

**STATE OF NEW MEXICO
PORTALES MUNICIPAL
SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
JUNE 30, 2010**

**WOODARD, COWEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS**

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 JUNE 30, 2010

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STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2010

BOARD OF EDUCATION

Inez Rodriguez	President
Dr. Allen Garrett	Vice President
Mary Lou Rowley	Secretary
Rod Savage	Member
Antonio R. Sanchez, Jr	Member

SCHOOL OFFICIALS

Randy Fowler	Superintendent
Carol Kriegshauser	Fiscal Officer

Woodard, Cowen & Co.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Mr. Hector H 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, 2010, which collectively comprise the Cooperative'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, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, 2010, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund, Senate Bill Nine, Federal SEG Stimulus, Public School Capital Outlay, Bond Building, and the 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, 2010, and the respective changes in financial position, and the respective budgetary comparisons for the non major governmental funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2010, 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 management's 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. Office 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.

Woodard, Lawer & Co.

November 3, 2010
Portales, New Mexico

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS

June 30, 2010

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 8,531,577
Due from other governments	327,321
Property Taxes Receivable	149,724
Inventory	29,045
Non-current:	
Capital assets, Net	40,318,527
Bond Issuance Costs-Net	238,526
Total assets	<u>\$ 49,594,720</u>
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	211,164
Deferred Revenue	57,863
Debt due within one year	1,200,000
Non-current:	
Compensated Absences	101,290
Debt due in more than one year	10,340,000
Total liabilities	<u>11,910,317</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	28,778,527
Restricted for:	
Debt Service	735,338
Bond Building	2,985,459
Athletics	129,502
Cafeteria	771,774
Senate Bill Nine	1,703,374
Unrestricted	2,580,429
Total net assets	<u>\$ 37,684,403</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2010

	<u>GENERAL</u>	<u>SENATE BILL 9</u>	<u>BOND BUILDING</u>
ASSETS			
Cash on Deposit	\$ 2,030,078	\$ 1,726,448	\$ 2,985,459
Due from Other Funds	329,170	-	-
Due from Other Agencies	-	-	-
Property Tax Receivable	6,333	26,220	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 2,365,581</u>	<u>\$ 1,752,668</u>	<u>\$ 2,985,459</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 50,122	\$ 25,972	\$ -
Deferred Revenue	5,655	23,322	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>55,777</u>	<u>49,294</u>	<u>-</u>
FUND BALANCE			
Reserved for Inventory	-	-	-
Reserved for Debt Service	-	-	-
Unreserved, Reported In: Designated for Subsequent Years Expenditures	2,309,804	-	-
Capital projects Funds	-	-	2,985,459
Special Revenue Funds	-	1,703,374	-
TOTAL FUND BALANCE	<u>2,309,804</u>	<u>1,703,374</u>	<u>2,985,459</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,365,581</u>	<u>\$ 1,752,668</u>	<u>\$ 2,985,459</u>

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

Public School Capital Outlay	FEDERAL SEG STIMULUS	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 856,156	\$ 933,436	\$ 8,531,577
-	-	-	-	329,170
-	235,133	-	92,188	327,321
-	-	109,271	7,899	149,723
-	-	-	29,045	29,045
<u>\$ -</u>	<u>\$ 235,133</u>	<u>\$ 965,427</u>	<u>\$ 1,062,568</u>	<u>\$ 9,366,836</u>
\$ -	\$ -	\$ 135,070	\$ -	\$ 211,164
-	-	97,225	65,049	191,251
-	235,133	-	94,037	329,170
<u>-</u>	<u>235,133</u>	<u>232,295</u>	<u>159,086</u>	<u>731,585</u>
-	-	-	29,045	29,045
-	-	733,132	2,206	735,338
-	-	-	-	2,309,804
-	-	-	-	2,985,459
-	-	-	872,231	2,575,605
<u>-</u>	<u>-</u>	<u>733,132</u>	<u>903,482</u>	<u>8,635,251</u>
<u>\$ -</u>	<u>\$ 235,133</u>	<u>\$ 965,427</u>	<u>\$ 1,062,568</u>	<u>\$ 9,366,836</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, 2010

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

Fund balances - total governmental funds	\$ 8,635,251
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	40,318,527
Compensated absences	(101,290)
Property taxes receivable not available for current year expenditures and therefore are deferred in the funds	133,389
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(11,540,000)
Bond Issuance Costs	<u>238,526</u>
Net assets of governmental activities	<u>\$ 37,684,403</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, 2010

	General	SENATE BILL 9	Bond Building
REVENUE			
Federal Programs	\$ 2,883	\$ -	\$ -
State Programs	1,283,983	413,255	-
State Equalization	18,481,099	-	-
Interest Earnings	10,464	3,513	8,862
Charges for Services	134,037	-	-
Fees	5,868	-	-
Donations	5,889	-	-
Sale of Property	4,957	-	-
Miscellaneous	3,656	13,389	-
Sale of Bond Proceeds	-	-	1,900,000
Premium on Bond Sale	-	-	-
Local Property Taxes	80,393	328,213	-
TOTAL REVENUES	<u>20,013,229</u>	<u>758,370</u>	<u>1,908,862</u>
EXPENDITURES			
Current			
Instruction	11,366,045	-	-
Support Services	-	-	-
Support Services-Students	1,656,748	-	-
Support Services-Instruction	471,695	-	-
Support Services-General Administration	504,379	3,322	-
Support Services-School Administration	1,536,153	-	-
Central Services	891,543	-	-
Operation & Maintenance of Plant	2,471,362	-	-
Student Transportation	1,141,125	-	-
Food Services-Operations	-	-	-
Community Services-Operations	-	-	-
Acquisition & Construction	99,234	576,085	3,350,828
Debt Service	-	-	-
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>20,138,284</u>	<u>579,407</u>	<u>3,350,828</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(125,055)</u>	<u>178,963</u>	<u>(1,441,966)</u>
Other Financing Sources (uses)			
Transfers In/Out	-	-	-
Total Other Financial Sources	-	-	-
Net Change In Fund Balance	<u>(125,055)</u>	<u>178,963</u>	<u>(1,441,966)</u>
FUND BALANCE			
June 30, 2009	2,434,859	1,524,410	4,427,425
Restatement	-	-	-
Restated Balance	2,434,859	1,524,410	4,427,425
FUND BALANCE June 30, 2010	<u>\$ 2,309,804</u>	<u>\$ 1,703,373</u>	<u>\$ 2,985,459</u>

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

Public School Capital Outlay	FEDERAL SEG STIMULUS	Debt Service	Other Governmental Funds	Total Governmental
\$ -	\$ 1,794,290	\$ -	\$ 4,707,338	\$ 6,504,511
5,645,083	-	-	254,254	7,596,575
-	-	-	-	18,481,099
-	-	742	1,865	25,446
-	-	-	169,893	303,930
-	-	-	59,231	65,099
-	-	-	-	5,889
-	-	-	-	4,957
-	-	-	7	17,052
-	-	-	-	1,900,000
-	-	7,600	-	7,600
-	-	1,421,282	15,561	1,845,449
<u>5,645,083</u>	<u>1,794,290</u>	<u>1,429,624</u>	<u>5,208,149</u>	<u>36,757,607</u>
-	1,584,285	-	2,222,017	15,172,347
-	210,005	-	656,563	2,523,316
-	-	-	55,208	526,903
-	-	14,377	101,437	623,515
-	-	-	341,426	1,877,579
-	-	-	31,183	922,726
-	-	-	1,922	2,473,284
-	-	-	5,500	1,146,625
-	-	-	1,378,540	1,378,540
-	-	-	78,617	78,617
5,645,083	-	-	163,151	9,834,381
-	-	-	-	-
-	-	1,165,000	-	1,165,000
-	-	336,932	-	336,932
<u>5,645,083</u>	<u>1,794,290</u>	<u>1,516,309</u>	<u>5,035,564</u>	<u>38,059,765</u>
-	-	(86,685)	172,585	(1,302,158)
-	-	10,851	(10,851)	-
-	-	10,851	(10,851)	-
-	-	(75,834)	161,734	(1,302,158)
-	-	808,965	741,749	9,937,408
-	-	-	-	-
-	-	-	741,749	9,937,408
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 733,131</u>	<u>\$ 903,483</u>	<u>\$ 8,635,250</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, 2010

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

Net change in fund balance - total governmental funds	\$ (1,302,158)
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.	8,430,507
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.	(25,924)
Bond issuance Cost	82,383
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Bond issuance proceeds	(1,900,000)
Basis in Equipment Sold	(84,709)
Expenses in the statement of activities which do not require use of current financial resources	
Decrease in compensated absences	967
Bond Principal	1,165,000
Issuance cost Amortization	(32,461)
Change in Net Assets	<u>\$ 6,333,605</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 2010

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 87,737	\$ 87,737	\$ 81,312	\$ (6,425)
Fees-Users	-	-	5,868	5,868
Donations/Gifts	-	-	5,889	5,889
Interest Income	28	28	10,464	10,436
State Equalization	18,903,240	18,476,415	18,481,099	4,684
State Flow Through Grants	1,152,865	1,284,015	1,283,983	(32)
Impact Aid	3,841	3,841	2,883	(958)
Rent	-	-	1,190	1,190
Sale of Property/Equipment	-	-	4,957	4,957
Refunds	-	-	623	623
Indirect Cost - (Flow Through Grants)	25,000	25,000	134,037	109,037
Insurance Recoveries	-	-	1,843	1,843
TOTAL REVENUE	<u>20,172,711</u>	<u>19,877,036</u>	<u>\$ 20,014,148</u>	<u>\$ 137,112</u>
Cash Balance Budgeted	<u>1,846,373</u>	<u>2,477,297</u>		
TOTAL REVENUE & CASH	<u>\$ 22,019,084</u>	<u>\$ 22,354,333</u>		
EXPENDITURES				
Current				
Instruction	\$ 12,592,885	\$ 12,385,962	\$ 11,359,958	\$ 1,026,004
Support Services				
Support Services-Students	1,890,205	1,892,205	1,656,748	235,457
Support Services-Instruction	448,825	517,617	471,695	45,922
Support Services-General Administration	451,138	588,554	504,379	84,175
Support Services-School Administration	1,768,840	1,599,039	1,536,153	62,886
Central Services	852,973	982,373	891,543	90,830
Operation & Maintenance of Plant	2,963,819	3,129,639	2,471,362	658,277
Student Transportation	1,038,780	1,141,325	1,141,125	200
Other Support Services	11,619	11,619	-	11,619
Food Services-Operations	-	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	106,000	99,234	6,766
TOTAL EXPENDITURES	<u>\$ 22,019,084</u>	<u>\$ 22,354,333</u>	<u>\$ 20,132,197</u>	<u>\$ 2,222,136</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 20,014,148
Differences-Budget to GAAP	
Property tax Receivable	678
Prior Year Tax Receivables	(1,597)
Total Revenues (GAAP Basis)	<u>\$ 20,013,229</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 20,132,197
Differences-budget to GAAP	
Cost of Commodities Used	6,087
Total Expenditures (GAAP Basis)	<u>\$ 20,138,284</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 373,980	\$ 373,980	\$ 332,188	\$ (41,792)
Interest Income	-	-	3,513	3,513
State Flow Through Grants	-	426,298	413,255	(13,043)
Insurance Recoveries	-	-	13,389	13,389
TOTAL REVENUE	<u>373,980</u>	<u>800,278</u>	<u>\$ 762,345</u>	<u>\$ (37,933)</u>
Cash Balance Budgeted	<u>1,100,000</u>	<u>1,517,537</u>		
TOTAL REVENUE & CASH	<u>\$ 1,473,980</u>	<u>\$ 2,317,815</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 6,000	\$ 19,537	\$ 3,322	\$ 16,215
Acquisition & Construction	1,467,980	2,298,278	550,113	1,748,165
TOTAL EXPENDITURES	<u>\$ 1,473,980</u>	<u>\$ 2,317,815</u>	<u>\$ 553,435</u>	<u>\$ 1,764,380</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 762,345
Differences-Budget to GAAP	
Property tax Receivable	2,897
Prior Year Tax Receivables	(6,872)
Total Revenues (GAAP Basis)	<u>\$ 758,370</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 553,435
Differences-budget to GAAP	
Current Accounts Payable	25,972
Total Expenditures (GAAP Basis)	<u>\$ 579,407</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--FEDERAL SEG STIMULUS

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,379,576	\$ 1,794,290	\$ 1,559,157	\$ (235,133)
TOTAL REVENUE	<u>1,379,576</u>	<u>1,794,290</u>	<u>1,559,157</u>	<u>(235,133)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 1,379,576</u>	<u>\$ 1,794,290</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,235,286	\$ 1,584,285	\$ 1,584,285	\$ -
Support Services-Students		210,005	210,005	-
Support Services-General Administration	144,290			-
TOTAL EXPENDITURES	<u>\$ 1,379,576</u>	<u>\$ 1,794,290</u>	<u>\$ 1,794,290</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,559,157
Differences-Budget to GAAP	
Current Year Receivable	235,133
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 1,794,290</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,794,290
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,794,290</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, 2010

ASSETS	
Cash on Deposit	\$ 578,711
TOTAL ASSETS	<u>\$ 578,711</u>
LIABILITIES	
Due to Student Groups	\$ 578,711
TOTAL LIABILITIES	<u>\$ 578,711</u>

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

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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, 2010

I. Summary of Significant Accounting Policies (continued)

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

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

The government reports the following major governmental funds:

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

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

Federal SEG Stimulus Special Revenue Fund – Fund was created to account for the allocation received by the District from the American Recovery and Reinvestment Act.

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, 2010

I. Summary of Significant Accounting Policies (continued)

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the 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 2010 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, 2010

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, 2010

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 \$18,481,099 in state equalization guarantee distributions during the year ended June 30, 2010.

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 \$1,141,125 in transportation distributions during the year ended June 30, 2010.

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 \$11,540,000 difference are as follows:

Bonds Payable	\$ 11,540,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 11,540,000</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 \$8,430,507 difference are as follows:

Capital Outlay	\$ 9,718,744
Depreciation expense	<u>(1,288,237)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 8,430,507</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 \$1,165,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,165,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,165,000</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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. The legal level of budgetary control is at the function level.

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, 2010 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, 2010

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

	Original Budget	Final Budget
General Fund	\$ 22,019,084	\$ 22,354,333
Special Revenue Fund	7,987,068	11,241,985
Debt Service	2,063,984	2,231,011
Capital Projects Fund	4,785,000	18,154,699
	<u>\$ 36,855,136</u>	<u>\$ 53,982,028</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2010.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2010, the carrying amount of the District's deposits was \$9,110,288 and the bank balance was \$10,210,846. Of this balance \$524,536 was covered by federal depository insurance and \$7,227,511 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$2,458,799 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, 2010, the investments held in the LGIP had an interest risk (WAM) of 56 days and a Standard and Poor's Rating of AAAm.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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, 2010, \$2,458,799 of the government's bank balance of \$10,210,846 was exposed to custodial risk as follows:

Uninsured and Uncollateralized \$2,458,799

B. Receivables

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

	Due From Other Agencies	Property Taxes Receivable
General Funds	\$ -	\$ 6,333
Senate Bill Nine	-	26,220
Debt Service	-	109,271
Ed Tech Debt Service		7,899
Federal SEG Stimulus	235,133	
Carl D. Perkins	1,510	-
Gear Up CHE	7,401	-
Library SB333 GO Bonds	250	-
Schools in Need of Improvement	12,589	-
Title I School Improvement	37,357	-
Teacher/Principal Training	1,807	-
Reading First	5,727	-
IASA Federal Stimulus	25,547	-
Totals	<u>\$ 327,321</u>	<u>\$ 149,723</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:

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ 57,863
Property Taxes – Delinquent	<u>133,388</u>
Total <i>deferred/unearned revenue</i> for governmental funds	<u>\$ 191,251</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance 06/30/09	Adjustments	Increases	Decreases	Balance 06/30/10
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 658,738	\$ 18,435	\$ -	\$ -	\$ 677,173
Construction in Progress	6,314,281	-	8,082,976	40,520	14,356,737
Total Capital Assets not being depreciated	6,973,019	18,435	8,082,976	40,520	15,033,910
Capital Assets being depreciated					
Infrastructure	-	-	-	-	-
Buildings & Improvements	33,965,242	(78,342)	918,544	-	34,805,444
Equipment & Vehicles	6,482,766	1,747	717,224	1,025,278	6,176,459
Total Capital Assets being depreciated	40,448,008	(76,595)	1,635,768	1,025,278	40,981,903
Less: Accumulated Depreciation					
Buildings & Improvements	10,798,651	(9,329)	884,929	-	11,674,251
Equipment & Vehicles	4,622,440	(21,623)	403,308	981,089	4,023,036
Total Accumulated Depreciation	15,421,091	(30,952)	1,288,237	981,089	15,697,287
Net Capital Assets being depreciated	25,026,917	(45,643)	347,531	44,189	25,284,616
Total Net Capital Assets	\$ 31,999,936	\$ (27,208)	\$ 8,430,507	\$ 84,709	\$ 40,318,526

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 date 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 \$5,645,083 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, 2010

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2009	Additions	Retirements	Balance 6/30/2010	Amount Due in One Year
2001	\$ 6,500,000	3.1%-4.6%	\$ 3,555,000	\$ -	645,000	\$ 2,910,000	\$ 675,000-
2002	1,400,000	3.5%-4.75%	780,000	-	115,000	665,000	120,000
2003	600,000	2.3%-3.8%	370,000	-	55,000	315,000	55,000
2008	4,500,000	3.25%-4.0%	4,400,000	-	350,000	4,050,000	350,000
2009	1,700,000	3.0%	1,700,000	-	-	1,700,000	-
2010	1,900,000	3.00%-3.125%	-	1,900,000	-	1,900,000	-
Total	\$ 20,460,000		\$ 10,805,000	\$ 1,900,000	1,165,000	\$ 11,540,000	\$ 1,200,000

Fiscal Year	Principal	Interest	Total
2011	\$ 1,200,000	\$ 325,413	\$ 1,525,413
2012	1,325,000	314,114	1,639,114
2013	1,275,000	283,226	1,558,226
2014	2,135,000	249,364	2,384,364
2015	1,770,000	186,835	1,956,835
2016-2018	3,835,000	223,000	4,058,000
	\$ 11,540,000	\$ 1,581,952	\$ 13,121,952

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 \$12,996,164 including \$10,905,000 debt outstanding based on the 2010 valuation.

On June 30, 2010, the District issued \$2,275,000 in General Obligation Bonds with interest rates from 1.00% to 1.65% to advance refund \$2,275,000 outstanding Series 2001 General Obligation Bonds with interest rates from 4.30% to 4.50%. The net proceeds of \$2,244,610 (after a payment of \$83 and payment of \$55,323 bond issuance cost) were placed into escrow to redeem the 2001 Series Bonds on the July 1, 2010 call date. The District chose to undertake this advance refunding in order to reduce the interest expense by taking advantage of lower interest rates.

Summary of savings comparison of prior debt service to refunding debt service:

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 06/30/2010 @ 3.95%
1/1/2011	49,205	16,313	32,892	32,892	34,191
7/1/2011	759,205	789,981	(30,776)	-	(31,992)
1/1/2012	33,940	11,106	22,834	(7,942)	23,736
7/1/2012	778,940	736,106	42,834	-	44,526
1/1/2013	17,550	6,394	11,156	53,990	11,597
7/1/2013	797,550	781,394	16,156	16,156	16,794
	2,436,390	2,341,294	95,096	95,096	98,852

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

IV. Detailed notes on all funds (continued)

D. Long-term debt (continued)

Liability for Compensated Absences

Balance June 30, 2009	Vacation Used	Vacation Accrued	Balance June 30, 2010	Amount Due in One Year
\$102,257	\$82,336	\$78,871	\$101,290	\$101,290

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.

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, 2010.

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 Cooperative'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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

V. Other information (continued)

C. Employee retirement plan (continued)

Funding Policy. Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The (name of employer) was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution on is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the Cooperative are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The (name of employer)'s contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$1,727,960, \$1,748,601, and \$1,546,946, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

V. Other information (continued)

D. Post-retirement health care benefits (continued)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

Fiscal Year Employer Contribution Rate Employee Contribution Rate

FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are 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 (Name of Agency)'s contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$200,747, \$201,696 and \$189,618, respectively, which equal the required contributions for each year.

F. Interfund Balances

Due from	Due to Operational
Federal SEG Stimulus	235,134
Teacher/Principal Training	1,807
Reading First	5,727
Carl D Perkins	1,510
Gear Up CHE	7,401
School in Need of Improvement	12,589
Library SB 333 GO Bonds	250
Title I School Improvement	37,357
IASA Federal Stimulus	27,396
	<u>\$ 329,169</u>

The balance of \$329,169 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

G. Restatement of Beginning Fund Balance

The following fund balances were restated to correct duplicate recordings of equipment and improvements and land that had been excluded. Total restatement is \$143,600.

Restatement of Net Assets

Net Assets – Governmental Activities at July 1, 2009	\$ 31,207,198
Deduct:	
Equipment & Improvements duplicated entry	(76,595)
Add:	
Land not previously recorded	18,435
Depreciation on duplicate entries	30,952
Prior year delinquent tax receivable	170,808
Included in deferral revenue	<u>170,808</u>
Restated Balance at July 1, 2009	<u>\$ 31,350,798</u>

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

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.

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.

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.

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 – 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.

IDEA B ENTITLEMENT – 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

IDEA-B RISK POOL

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue (continued)

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.

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.

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.

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.

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.

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.

TITLE I 1003 – School improvement grant used to improve student achievement in Title I schools.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue (continued)

TITLE I SCHOOL IMPROVEMENT – to help local education agencies and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title I, Part A, 20 USC 6301 et seq.

TITLE I IASA FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's Title I funds.

IDEA-B FEDERAL STIMULUS – Additional funding provided by the federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's IDEA-B programs.

IDEA-B PRESCHOOL FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's preschool program under IDEA-B.

CHILD NUTRITION FEDERAL STIMULUS – Additional funding provided by federal stimulus funds under the American Recovery and Reinvestment Act to supplement the District's cafeteria and child nutrition program.

Library SB333 GO Bonds – 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.

LIBRARY BOOK FUND – 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.

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.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 AND OTHER NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash on Deposit	\$ 931,943	\$ 1,493	\$ 933,436
Property Taxes Receivable	-	7,899	7,899
Due From Other Agencies	92,188		92,188
Due From Other Funds	-	-	-
Inventory	29,045		29,045
TOTAL ASSETS	\$ 1,053,176	\$ 9,392	\$ 1,062,568
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	57,863	7,186	65,049
Due to Other Funds	94,037	-	94,037
TOTAL LIABILITIES	151,900	7,186	159,086
FUND BALANCE			
Reserved for Inventory	29,045		29,045
Reserved for Debt Service		2,206	2,206
Unreserved-Designated for Subsequent Years Expenditures	872,231		872,231
TOTAL FUND BALANCE	901,276	2,206	903,482
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,053,176	\$ 9,392	\$ 1,062,568

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-- OTHER NONMAJOR FUNDS

Year Ended June 30, 2010

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE			
Federal Programs	\$ 4,707,338	\$ -	\$ 4,707,338
State Programs	254,254	-	254,254
Charges for services	169,893	-	169,893
Fees	59,231	-	59,231
Interest Income	1,865	-	1,865
Miscellaneous	7	-	7
Local Property Taxes	-	15,561	15,561
TOTAL REVENUES	5,192,588	15,561	5,208,149
EXPENDITURES			
Current			
Instruction	2,222,017	-	2,222,017
Support Services	-	-	-
Support Services-Students	656,563	-	656,563
Support Services-Instruction	55,208	-	55,208
Support Services-General Administration	101,238	199	101,437
Support Services-School Administration	341,426	-	341,426
Central Services	31,183	-	31,183
Operation & Maintenance of Plant	1,922	-	1,922
Student Transportation	5,500	-	5,500
Other Support Services	-	-	-
Food Services-Operations	1,378,540	-	1,378,540
Community Services-Operations	78,617	-	78,617
Acquisition & Construction	163,151	-	163,151
Debt Service	-	-	-
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	5,035,365	199	5,035,564
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	157,223	15,362	172,585
Other Financing Sources (uses)			
Transfer In/Out	-	(10,851)	(10,851)
Total Other Financial Sources	-	(10,851)	(10,851)
Net Change In Fund Balance	157,223	4,511	161,734
FUND BALANCE			
June 30, 2009	744,054	(2,305)	741,749
Restatement	-	-	-
Restated Balance	744,054	(2,305)	741,749
FUND BALANCE June 30, 2010	\$ 901,277	\$ 2,206	\$ 903,483

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, 2010

	<u>ATHLETICS</u>	<u>RURAL AND LOW INCOME SCHOOLS</u>	<u>IDEA B PRESCHOOL</u>	<u>CAFETERIA</u>	<u>TITLE I MIGRANT</u>
ASSETS					
Cash on Deposit	\$ 129,502	\$ -	\$ 13	\$ 742,729	\$ -
Due From Other Agencies	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	-	-	-	29,045	-
TOTAL ASSETS	<u>\$ 129,502</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 771,774</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	13	-	-
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Reserved for Inventory	-	-	-	29,045	-
Unreserved-Designated for					
Subsequent Years Expenditures	129,502	-	-	742,729	-
TOTAL FUND BALANCE	<u>129,502</u>	<u>-</u>	<u>-</u>	<u>771,774</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 129,502</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 771,774</u>	<u>\$ -</u>

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

<u>TITLE I</u>	<u>Entitlement</u>	<u>IDEA - B RISK POOL</u>	<u>SCHOOL IN NEED OF IMPROVEMENT</u>	<u>GEAR UP CHE</u>	<u>TECHNOLOGY FOR EDUCATION</u>	<u>PRIVATE DIRECT GRANTS</u>
\$ 3,947	\$ -	\$ -	\$ -	\$ -	\$ 36,631	\$ -
-	-	-	12,589	7,401	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,947</u>	<u>-</u>	<u>-</u>	<u>12,589</u>	<u>7,401</u>	<u>36,631</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,947	-	-	-	-	36,631	-
-	-	-	12,589	7,401	-	-
<u>3,947</u>	<u>-</u>	<u>-</u>	<u>12,589</u>	<u>7,401</u>	<u>36,631</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,947</u>	<u>-</u>	<u>-</u>	<u>12,589</u>	<u>7,401</u>	<u>36,631</u>	<u>-</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, 2010

	BEG. TEACHER MENTORING PROGRAM	IMPACT AID TITLE VIII	CARL D PERKINS	TEACHER PRINCIPAL TRAINING
ASSETS				
Cash on Deposit	\$ 3,769	\$ 10,923	\$ -	\$ -
Due From Other Agencies	-	-	1,510	1,807
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 3,769	\$ 10,923	\$ 1,510	\$ 1,807
LIABILITIES AND FUND BALANCE				
Accounts Payable	-	-	-	-
Deferred Revenue	3,769	10,923	-	-
Due to Other Funds	-	-	1,510	1,807
TOTAL LIABILITIES	3,769	10,923	1,510	1,807
FUND BALANCE				
Reserved for Inventory	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,769	\$ 10,923	\$ 1,510	\$ 1,807

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

SAFE AND DRUG FREE SCHOOLS	TEACHING AMERICAN HISTORY	BREAKFAST FOR ELEMENTARY STUDENTS	TITLE XIX MEDICAID 3/21 YEARS	READING FIRST	TANF GRADS	ENGLISH LANGUAGE ACQUISITION
\$ -	\$ -	\$ -	\$ 2,493	\$ -	\$ -	\$ -
-	-	-	-	5,727	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,493</u>	<u>\$ 5,727</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,493	-	-	-
-	-	-	-	5,727	-	-
-	-	-	2,493	5,727	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,493</u>	<u>\$ 5,727</u>	<u>\$ -</u>	<u>\$ -</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, 2010

	<u>TITLE I 1003</u>	<u>TITLE I SCHOOL IMPROVEMENT</u>	<u>TITLE I IASA FEDERAL STIMULUS</u>	<u>IDEA - B FEDERAL STIMULUS</u>
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ 1,849	\$ -
Due From Other Agencies	-	37,357	25,547	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>-</u>	<u>37,357</u>	<u>\$ 27,396</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	-	37,357	27,396	-
TOTAL LIABILITIES	<hr/>	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>37,357</u>	<u>27,396</u>	<u>-</u>
FUND BALANCE				
Reserved for Inventory	-	-	-	-
Unreserved-Designated for Subsequent Years Expenditures	-	-	-	-
TOTAL FUND BALANCE	<hr/>	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 37,357</u>	<u>\$ 27,396</u>	<u>\$ -</u>

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

IDEA - B PRESCHOOL FEDERAL STIMULUS	CHILD NUTRITION FEDERAL STIMULUS	LIBRARY SB333 GO BONDS	LIBRARY BOOK FUND	GRADS CHILD CARE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 87	\$ -	\$ -	\$ -	\$ -	\$ 931,943
-	-	250	-	-	92,188
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	29,045
<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,053,176</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
87	-	-	-	-	57,863
-	-	250	-	-	94,037
-	-	250	-	-	151,900
-	-	-	-	-	29,045
-	-	-	-	-	872,231
-	-	-	-	-	901,276
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,053,176</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, 2010

	ATHLETICS	RURAL AND LOW INCOME SCHOOLS	IDEA B PRESCHOOL	CAFETERIA	TITLE I MIGRANT
REVENUE					
Federal Programs	\$ -	\$ 92,514	\$ 22,618	\$ 1,216,258	\$ 74,744
State Programs	-	-	-	5,209	-
State Equalization	-	-	-	-	-
Interest Earnings	311	-	-	1,554	-
Charges For Services	-	-	-	169,893	-
Fees	59,231	-	-	-	-
Donations	-	-	-	-	-
Miscellaneous	-	-	-	7	-
Local Property Taxes	-	-	-	-	-
TOTAL REVENUES	<u>59,542</u>	<u>92,514</u>	<u>22,618</u>	<u>1,392,921</u>	<u>74,744</u>
EXPENDITURES					
Current					
Instruction	46,359	71,434	22,618	-	24,276
Support Services	-	-	-	-	-
Support Services-Students	-	17,134	-	-	48,311
Support Services-Instruction	-	-	-	-	-
Support Services-General Administration	-	2,984	-	-	2,157
Support Services-School Administration	-	962	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services-Operations	-	-	-	1,248,881	-
Community Services-Operations	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>46,359</u>	<u>92,514</u>	<u>22,618</u>	<u>1,248,881</u>	<u>74,744</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	13,183	-	-	144,040	-
Other Financing Sources (uses)					
Transfer/Refunds	-	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	13,183	-	-	144,040	-
FUND BALANCE					
June 30, 2009	-	-	-	-	-
Restatement	-	-	-	-	-
Restated Balance	-	-	-	-	-
FUND BALANCE June 30, 2010	<u>\$ 13,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,040</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, 2010

	BEG. TEACHER MENTORING PROGRAM	IMPACT AID TITLE VIII	CARL D PERKINS	TEACHER PRINCIPAL TRAINING
REVENUE				
Federal Programs	\$ -	\$ 2,600	\$ 34,451	\$ 227,991
State Programs	1,786	-	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>1,786</u>	<u>2,600</u>	<u>34,451</u>	<u>227,991</u>
EXPENDITURES				
Current				
Instruction	1,786	2,600	34,129	208,486
Support Services	-	-	-	-
Support Services-Students	-	-	-	406
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	8,247
Support Services-School Administration	-	-	322	10,852
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>1,786</u>	<u>2,600</u>	<u>34,451</u>	<u>227,991</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2009	-	-	-	-
Restatement	-	-	-	-
Restated Balance	-	-	-	-
FUND BALANCE				
June 30, 2010	\$ -	\$ -	\$ -	\$ -

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

SAFE AND DRUG FREE SCHOOLS	TEACHING AMERICAN HISTORY	BREAKFAST FOR ELEMENTARY STUDENTS	TITLE XIX MEDICAID 3/21 YEARS	READING FIRST	TANF GRADS	ENGLISH LANGUAGE ACQUISITION
\$ 21,945	\$ 167,541	\$ -	\$ 42,395	\$ 88,011	\$ 8,000	\$ 30,222
-	-	87,212	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,945</u>	<u>167,541</u>	<u>87,212</u>	<u>42,395</u>	<u>88,011</u>	<u>8,000</u>	<u>30,222</u>
14,108	40,712	-	3,750	85,298	8,000	27,848
5,915	-	-	35,334	-	-	1,253
-	199	-	-	-	-	-
-	48,667	-	3,311	2,713	-	1,121
-	-	-	-	-	-	-
1,922	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	87,212	-	-	-	-
-	77,963	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,945</u>	<u>167,541</u>	<u>87,212</u>	<u>42,395</u>	<u>88,011</u>	<u>8,000</u>	<u>30,222</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, 2010

	TITLE I 1003	TITLE I SCHOOL IMPROVEMENT	TITLE I IASA FEDERAL STIMULUS	IDEA - B FEDERAL STIMULUS
REVENUE				
Federal Programs	\$ 16,035	\$ 239,997	\$ 418,968	\$ 355,417
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>16,035</u>	<u>239,997</u>	<u>418,968</u>	<u>355,417</u>
EXPENDITURES				
Current				
Instruction	16,035	239,997	328,947	166,395
Support Services	-	-	-	-
Support Services-Students	-	-	529	176,831
Support Services-Instruction	-	-	30,796	-
Support Services-General Administration	-	-	14,757	10,398
Support Services-School Administration	-	-	38,439	1,793
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	5,500	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	-	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>16,035</u>	<u>239,997</u>	<u>418,968</u>	<u>355,417</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (uses)				
Transfer/Refunds	-	-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balance	-	-	-	-
FUND BALANCE				
June 30, 2009	-	-	-	-
Restatement	-	-	-	-
Restated Balance	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA - B PRESCHOOL FEDERAL STIMULUS	CHILD NUTRITION FEDERAL STIMULUS	LIBRARY SB333 GO BONDS	LIBRARY BOOK FUND	GRADS CHILD CARE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 21,968	\$ 42,447	\$ -	\$ -	\$ 3,000	4,707,338
-	-	6,592	8,509	-	254,254
-	-	-	-	-	-
-	-	-	-	-	1,865
-	-	-	-	-	169,893
-	-	-	-	-	59,231
-	-	-	-	-	-
-	-	-	-	-	7
<u>21,968</u>	<u>42,447</u>	<u>6,592</u>	<u>8,509</u>	<u>3,000</u>	<u>5,192,588</u>
21,289	-	6,592	-	3,000	2,222,017
-	-	-	-	-	656,563
-	-	-	8,509	-	55,208
679	-	-	-	-	101,238
-	-	-	-	-	341,426
-	-	-	-	-	31,183
-	-	-	-	-	1,922
-	-	-	-	-	5,500
-	-	-	-	-	-
-	42,447	-	-	-	1,378,540
-	-	-	-	-	78,617
-	-	-	-	-	163,151
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,968</u>	<u>42,447</u>	<u>6,592</u>	<u>8,509</u>	<u>3,000</u>	<u>5,035,365</u>
-	-	-	-	-	157,223
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	157,223
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,223</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--ATHLETICS

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	70,000	70,000	59,231	(10,769)
Interest Income	-	-	311	311
TOTAL REVENUE	<u>70,000</u>	<u>70,000</u>	<u>\$ 59,542</u>	<u>\$ (10,458)</u>
Cash Balance Budgeted	<u>115,000</u>	<u>115,000</u>		
TOTAL REVENUE & CASH	<u>\$ 185,000</u>	<u>\$ 185,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 185,000	185,000	46,359	138,641
TOTAL EXPENDITURES	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 46,359</u>	<u>\$ 138,641</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 59,542	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>\$ 59,542</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 46,359	
Total Expenditures (GAAP Basis)			<u>\$ 46,359</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 139,126	\$ 99,271	\$ (39,855)
TOTAL REVENUE	<u>-</u>	<u>139,126</u>	<u>99,271</u>	<u>(39,855)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 139,126</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 78,002	\$ 71,434	\$ 6,568
Support Services-Students	-	55,607	17,134	38,473
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	4,322	2,984	1,338
Support Services-School Administration	-	1,195	962	233
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 139,126</u>	<u>\$ 92,514</u>	<u>\$ 46,612</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 99,271
Differences-Budget to GAAP	
Prior Year Receivable	(6,757)
Total Revenues (GAAP Basis)	<u>\$ 92,514</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 92,514
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 92,514</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--IDEA B PRESCHOOL

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 27,195	29,780	25,139	(4,641)
TOTAL REVENUE	<u>27,195</u>	<u>29,780</u>	<u>\$ 25,139</u>	<u>\$ (4,641)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 27,195</u>	<u>\$ 29,780</u>		
EXPENDITURES				
Current				
Instruction	\$ 26,365	28,950	22,618	6,332
Support Services-General Administration	830	830	-	830
TOTAL EXPENDITURES	<u>\$ 27,195</u>	<u>\$ 29,780</u>	<u>\$ 22,618</u>	<u>\$ 7,162</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 25,139
Differences-Budget to GAAP	
Prior Year Receivable	(2,508)
Total Revenues (GAAP Basis)	<u>\$ 22,631</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 22,618
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 22,618</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees	\$ 179,000	\$ 179,000	\$ 169,893	\$ (9,107)
Interest Income	1,100	1,100	1,554	454
State Flow Through Grants	-	-	5,209	5,209
Refunds			7	7
Federal Revenue	1,068,364	1,068,364	1,138,182	69,818
TOTAL REVENUE	<u>1,248,464</u>	<u>1,248,464</u>	<u>\$ 1,314,845</u>	<u>\$ 66,381</u>
Cash Balance Budgeted	<u>354,477</u>	<u>597,386</u>		
TOTAL REVENUE & CASH	<u>\$ 1,602,941</u>	<u>\$ 1,845,850</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 1,602,941	\$ 1,845,850	\$ 1,169,503	\$ 676,347
TOTAL EXPENDITURES	<u>\$ 1,602,941</u>	<u>\$ 1,845,850</u>	<u>\$ 1,169,503</u>	<u>\$ 676,347</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 1,314,845	
Differences-Budget to GAAP				
Commodities Received			78,076	
Total Revenues (GAAP Basis)			<u>\$ 1,392,921</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 1,169,503	
Differences-budget to GAAP				
Cost of Commodities Used			78,076	
Inventory Adjustment			1,302	
Total Expenditures (GAAP Basis)			<u>\$ 1,248,881</u>	

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

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

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 70,000	\$ 75,000	76,228	1,228
TOTAL REVENUE	<u>70,000</u>	<u>75,000</u>	<u>\$ 76,228</u>	<u>\$ 1,228</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 70,000</u>	<u>\$ 75,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,083	24,418	24,276	142
Support Services-Students	65,760	48,425	48,311	114
Support Services-General Administration	2,157	2,157	2,157	-
TOTAL EXPENDITURES	<u>\$ 70,000</u>	<u>\$ 75,000</u>	<u>\$ 74,744</u>	<u>\$ 256</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 76,228	
Differences-Budget to GAAP				
Prior Year Receivable			(1,484)	
Total Revenues (GAAP Basis)			<u>\$ 74,744</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 74,744	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 74,744</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,159,242	\$ 1,280,102	\$ 1,096,899	\$ (183,203)
TOTAL REVENUE	<u>1,159,242</u>	<u>1,280,102</u>	<u>\$ 1,096,899</u>	<u>\$ (183,203)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,159,242</u>	<u>\$ 1,280,102</u>		
EXPENDITURES				
Current				
Instruction	\$ 890,015	987,150	752,146	235,004
Support Services-Students	83,761	84,934	65,894	19,040
Support Services-Instruction	-	2,287	1,985	302
Support Services-General Administration	34,707	38,432	38,432	-
Support Services-School Administration	147,835	162,375	101,896	60,479
Community Services-operations	2,924	4,924	654	4,270
TOTAL EXPENDITURES	<u>\$ 1,159,242</u>	<u>\$ 1,280,102</u>	<u>\$ 961,007</u>	<u>\$ 319,095</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,096,899
Differences-Budget to GAAP	
Prior Year Receivable	(131,944)
Current Year Deferral	(3,948)
Total Revenues (GAAP Basis)	<u>\$ 961,007</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 961,007
Total Expenditures (GAAP Basis)	<u>\$ 961,007</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 642,181	\$ 786,412	636,663	(149,749)
TOTAL REVENUE	<u>642,181</u>	<u>786,412</u>	<u>\$ 636,663</u>	<u>\$ (149,749)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 642,181</u>	<u>\$ 786,412</u>		
EXPENDITURES				
Current				
Instruction	\$ 162,613	276,844	163,151	113,693
Support Services-Students	309,569	333,799	288,729	45,070
Support Services-Instruction	8,080	8,080	6,426	1,654
Support Services-General Administration	20,271	23,971	23,385	586
Support Services-School Administration	141,648	143,718	130,152	13,566
TOTAL EXPENDITURES	<u>\$ 642,181</u>	<u>\$ 786,412</u>	<u>\$ 611,843</u>	<u>\$ 174,569</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 636,663
Differences-Budget to GAAP	
Prior Year Receivable	(24,820)
Total Revenues (GAAP Basis)	<u>\$ 611,843</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 611,843
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 611,843</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--IDEA B RISK POOL

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 7,367	\$ 7,366	\$ (1)
TOTAL REVENUE	<u>-</u>	<u>7,367</u>	<u>7,366</u>	<u>(1)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 7,367</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ -	\$ 7,089	\$ 7,088	\$ -
Support Services-School Administration		278	278	
TOTAL EXPENDITURES	<u>-</u>	<u>7,367</u>	<u>7,366</u>	<u>-</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 7,366	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>7,366</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 7,366	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>7,366</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 34,348	\$ 25,896	\$ (8,452)
Forest Reserve	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>34,348</u>	<u>\$ 25,896</u>	<u>\$ (8,452)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 34,348</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 34,348	\$ 34,034	\$ 314
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 34,348</u>	<u>\$ 34,034</u>	<u>\$ 314</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 25,896
Differences-Budget to GAAP	
Current Year Receivable	12,589
Prior Year Receivable	(4,451)
Total Revenues (GAAP Basis)	<u>\$ 34,034</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 34,034
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 34,034</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 68,079	\$ 62,619	\$ (5,460)
TOTAL REVENUE	<u>-</u>	<u>68,079</u>	<u>62,619</u>	<u>(5,460)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 68,079</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 59,649	\$ 59,468	\$ 181
Support Services-Students		7,455	7,417	38
Support Services-School Administration		975	920	55
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 68,079</u>	<u>\$ 67,805</u>	<u>\$ 274</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 62,619
Differences-Budget to GAAP	
Current Year Receivable	7,401
Prior Year Receivable	(2,215)
Current Year Deferral	

Total Revenues (GAAP Basis) \$ 67,805

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 67,805
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 67,805</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 55,000	\$ 76,596	\$ 18,699	\$ (57,897)
TOTAL REVENUE	<u>55,000</u>	<u>76,596</u>	<u>18,699</u>	<u>(57,897)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 55,000</u>	<u>\$ 76,596</u>		
EXPENDITURES				
Current				
Support Services-Students	\$ 20,000	\$ 6,000	\$ 1,722	\$ 4,278
Support Services-Instruction	26,000	23,500	7,492	16,008
Support Services-School Administration	9,000	5,000		5,000
Central Services		42,096	31,183	10,913
TOTAL EXPENDITURES	<u>\$ 55,000</u>	<u>\$ 76,596</u>	<u>\$ 40,397</u>	<u>\$ 36,199</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 18,699
Differences-Budget to GAAP	
Current Year Deferral	(36,631)
Prior Year Deferral	58,329

Total Revenues (GAAP Basis) \$ 40,397

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 40,397
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 40,397</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 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Private Grants		2,710		(2,710)
TOTAL REVENUE	\$ <u> -</u>	\$ <u> 2,710</u>	<u> </u>	\$ <u> (2,710)</u>
 TOTAL REVENUE & CASH				
EXPENDITURES		-		
Current				
Instruction	\$ <u> </u>	\$ <u> 2,710</u>	\$ <u> 2,710</u>	\$ <u> </u>
TOTAL EXPENDITURES				-
 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				
Prior Year Deferral			2,710	
Total Revenues (GAAP Basis)			\$ <u> 2,710</u>	
 Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 2,710	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			\$ <u> 2,710</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 5,553	\$ 2,136	\$ (3,417)
TOTAL REVENUE	<u>-</u>	<u>5,553</u>	<u>2,136</u>	<u>(3,417)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>-</u>	<u>5,553</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 5,553	\$ 1,786	\$ 3,767
TOTAL EXPENDITURES	<u>-</u>	<u>5,553</u>	<u>1,786</u>	<u>3,767</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,136
Differences-Budget to GAAP	
Current Year Deferral	(3,768)
Prior Year Deferral	3,418

Total Revenues (GAAP Basis) \$ 1,786

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,786
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,786</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 ED

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 13,118	4,050	\$ (9,068)
TOTAL REVENUE	<u>-</u>	<u>13,118</u>	<u>\$ 4,050</u>	<u>\$ (9,068)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 13,118</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	13,118	2,600	10,518
TOTAL EXPENDITURES	<u>-</u>	<u>13,118</u>	<u>\$ 2,600</u>	<u>\$ 10,518</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 4,050
Differences-Budget to GAAP	
Current Year Deferral	(10,923)
Prior Year Deferral	9,473
Total Revenues (GAAP Basis)	<u>\$ 2,600</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,600
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,600</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 36,534	34,206	\$ (2,328)
TOTAL REVENUE	<u>-</u>	<u>36,534</u>	<u>\$ 34,206</u>	<u>\$ (2,328)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 36,534</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 35,984	\$ 34,129	\$ 1,855
Support Services-General Administration		550	322	228
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 36,534</u>	<u>\$ 34,451</u>	<u>\$ 2,083</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 34,206
Differences-Budget to GAAP	
Current Year Receivable	1,510
Prior Year Receivable	(1,265)
Total Revenues (GAAP Basis)	<u>\$ 34,451</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 34,451
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 34,451</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--TEACHER/PRINCIPAL TRAINING & RECRUITING

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 234,403	252,018	258,710	\$ 6,692
TOTAL REVENUE	<u>234,403</u>	<u>252,018</u>	<u>\$ 258,710</u>	<u>\$ 6,692</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 234,403</u>	<u>\$ 252,018</u>		
EXPENDITURES				
Current				
Instruction	\$ 226,699	227,173	208,486	\$ 18,687
Support Services-Students		1,239	406	833
Support Services-General Administration	7,704	8,247	8,247	-
Support Services-School Administration	-	15,359	10,852	4,507
TOTAL EXPENDITURES	<u>\$ 234,403</u>	<u>\$ 252,018</u>	<u>\$ 227,991</u>	<u>\$ 24,027</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 258,710
Differences-Budget to GAAP	
Current Year Receivable	1,807
Prior Year Receivable	(32,526)
Total Revenues (GAAP Basis)	<u>\$ 227,991</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 227,991
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 227,991</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 20,907	\$ 35,285	\$ 21,945	\$ (13,340)
TOTAL REVENUE	<u>20,907</u>	<u>35,285</u>	<u>21,945</u>	<u>(13,340)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 20,907</u>	<u>\$ 35,285</u>		
EXPENDITURES				
Current				
Instruction	\$ 15,907	26,682	14,108	\$ 12,574
Support Services-Students	5,000	6,469	5,915	554
Operation & Maintenance of Plant		2,134	1,922	212
TOTAL EXPENDITURES	<u>\$ 20,907</u>	<u>\$ 35,285</u>	<u>\$ 21,945</u>	<u>\$ 13,340</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,945
Differences-Budget to GAAP	

Total Revenues (GAAP Basis)	<u>\$ 21,945</u>
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Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 21,945
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 21,945</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--TEACHING AMERICAN HISTORY

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 172,942	\$ 167,542	\$ 167,541	\$ (1)
TOTAL REVENUE	<u>172,942</u>	<u>167,542</u>	<u>167,541</u>	<u>(1)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 172,942</u>	<u>\$ 167,542</u>		
EXPENDITURES				
Current				
Instruction	\$ 46,345	\$ 40,712	\$ 40,712	\$ -
Support Services-General Administration	1,200	200	199	1
Support Services-School Administration	48,667	48,667	48,667	-
Community Services-operations	76,730	77,963	77,963	-
TOTAL EXPENDITURES	<u>\$ 172,942</u>	<u>\$ 167,542</u>	<u>\$ 167,541</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)	\$ 167,541
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 167,541</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 167,541
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 167,541</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--BREAKFAST FOR ELEMENTARY STUDENTS

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 71,013	\$ 87,213	\$ 87,212	\$ (1)
TOTAL REVENUE	<u>71,013</u>	<u>87,213</u>	<u>87,212</u>	<u>(1)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 71,013</u>	<u>\$ 87,213</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 71,013	\$ 87,213	\$ 87,212	\$ 1
TOTAL EXPENDITURES	<u>\$ 71,013</u>	<u>\$ 87,213</u>	<u>\$ 87,212</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) \$ 87,212
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 87,212

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 87,212
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 87,212

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 XIX MEDICAID 3/21

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 44,888	\$ -	\$ (44,888)
TOTAL REVENUE	<u>\$ -</u>	<u>\$ 44,888</u>	<u>\$ -</u>	<u>\$ (44,888)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 44,888</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,000	\$ 3,750	\$ 250
Support Services-Students		37,563	35,334	2,229
Support Services-School Administration		3,325	3,311	14
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 44,888</u>	<u>\$ 42,395</u>	<u>\$ 2,493</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ -
Differences-Budget to GAAP	
Current Year Deferral	(2,493)
Prior Year Deferral	44,888

Total Revenues (GAAP Basis) \$ 42,395

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 42,395
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 42,395</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, 2010

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 176,104	\$ 88,052	\$ 82,284	\$ (5,768)
TOTAL REVENUE	<u>176,104</u>	<u>88,052</u>	<u>82,284</u>	<u>(5,768)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 176,104</u>	<u>\$ 88,052</u>		
EXPENDITURES				
Current				
Instruction	\$ 170,753	\$ 85,339	\$ 85,298	\$ 41
Support Services-General Administration	5,351	2,713	2,713	-
TOTAL EXPENDITURES	<u>\$ 176,104</u>	<u>\$ 88,052</u>	<u>\$ 88,011</u>	<u>\$ 41</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 82,284	
Differences-Budget to GAAP				
Current Year Receivable			5,727	
Total Revenues (GAAP Basis)			<u>\$ 88,011</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 88,011	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 88,011</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--TANF GRADS

Year Ended June 30 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 8,000	\$ 8,000	\$ -
TOTAL REVENUE	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 8,000</u>		
EXPENDITURES				
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--ENGLISH LANGUAGE ACQUISITION

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 14,320	\$ 55,806	\$ 37,192	\$ (18,614)
TOTAL REVENUE	<u>14,320</u>	<u>55,806</u>	<u>37,192</u>	<u>(18,614)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 14,320</u>	<u>\$ 55,806</u>		
EXPENDITURES				
Current				
Instruction	\$ 14,320	52,618	27,848	24,770
Support Services-Students		1,338	1,253	85
Support Services-School Administration		1,850	1,121	729
TOTAL EXPENDITURES	<u>\$ 14,320</u>	<u>\$ 55,806</u>	<u>\$ 30,222</u>	<u>\$ 25,584</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 37,192
Differences-Budget to GAAP	
Prior Year Receivable	(6,970)

Total Revenues (GAAP Basis) \$ 30,222

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 30,222
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 30,222</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 1003 GRANT

Year Ended June 30, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 16,055	\$ 21,168	\$ 5,113
TOTAL REVENUE	<u>-</u>	<u>16,055</u>	<u>21,168</u>	<u>5,113</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>-</u>	<u>16,055</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 16,055	\$ 16,035	\$ 20
TOTAL EXPENDITURES	<u>-</u>	<u>16,055</u>	<u>16,035</u>	<u>20</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,168
Differences-Budget to GAAP	
Prior Year Receivable	(5,133)
Total Revenues (GAAP Basis)	<u>\$ 16,035</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 16,035
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 16,035</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 240,000	1 202,641	\$ (37,359)
TOTAL REVENUE	<u>-</u>	<u>240,000</u>	<u>\$ 202,641</u>	<u>\$ (37,359)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 240,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 240,000	239,997	\$ 3
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 239,997</u>	<u>\$ 3</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 202,641
Differences-Budget to GAAP	
Current Year Receivable	37,356
Total Revenues (GAAP Basis)	<u>\$ 239,997</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 239,997
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 239,997</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 -IASA FEDERAL STIMULUS

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 300,161	\$ 669,094	\$ 440,900	\$ (228,194)
TOTAL REVENUE	<u>300,161</u>	<u>669,094</u>	<u>440,900</u>	<u>(228,194)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 300,161</u>	<u>\$ 669,094</u>		
EXPENDITURES				
Current				
Instruction	\$ 263,756	\$ 529,387	\$ 328,947	\$ 200,440
Support Services-Students	27,405	7,511	529	6,982
Support Services-Instruction		30,903	30,796	107
Support Services-General Administration	-	30,571	14,757	15,814
Support Services-School Administration	-	59,108	38,439	20,669
Student Transportation	9,000	11,614	5,500	6,114
TOTAL EXPENDITURES	<u>\$ 300,161</u>	<u>\$ 669,094</u>	<u>\$ 418,968</u>	<u>\$ 250,126</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 440,900
Differences-Budget to GAAP	
Current Year Receivable	25,545
Prior Year Receivable	(47,477)
Total Revenues (GAAP Basis)	<u>\$ 418,968</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 418,968
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 418,968</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 IDEA B FEDERAL STIMULUS

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 379,389	\$ 761,147	\$ 355,417	\$ (405,730)
TOTAL REVENUE	<u>379,389</u>	<u>761,147</u>	<u>355,417</u>	<u>(405,730)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 379,389</u>	<u>\$ 761,147</u>		
EXPENDITURES				
Current				
Instruction	\$ 144,073	\$ 420,706	166,394	\$ 254,312
Support Services-Students	224,315	309,465	176,831	132,634
Support Services-General Administration	11,001	23,201	10,398	12,803
Support Services-School Administration		7,775	1,794	5,981
TOTAL EXPENDITURES	<u>\$ 379,389</u>	<u>\$ 761,147</u>	<u>\$ 355,417</u>	<u>\$ 405,730</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 355,417
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 355,417

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 355,417
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 355,417

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--PRESCHOOL IDEA B FEDERAL STIMULUS

Year Ended June 30 2010

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	14,205	28,636	22,054	(6,582)
TOTAL REVENUE	<u>14,205</u>	<u>28,636</u>	<u>\$ 22,054</u>	<u>\$ (6,582)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 14,205</u>	<u>\$ 28,636</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,125	\$ 26,556	\$ 21,289	\$ 5,267
Support Services-Students	4,575	1,075		1,075
Support Services-General Administration	505	1,005	679	326
TOTAL EXPENDITURES	<u>\$ 14,205</u>	<u>\$ 28,636</u>	<u>\$ 21,968</u>	<u>\$ 6,668</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 22,054	
Differences-Budget to GAAP				
Current Year Deferral			(86)	
Total Revenues (GAAP Basis)			<u>\$ 21,968</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 21,968	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 21,968</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--CHILD NUTRITION FEDERAL STIMULUS

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 42,447	\$ 42,447	\$ -
TOTAL REVENUE	<u>-</u>	<u>42,447</u>	<u>42,447</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 42,447</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ -	\$ 42,447	\$ 42,447	\$ -
TOTAL EXPENDITURES	<u>-</u>	<u>42,447</u>	<u>42,447</u>	<u>-</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 42,447
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 42,447

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 42,447
 Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 42,447

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 SB333 GO BONDS

Year Ended June 30 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 25,168	\$ 6,342	\$ (18,826)
TOTAL REVENUE	<u>-</u>	<u>25,168</u>	<u>6,342</u>	<u>(18,826)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 25,168</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ -	\$ 25,168	\$ 6,592	\$ 18,576
TOTAL EXPENDITURES	<u>-</u>	<u>25,168</u>	<u>6,592</u>	<u>18,576</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,342
Differences-Budget to GAAP	
Prior Year Tax Receivables	-
Current Year Receivable	250

Total Revenues (GAAP Basis) \$ 6,592

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,592
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,592</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 8,509	\$ 8,509	\$ -	\$ (8,509)
TOTAL REVENUE	<u>8,509</u>	<u>8,509</u>	<u>-</u>	<u>(8,509)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 8,509</u>	<u>\$ 8,509</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 8,509	\$ 8,509	\$ 8,509	\$ -
TOTAL EXPENDITURES	<u>\$ 8,509</u>	<u>\$ 8,509</u>	<u>\$ 8,509</u>	<u>\$ -</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	-
Prior Year Receivable	
Current Year Deferral	
Prior Year Deferral	8,509
Total Revenues (GAAP Basis)	<u>\$ 8,509</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 8,509
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 8,509</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--GRADS CHILDCARE

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 3,000	\$ 3,000	\$ -
TOTAL REVENUE	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,000	\$ 3,000	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 3,000</u>	<u>3,000</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,000
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 3,000</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,000</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, 2010

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash on Deposit	\$ 1,829,017	\$ -	\$ 201,061	\$ 2,030,078
Due from Other Funds	329,170	-	-	329,170
Property Tax Receivable	6,333	-	-	6,333
Due from other Agencies	-	-	-	-
TOTAL ASSETS	\$ 2,164,520	\$ -	\$ 201,061	\$ 2,365,581
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 44,035	\$ -	\$ 6,087	\$ 50,122
Deferred Revenue	5,655	-	-	5,655
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES AND OTHER CREDITS	49,690	-	6,087	55,777
FUND BALANCE				
Unreserved-Designated for Subsequent Years Expenditures	2,114,830	-	194,974	2,309,804
TOTAL FUND BALANCE	2,114,830	-	194,974	2,309,804
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,164,520	\$ -	\$ 201,061	\$ 2,365,581

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, 2010

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 2,883	\$ -	\$ -	\$ 2,883
State Programs	-	1,141,125	142,858	1,283,983
State Equalization	18,481,099			18,481,099
Interest Earnings	10,464			10,464
Charges For Services	134,037			134,037
Fees	5,868			5,868
Donations	5,889			5,889
Sale of Property	4,957			4,957
Miscellaneous	3,656			3,656
Local Property Taxes	80,393	-	-	80,393
TOTAL REVENUES	18,729,246	1,141,125	142,858	20,013,229
EXPENDITURES				
Current				
Instruction	11,164,168		201,877	11,366,045
Support Services				-
Support Services-Students	1,656,748			1,656,748
Support Services-Instruction	458,782		12,913	471,695
Support Services-General Administration	504,379			504,379
Support Services-School Administration	1,536,153			1,536,153
Central Services	891,543			891,543
Operation & Maintenance of Plant	2,471,362			2,471,362
Student Transportation	-	1,141,125		1,141,125
Other Support Services	-			-
Food Services-Operations	-			-
Community Services-Operations	-			-
Acquisition & Construction	99,234			99,234
Debt Service				-
Principal				-
Interest				-
TOTAL EXPENDITURES	18,782,369	1,141,125	214,790	20,138,284
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(53,123)	-	(71,932)	(125,055)
Other Financing Sources (uses)				
Transfer IN (OUT)		-	-	-
Total Other Financial Sources	-	-	-	-
Net Change In Fund Balances	(53,123)	-	(71,932)	(125,055)
FUND BALANCE				
June 30, 2009	2,167,953	-	266,906	2,434,859
Restatement				-
Restated Balance	2,167,953	-	266,906	2,434,859
FUND BALANCE June 30, 2010	\$ 2,114,830	\$ -	\$ 194,974	\$ 2,309,804

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--OPERATIONAL

Year Ended June 30 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 87,737	\$ 87,737	\$ 81,312	\$ (6,425)
Fees-Users	-	-	5,868	5,868
Donations/Gifts	-	-	5,889	5,889
Interest Income	28	28	10,464	10,436
State Equalization	18,903,240	18,476,415	18,481,099	4,684
State Flow Through Grants	-	-	-	-
Impact Aid	3,841	3,841	2,883	(958)
Rent	-	-	1,190	1,190
Sale of Property/Equipment	-	-	4,957	4,957
Refunds	-	-	623	623
Indirect Cost - (Flow Through Grants)	25,000	25,000	134,037	109,037
Insurance Recoveries	-	-	1,843	1,843
TOTAL REVENUE	<u>19,019,846</u>	<u>18,593,021</u>	<u>\$ 18,730,165</u>	<u>\$ 137,144</u>
Cash Balance Budgeted	<u>1,846,373</u>	<u>2,210,392</u>		
TOTAL REVENUE & CASH	<u>\$ 20,866,219</u>	<u>\$ 20,803,413</u>		
EXPENDITURES				
Current				
Instruction	\$ 12,487,109	\$ 11,990,284	\$ 11,161,557	\$ 828,727
Support Services-Students	1,890,205	1,892,205	1,656,748	235,457
Support Services-Instruction	440,316	503,500	458,782	44,718
Support Services-General Administration	451,138	588,554	504,379	84,175
Support Services-School Administration	1,768,840	1,599,039	1,536,153	62,886
Central services	852,973	982,373	891,543	90,830
Operation & Maintenance of Plant	2,963,819	3,129,639	2,471,362	658,277
Student Transportation	200	200	-	200
Other Support Services	11,619	11,619	-	11,619
Acquisition & Construction	-	106,000	99,234	6,766
TOTAL EXPENDITURES	<u>\$ 20,866,219</u>	<u>\$ 20,803,413</u>	<u>\$ 18,779,758</u>	<u>\$ 2,023,655</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 18,730,165	
Differences-Budget to GAAP				
Property tax Receivable			678	
Prior Year Tax Receivables			(1,597)	
Total Revenues (GAAP Basis)			<u>\$ 18,729,246</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 18,779,758	
Differences-budget to GAAP				
Current year Payable				
Prior Year Payable				
Total Expenditures (GAAP Basis)			<u>\$ 18,779,758</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, 2010

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 1,038,580	\$ 1,141,125	\$ 1,141,125	\$ -
TOTAL REVENUE	<u>1,038,580</u>	<u>1,141,125</u>	<u>1,141,125</u>	<u>-</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 1,038,580</u>	<u>\$ 1,141,125</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 1,038,580	\$ 1,141,125	\$ 1,141,125	\$ -
TOTAL EXPENDITURES	<u>\$ 1,038,580</u>	<u>\$ 1,141,125</u>	<u>1,141,125</u>	<u>-</u>
 Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 1,141,125	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>\$ 1,141,125</u>	
 Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 1,141,125	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 1,141,125</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--GENERAL FUND--INSTRUCTIONAL MATERIALS FUND

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	114,285	142,890	142,858	(32)
TOTAL REVENUE	<u>114,285</u>	<u>142,890</u>	<u>\$ 142,858</u>	<u>\$ (32)</u>
Cash Balance Budgeted	-	266,905		
TOTAL REVENUE & CASH	<u>\$ 114,285</u>	<u>\$ 409,795</u>		
EXPENDITURES				
Current				
Instruction	\$ 105,776	\$ 395,678	\$ 195,790	\$ 199,888
Support Services-Instruction	8,509	14,117	12,913	1,204
TOTAL EXPENDITURES	<u>\$ 114,285</u>	<u>\$ 409,795</u>	<u>\$ 208,703</u>	<u>\$ 201,092</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 142,858
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 142,858</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 208,703
Differences-budget to GAAP	
Current Year Accounts Payable	6,087
Total Expenditures (GAAP Basis)	<u>\$ 214,790</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	-	-	8,862	8,862
Bond Proceeds	-	1,900,000	1,900,000	-
TOTAL REVENUE	-	1,900,000	\$ 1,908,862	\$ 8,862
Cash Balance Budgeted	4,785,000	4,427,425		
TOTAL REVENUE & CASH	\$ 4,785,000	\$ 6,327,425		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 4,785,000	\$ 6,327,425	\$ 3,350,828	\$ 2,976,597
TOTAL EXPENDITURES	\$ 4,785,000	\$ 6,327,425	\$ 3,350,828	\$ 2,976,597

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,908,862
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	\$ 1,908,862

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,350,828
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 3,350,828

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--PUBLIC SCHOOL CAPITAL OUTLAY

Year Ended June 30 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 11,803,585	\$ 5,645,083	\$ (6,158,502)
TOTAL REVENUE	<u>-</u>	<u>11,803,585</u>	<u>\$ 5,645,083</u>	<u>\$ (6,158,502)</u>
 Cash Balance Budgeted	 _____	 _____		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 11,803,585</u>		
 EXPENDITURES				
Acquisition & Construction	\$ -	\$ 11,803,585	\$ 5,645,083	\$ 6,158,502
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 11,803,585</u>	<u>\$ 5,645,083</u>	<u>\$ 6,158,502</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 5,645,083
Differences-Budget to GAAP	-
Paid Directly By State Agency	-
Total Revenues (GAAP Basis)	<u>\$ 5,645,083</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 5,645,083
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 5,645,083</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, 2010

	<u>EDUCATIONAL TECHNOLOGY</u>	<u>TOTAL</u>
ASSETS		
Cash on Deposit	\$ 1,493	\$ 1,493
Due From Other Funds		-
Property Tax Receivable	7,899	7,899
TOTAL ASSETS	<u>\$ 9,392</u>	<u>\$ 9,392</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ -	\$ -
Deferred Revenue	7,186	7,186
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>7,186</u>	<u>7,186</u>
FUND BALANCE		
Reserved for Debt Service	2,206	2,206
Unreserved-Designated for Subsequent Years Expenditures	-	-
TOTAL FUND BALANCE	<u>2,206</u>	<u>2,206</u>
TOTAL LIABILITIES AND FUND Balance	<u>\$ 9,392</u>	<u>\$ 9,392</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-- NONMAJOR DEBT SERVICE FUNG

Year Ended June 30, 2010

	<u>EDUCATIONAL TECHNOLOGY</u>	<u>TOTAL</u>
REVENUE		
Local Property Taxes	\$ 15,561	\$ 15,561
Interest Earnings	-	-
TOTAL REVENUES	<u>15,561</u>	<u>15,561</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services-Students	-	-
Support Services-Instruction	-	-
Support Services-General Administration	199	199
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	-	-
TOTAL EXPENDITURES	<u>199</u>	<u>199</u>
EXCESS (DEFICIENCY) OF		
REVENUE OVER EXPENDITURES	15,362	15,362
Other Financing Sources (uses)		
Transfer In/Out	<u>(10,851)</u>	<u>(10,851)</u>
Total Other Financial Sources	<u>(10,851)</u>	<u>(10,851)</u>
Net Change In Fund Balance	4,511	4,511
FUND BALANCE		
June 30, 2009	<u>(2,305)</u>	<u>(2,305)</u>
FUND BALANCE		
June 30, 2010	<u>\$ 2,206</u>	<u>2,206</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,200,000	\$ 1,210,000	\$ 1,437,699	\$ 227,699
Interest Income	-	-	742	742
Bond Proceeds Premium		-	7,600	7,600
TOTAL REVENUE	<u>1,200,000</u>	<u>1,210,000</u>	<u>\$ 1,446,041</u>	<u>\$ 236,041</u>
Cash Balance Budgeted	<u>863,984</u>	<u>991,011</u>		
TOTAL REVENUE & CASH	<u>\$ 2,063,984</u>	<u>\$ 2,201,011</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ -	\$ 37,027	\$ 14,377	\$ 22,650
Principal	1,165,000	1,165,000	1,165,000	-
Interest and Finance Charges	412,370	512,370	412,370	100,000
Debt Service Reserve	486,614	486,614	-	486,614
TOTAL EXPENDITURES	<u>\$ 2,063,984</u>	<u>\$ 2,201,011</u>	<u>\$ 1,591,747</u>	<u>\$ 609,264</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,446,041
Differences-Budget to GAAP	
Property tax Receivable	12,046
Prior Year Tax Receivables	(28,463)
Total Revenues (GAAP Basis)	<u>\$ 1,429,624</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,591,747
Differences-budget to GAAP	
Prior Year Interest Payable	135,070
Current Year Interest Payable	(210,508)
Total Expenditures (GAAP Basis)	<u>\$ 1,516,309</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, 2010

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ -	\$ 30,000	\$ 19,916	\$ (10,084)
Bond premium				
TOTAL REVENUE	-	30,000	<u>19,916</u>	<u>(10,084)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 30,000</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ -	\$ 2,000	\$ 199	\$ 1,801
Debt Service Reserve		28,000		28,000
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 199</u>	<u>\$ 29,801</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 19,916
Differences-Budget to GAAP	
Property tax Receivable	712
Prior Year Tax Receivables	(5,067)

Total Revenues (GAAP Basis) \$ 15,561

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 199
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 199</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2010

	BALANCE 7/01/09	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6/30/10
Administration	\$ 226,597	\$ 28,784	\$ (313)	\$ 37,685	\$ 217,383
High School	106,125	164,141	313	155,543	115,036
Junior High School	41,691	44,633	-	49,727	36,597
Brown Elementary	14,866	27,650	-	23,969	18,547
James Elementary	21,587	18,287	-	16,021	23,853
Lindsey Elementary	12,597	13,135	-	14,682	11,050
Steiner Elementary	7,596	8,182	-	13,242	2,536
Valencia Elementary	21,300	35,896	-	29,280	27,916
Portales High School Daycare	103,884	181,752	-	159,843	125,793
Total	\$ <u>556,243</u>	\$ <u>522,460</u>	\$ <u>-</u>	\$ <u>499,992</u>	\$ <u>578,711</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

<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			
Title I	<1> 84.010	24101	\$ 961,007
Migrant Children Education	84.011	24103	74,745
Idea B Entitlement	84.027	24106	611,843
Idea B Preschool	84.027	24109	22,618
Idea B Risk Pool	84.027	24120	7,366
Title I 1003g Grant	84.389	24124	16,035
English Language Acquisition	84.365A	25153	30,222
Teacher/Principal Training	84.367	24154	227,991
Safe & Drug Free Schools	84.186	24157	21,945
Rural & Low Income Schools	84.358	24160	92,514
Title I School Improvement	84.010	24162	239,997
Reading First	84.357A	24167	88,011
Carl Perkins	84.048	24174	34,451
Title I Federal Stimulus	<1> 84.389	24201	418,969
Entitlement-Federal Stimulus	<1> 84.0270	24206	355,417
Pre School-Federal Stimulus	84.1730	24209	21,968
Child Nutrition-Federal Stimulus	10.579	24218	42,447
Teaching American History	84.215X	25107	167,541
Impact Aid Special Ed	84.041	25145	2,600
TANF GRADS	93.590	25149	3,000
Title XIX Medicaid	93.778	25153	42,395
TANF/GRADS HSD	93.558	25162	8,000
SEG Federal Stimulus	<1> 84.394	25250	1,794,290
Impact Aid	84.041	44103	2,881
Total Department of Education			<u>5,288,253</u>
US DEPARTMENT OF AGRICULTURE			
Passed Through New Mexico Public Education Department			
National School Lunch	10.555	21000	1,138,182
School Food Commodity Distribution Program	10.559	21000	78,076
Total Department of Agriculture			<u>1,216,258</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 6,504,511</u>
<1> Major Program			
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 6,504,511</u>

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 \$78,076 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, 2010

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	NET CASH BALANCE
JAMES POLK STONE NATIONAL BANK	CHK	PAYROLL	\$ 1,103,010	\$ -	\$ 1,082,979	\$ 20,031
	* CHK	OPERATING	* 1,932,628	-	-	1,932,628
	* CHK	CAP OUTLAY/DEBT SERVICE	* 4,248,398	-	-	4,248,398
	* CHK	CAFETERIA	* 741,760	969	-	742,729
	CHK	ACTIVITY	247,746	(969)	-	246,777
	* CHK	ATHLETICS	* 82,388	-	-	82,388
	CHK	A/P CLEARING	1,034	-	17,679	(16,645)
TOTAL JAMES POLK STONE NATIONAL BANK			\$ 8,356,964	\$ -	\$ 1,100,658	\$ 7,256,306
NEW MEXICO STATE TREASURER	* SAVINGS	Operational	\$ 153,775	\$ -	\$ -	\$ 153,775
		Athletic	47,114			47,114
		Activity	307,299			307,299
		Capital Outlay	1,321,158			1,321,158
TOTAL NEW MEXICO STATE TREASURER			\$ 1,829,346			\$ 1,829,346
FIRST COMMUNITY BANK	* CD	Activity	* \$ 24,536			\$ 24,536
TOTAL DEPOSITS		TOTAL DEPOSITED CASH	\$ 10,210,846	\$ -	\$ 1,100,658	\$ 9,110,188
* interest bearing		ACTIVITY CASH ON HAND				100
		TOTAL CASH				\$ 9,110,288

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2010

	Operational	Transportation	Food Services	Athletics	Federal Projects	Local & State	SB-9
Audited Net Cash							
JUNE 30, 2009	\$ 1,519,433	\$ -	\$ 597,386	\$ 116,319	\$ 399,500	\$ 108,555	\$ 1,517,538
Payroll Clearing	(6,000)	-	-	-	-	-	-
TOTAL CASH BALANCE							
JUNE 30, 2009	1,513,433	-	597,386	116,319	399,500	108,555	1,517,538
Add: Prior year void checks	-	-	-	-	-	-	-
2009-2010 Revenue	18,730,165	1,141,125	1,314,845	59,541	5,229,251	221,087	762,345
Loans Paid back	690,960	-	-	-	-	-	-
Loans In	-	-	-	-	308,931	20,240	-
Transfers In	-	-	-	-	-	-	-
	19,421,125	1,141,125	1,314,845	59,541	5,538,182	241,327	762,345
TOTAL AVAILABLE CASH	20,934,558	1,141,125	1,912,231	175,860	5,937,682	349,882	2,279,883
2009-2010 Expenditures	18,779,757	1,141,125	1,169,502	46,358	5,285,373	260,046	553,435
Loans Out	329,171	-	-	-	-	-	-
Loans Paid Back	-	-	-	-	632,996	49,436	-
Transfers Out	-	-	-	-	-	-	-
	19,108,928	1,141,125	1,169,502	46,358	5,918,369	309,482	553,435
NET CASH, JUNE 30, 2010	1,825,630	-	742,729	129,502	19,313	40,400	1,726,448
Cash On hand	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL CASH, JUNE 30, 2010	\$ 1,825,630	\$ -	\$ 742,729	\$ 129,502	\$ 19,313	\$ 40,400	\$ 1,726,448

Ed Tech Debt Service	Debt Service	Activities	Instructional Materials	SPECIAL CAP OUTLAY STATE	Bond Building	Accounts Payable Clearing	Payroll Clearing
\$ -	\$ 991,011	\$ 556,143	\$ 266,906	\$ -	\$ 4,427,426	\$ -	\$ -
-	991,011	556,143	266,906	-	4,427,426	-	-
19,916	1,446,041	522,460	142,858	1,155	1,908,861	-	-
-	10,851	-	-	-	-	-	-
19,916	1,456,892	522,460	142,858	1,155	1,908,861	-	-
19,916	2,447,903	1,078,603	409,764	1,155	6,336,287	-	-
199	1,591,747	499,992	208,703	-	3,350,830	-	-
7,373	-	-	-	1,155	-	-	-
10,851	-	-	-	-	-	-	-
18,423	1,591,747	499,992	208,703	1,155	3,350,830	-	-
1,493	856,156	578,611 100	201,061	-	2,985,457	20,036	(16,645)
-	-	-	-	-	-	-	-
<u>\$ 1,493</u>	<u>\$ 856,156</u>	<u>\$ 578,711</u>	<u>\$ 201,061</u>	<u>\$ -</u>	<u>\$ 2,985,457</u>	<u>\$ 20,034</u>	<u>\$ (16,645)</u>

Woodard, Cowen & Co.

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparison presented as supplemental information of Portales Municipal Schools as of and for the year ended June 30, 2010, and have issued our report thereon dated November 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 the agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Portales Municipal Schools' internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, school board, others within the entity, Public Education Department, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Portales, New Mexico
November 3, 2010

Woodard, Cowen & Co.

Certified Public Accountants

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

We have audited the compliance of Portales Municipal Schools with the types of compliance requirement described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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 Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portales Municipal Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of 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, 2010.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund. This report is intended solely for the information and use of Management, School Board, others within the entity, the Office of the State Auditor, the New Mexico Public Education Department, the New Mexico State Legislature, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Portales, New Mexico
November 3, 2010

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2010

PRIOR YEAR AUDIT FINDINGS – Portales Municipal Schools

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.

Recommendation:

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

Status:

Resolved

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

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	Title I #84.010 Title I Federal Stimulus #84.389 Entitlement Federal Stimulus#84.0270 SEG Federal Stimulus #84.405A
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:	
None	

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

June 30, 2010

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

An exit conference, to discuss the contents of this report, was held on November 3, 2010. In attendance at the 8:00 a.m. meeting were Randy Fowler, Superintendent, Alan Garrett and Inez Rodriguez, School Board Members, and Carol Kriegshauser, Assistant Superintendent of Finance. Gayland Cowen, CPA represented our firm at this meeting. Also in attendance were audit committee members, Ira Kay Frasier, Evelyn Ledbetter, and Curt Jaynes.