
<b>TOTAL EXPENDITURES</b>	<u>\$ 22,940,764</u>	<u>\$ 23,019,653</u>	<u>\$ 20,864,278</u>	<u>\$ 2,155,375</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 21,013,549
Differences-Budget to GAAP	
Prior Year Tax Receivables	(1,610)
Current Year Receivable	1,597
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 21,013,536</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 20,864,278
Differences-budget to GAAP	
Current year Payable	44,037
Prior Year Payable	(25,185)
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 20,883,130</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ 1,007,025	\$ 1,043,790	\$ 1,043,790	\$ -
<b>TOTAL REVENUE</b>	<u>1,007,025</u>	<u>1,043,790</u>	<u>1,043,790</u>	<u>-</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,007,025</u>	<u>\$ 1,043,790</u>		
<b>EXPENDITURES</b>				
Current				
Student Transportation	\$ 1,007,025	\$ 1,043,790	\$ 1,043,790	\$ -
<b>TOTAL EXPENDITURES</b>	<u>1,007,025</u>	<u>1,043,790</u>	<u>1,043,790</u>	<u>-</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis) \$ 1,043,790  
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 1,043,790

**Uses/outflows of resources**

Actual amounts (budgetary basis) \$ 1,043,790  
 Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 1,043,790

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	252,850	252,850	309,089	56,239
Refunds	-	-	36	36
<b>TOTAL REVENUE</b>	<u>252,850</u>	<u>252,850</u>	<u>\$ 309,125</u>	<u>\$ 56,275</u>
Cash Balance Budgeted	<u>173,685</u>	<u>180,986</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 426,535</u>	<u>\$ 433,836</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 402,827	\$ 408,179	\$ 210,241	\$ 197,938
Support Services-Instruction	23,708	25,657	12,964	12,693
<b>TOTAL EXPENDITURES</b>	<u>\$ 426,535</u>	<u>\$ 433,836</u>	<u>\$ 223,205</u>	<u>\$ 210,631</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 309,125
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 309,125</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 223,205
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 223,205</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Interest Income	35,000	35,000	48,392	13,392
Bond Proceeds	-	1,700,000	1,645,442	(54,558)
<b>TOTAL REVENUE</b>	<u>35,000</u>	<u>1,735,000</u>	<u>\$ 1,693,834</u>	<u>\$ (41,166)</u>
Cash Balance Budgeted	<u>4,459,691</u>	<u>4,639,236</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 4,494,691</u>	<u>\$ 6,374,236</u>		
<b>EXPENDITURES</b>				
Acquisition & Construction	<u>4,494,691</u>	<u>6,374,236</u>	<u>1,902,176</u>	<u>4,472,060</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,494,691</u>	<u>\$ 6,374,236</u>	<u>\$ 1,902,176</u>	<u>\$ 4,472,060</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,693,834
Differences-Budget to GAAP	
Bond Issuance Cost	54,558
Total Revenues (GAAP Basis)	<u>\$ 1,748,392</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,902,176
Differences-budget to GAAP	
Bond Issuance Cost	54,558
Total Expenditures (GAAP Basis)	<u>\$ 1,956,734</u>

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

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET -- NONMAJOR DEBT SERVICE FUND

June 30, 2009

	EDUCATIONAL TECHNOLOGY	TOTAL
<b>ASSETS</b>		
Cash on Deposit	\$ -	\$ -
Due From Other Funds		-
Property Tax Receivable	19,464	19,464
<b>TOTAL ASSETS</b>	<b>\$ 19,464</b>	<b>\$ 19,464</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts Payable	\$ -	\$ -
Deferred Revenue	14,396	14,396
Due to Other Funds	7,373	7,373
<b>TOTAL LIABILITIES</b>	<b>21,769</b>	<b>21,769</b>
<b>FUND BALANCE</b>		
Reserved for Debt Service	(2,305)	(2,305)
Unreserved-Designated for Subsequent Years Expenditures	-	-
<b>TOTAL FUND BALANCE</b>	<b>(2,305)</b>	<b>(2,305)</b>
<b>TOTAL LIABILITIES AND FUND Balance</b>	<b>\$ 19,464</b>	<b>\$ 19,464</b>

The accompanying footnotes 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, 2009

	EDUCATIONAL TECHNOLOGY	TOTAL
REVENUE		
Local Property Taxes	\$ 229,194	\$ 229,194
Interest Earnings	110	110
TOTAL REVENUES	<u>229,304</u>	<u>229,304</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services-Students	-	-
Support Services-Instruction	-	-
Support Services-General Administration	2,299	2,299
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	240,000	240,000
Interest	6,400	6,400
TOTAL EXPENDITURES	<u>248,699</u>	<u>248,699</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(19,395)	(19,395)
Other Financing Sources (uses)		
Transfer In/Out	3,332	3,332
Total Other Financial Sources	<u>3,332</u>	<u>3,332</u>
Net Change In Fund Balance	(16,063)	(16,063)
FUND BALANCE		
June 30, 2008	<u>13,758</u>	<u>13,758</u>
FUND BALANCE		
June 30, 2009	<u>\$ (2,305)</u>	<u>(2,305)</u>

The accompanying footnotes 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

Year Ended June 30, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 1,278,130	\$ 1,278,130	\$ 1,392,992	\$ 114,862
Interest Income	2,000	2,000	2,718	718
Bond Proceeds Premium		117,790	28,458	(89,332)
<b>TOTAL REVENUE</b>	<u>1,280,130</u>	<u>1,397,920</u>	<u>\$ 1,424,168</u>	<u>\$ 26,248</u>
Cash Balance Budgeted	<u>795,629</u>	<u>795,629</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 2,075,759</u>	<u>\$ 2,193,549</u>		
<b>EXPENDITURES</b>				
Current				
Support Services-General Administration	12,782	12,782	13,930	(1,148)
Principal	880,000	880,000	880,000	-
Interest and Finance Charges	398,130	515,920	398,130	117,790
Debt Service Reserve	784,847	784,847	-	784,847
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,075,759</u>	<u>\$ 2,193,549</u>	<u>\$ 1,292,060</u>	<u>\$ 901,489</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,424,168
Differences-Budget to GAAP	
Property tax Receivable	28,462
Prior Year Tax Receivables	(22,431)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 1,430,199</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,292,060
Differences-budget to GAAP	
Prior Year Interest Payable	(185,093)
Current Year Interest Payable	210,508
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,317,475</u>

The accompanying footnotes 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, 2009

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 249,600	\$ 249,600	\$ 229,915	\$ (19,685)
Interest Income	-	-	110	110
<b>TOTAL REVENUE</b>	<u>249,600</u>	<u>249,600</u>	<u>\$ 230,025</u>	<u>\$ (19,575)</u>
Cash Balance Budgeted	<u>2,496</u>	<u>2,496</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 252,096</u>	<u>\$ 252,096</u>		
<b>EXPENDITURES</b>				
Current				
Support Services-General Administration	\$ 2,496	\$ 2,496	\$ 2,299	\$ 197
Principal	240,000	240,000	240,000	-
Interest and Finance Charges	9,600	9,600	9,600	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 252,096</u>	<u>\$ 252,096</u>	<u>\$ 251,899</u>	<u>\$ 197</u>

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

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 230,025
Differences-Budget to GAAP	
Property tax Receivable	5,067
Prior Year Tax Receivables	(5,788)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 229,304</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 251,899
Differences-budget to GAAP	
Prior Year Interest Payable	(3,200)
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 248,699</u>

The accompanying footnotes 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, 2009

	BALANCE 7/01/08	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6/30/09
Administration	\$ 169,562	\$ 33,481	\$ 54,322	\$ 30,768	\$ 226,597
High School	144,466	208,844	(29,893)	217,292	106,125
Junior High School	37,761	39,517	-	35,587	41,691
Brown Elementary	19,029	27,939	-	32,102	14,866
James Elementary	30,571	16,060	-	25,044	21,587
Lindsey Elementary	13,942	16,547	-	17,892	12,597
Steiner Elementary	15,345	11,099	-	18,848	7,596
Valencia Elementary	29,931	39,472	-	48,103	21,300
Portales High School Daycare	104,782	134,050	-	134,948	103,884
Scholarships	24,429	-	(24,429)	-	-
Total	\$ <u>589,818</u>	\$ <u>527,009</u>	\$ <u>24,429</u>	\$ <u>560,584</u>	\$ <u>556,243</u>

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

<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	11000	\$ 48683
Title I	84.010	24101	1,244,950
Migrant Children Education	84.011	24103	67,070
Idea B Entitlement	84.027	24106	643,396
Idea B Discretionary	84.027	24107	26,973
Idea B Preschool	84.027	24109	24,370
Title I 1003g Grant	84.389	24124	183,945
Title V	84.298	24150	1,367
English Language Acquisition	84.365A	25153	15,258
Teacher/Principal Training	84.367	24154	258,198
Safe & Drug Free Schools	84.186	24157	6,660
Rural & Low Income Schools	84.358	24160	32,275
Reading First	84.357A	24167	13,731
Carl Perkins	84.048	24174	37,804
Carl Perkins Carryover	84.048	24175	4,528
Title I Federal Stimulus	84.389	24201	47,477
Teaching American History	84.215X	25107	320,541
Impact Aid Special Ed	84.041	25145	3,840
TANF GRADS	93.590	25149	5,000
Title XIX Medicaid	93.778	25153	11,840
TANF/GRADS HSD	93.558	25162	8,000
Total Department of Education			<u>3,005,906</u>
US DEPARTMENT OF AGRICULTURE			
Passed Through New Mexico Public Education Department			
National School Lunch	10.555	21000	1,043,945
School Food Commodity Distribution Program	10.559	21000	84,960
Total Department of Agriculture			<u>1,128,905</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 4,134,811</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 \$84,960 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

BANK SUMMARY

June 30, 2009

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	NET CASH BALANCE
PORTALES NATIONAL BANK	CHK	PAYROLL	\$ 895,251	\$ -	\$ 889,251	\$ 6,000
	CHK	OPERATING	* 2,134,787	-	-	2,134,787
	CHK	CAP OUTLAY/DEBT SERVICE	* 4,618,302	-	-	4,618,302
	CHK	CAFETERIA	* 597,387	-	-	597,387
	CHK	ACTIVITY	* 225,125	-	-	225,125
	CHK	ATHLETICS	* 69,286	-	-	69,286
	CHK	A/P CLEARING	12,637		12,637	-
			<u>\$ 8,552,775</u>	<u>\$ -</u>	<u>\$ 901,888</u>	<u>\$ 7,650,887</u>
NEW MEXICO STATE TREASURER SAVINGS			\$ 2,825,086	\$ -	\$ -	\$ 2,825,086
FIRST COMMUNITY BANK	CD		* \$ 24,345			\$ 24,345
TOTAL DEPOSITS			<u>\$ 11,402,206</u>	<u>\$ -</u>	<u>\$ 901,888</u>	<u>\$ 10,500,318</u>
		* interest bearing				

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2009

	Operational	Transportation	Food Services	Athletics	Federal Projects	Local & State	SB-9	Energy Efficiency
Audited Net Cash JUNE 30, 2008	\$ 1,122,296	\$ -	\$ 496,792	\$ 101,395	\$ 112,388	\$ 86,807	\$ 1,353,438	\$ 39,506
TOTAL CASH BALANCE JUNE 30, 2008	1,122,296	-	496,792	101,395	112,388	86,807	1,353,438	39,506
Add: Prior year void checks	-	-	-	-	-	-	-	-
2008-2009 Revenue	21,010,215	1,043,790	1,292,124	89,924	3,058,880	650,644	715,769	-
Loans Paid back	953,734	-	-	-	-	-	-	-
Loans In	-	-	-	-	632,996	49,436	-	-
Transfers In	-	-	-	-	2,394	-	-	-
TOTAL AVAILABLE CASH	21,963,949	1,043,790	1,292,124	89,924	3,694,270	700,080	715,769	39,506
2008-2009 Expenditures	20,864,278	1,043,790	1,191,530	75,000	2,957,224	306,443	534,517	-
Loans Out	690,960	-	-	-	-	-	-	-
Loans Paid Back	-	-	-	-	449,934	371,889	-	-
Transfers Out	11,574	-	-	-	-	-	17,152	-
NET CASH, JUNE 30, 2009	21,566,812	1,043,790	1,191,530	75,000	3,407,158	678,332	551,669	-
Cash On hand	1,519,433	-	597,386	116,319	399,500	108,555	1,517,538	39,506
TOTAL CASH, JUNE 30, 2009	<u>\$ 1,519,433</u>	<u>\$ -</u>	<u>\$ 597,386</u>	<u>\$ 116,319</u>	<u>\$ 399,500</u>	<u>\$ 108,555</u>	<u>\$ 1,517,538</u>	<u>\$ 39,506</u>

<u>Ed Tech Debt Service</u>	<u>Debt Service</u>	<u>Activities</u>	<u>Instructional Materials</u>	<u>SPECIAL CAP OUTLAY STATE</u>	<u>Bond Building</u>	<u>Payroll Clearing</u>
\$ 61,169	\$ 766,104	\$ 589,818	\$ 180,986	\$ -	\$ 4,728,567	\$ -
61,169	766,104	589,818	180,986	-	4,728,567	
230,025	1,424,168	527,009	309,125	338,134	1,693,834	
7,373				1,155		
3,332	92,799	-	-	5,848	-	
240,730	1,516,967	527,009	309,125	345,137	1,693,834	
301,899	2,283,071	1,116,827	490,111	345,137	6,422,401	
251,899	1,292,060	560,584	223,205	263,226	1,902,176	
50,000				81,911	92,799	
301,899	1,292,060	560,584	223,205	345,137	1,994,975	
-	991,011	556,243	266,906	-	4,427,426	6,000
<u>\$ -</u>	<u>\$ 991,011</u>	<u>\$ 556,243</u>	<u>\$ 266,906</u>	<u>\$ -</u>	<u>\$ 4,427,426</u>	<u>\$ 6,000</u>

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, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated October 27, 2009. 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, 2009, 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 and which are described in the accompanying schedule of findings and responses as item 09-1.

The Districts' response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit The Districts' 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.

*Ray Woodard & Associates*

Portales, New Mexico  
October 27, 2009

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, 2009. 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, 2009.

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  
 October 27, 2009

*Roy Woodard & Associates*



STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2009

PRIOR YEAR AUDIT FINDINGS – Portales Municipal Schools

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.

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

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

Status: Resolved

STATE OF NEW MEXICO  
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2009

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	IDEA-B Entitlement #84.027 Title I 1003G Grant #84.010 Teacher/Principal Training #84.367
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:	

OVERSPENT BUDGETS 09-1

Statement of Condition: The District had one line item that was over budget. This line item was Debt Service Support Services – General Administration overspent by \$1,148.

Criteria: 22-8-11(B) NMSA 1978 states "No school board officer or employee of a school district shall make any expenditure or incur any obligation unless it is made in accordance with an operating budget approved by the state department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures.

Cause: The overspent amount represents the 1% assessment fee imposed by the county for the collection of local property taxes. With the significant increase in oil and natural gas revenues, the 1% assessment fee also increased significantly. The District did submit a budget adjustment request, but the amount was not sufficient to cover the increase. The District does not receive its tax remittance from the county treasurer until after June 15<sup>th</sup>; therefore the District was not able to submit a budget adjustment request prior to the June 15<sup>th</sup> deadline for budget adjustment request.

Effect: There is an apparent violation of a prohibition against spending more than is in the budget. However, the assessment referred to in the cause is deducted from the taxes received and thus not a "spending" item. The District's books reflect the increase in tax revenues that caused the increase in the fee expenditure.

Recommendation: District personnel should increase its communication with the county tax collector and make budget changes accordingly for the tax is collected.

Response: Management concurs with recommendation.

STATE OF NEW MEXICO  
PORTALES MUNICIPAL SCHOOLS

June 30, 2009

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 October 27, 2009. In attendance at the 4:30pm meeting were Randy Fowler, Superintendent; Alan Garrett, School Board Member; and Carol Kriegshauser, Assistant Superintendent of Finance. At the 5:00pm meeting Mrs. Kriegshauser attended the meeting with School Board Member Rod Savage and School Board Member Inez Rodriguez was in attendance. At 5:30pm meeting Board Member Dr. Allen Garrett was in attendance. Gayland Cowen represented our firm at all three of the meetings.