

PORTALES MUNICIPAL SCHOOLS

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2011

Woodard, Cowen & Co.

Certified Public Accountants

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 JUNE 30, 2011

TABLE OF CONTENTS

Table of Contents	i – iii
Official Roster	iv
Independent Auditor’s Report	v – vi
FINANCIAL SECTION	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3 – 4
Reconciliation of the Balance Sheet – All Governmental Funds to The Statement of Net Assets	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	6 – 7
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	8
Major Funds:	
Statement of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	9
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – SB 9	10
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Cafeteria	11
Statement of Fiduciary Assets and Liabilities – Agency Fund	12
NOTES TO FINANCIAL STATEMENTS	13 – 26
NON-MAJOR FUNDS	
Non – Major Fund Descriptions	27 – 29
Combining Balance Sheet – Other Non-Major Governmental	30
Combining Statements of Revenue, Expenditures, and Changes in Fund Balance—Non-Major Governmental Funds	31
Combining Balance Sheet—Non-Major Governmental Funds— Special Revenue Funds	32 – 37
Combining Statement of Revenues, Expenses and Changes in Fund Balance – Non-Major Governmental Funds—Special Revenue Funds	38 – 43
Athletics – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	44
Title I – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	45
Migrant Children Education – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	46
Entitlement – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	47
IDEA B Preschool – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	48
English Language Acquisition – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	49

TABLE OF CONTENTS

NON-MAJOR FUNDS (continued)

Teacher/Principal Training & Recruiting – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	50
Safe & Drug Free Schools & Communities – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	51
Rural & Low Income Schools – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	52
Title I School Improvement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	53
Reading First – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	54
Carl Perkins Secondary - Current – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	55
Carl Perkins Redistributions – Special Revenue Funds Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	56
Title I IASA Federal Stimulus – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	57
Entitlement IDEA B Federal Stimulus – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	58
Preschool IDEA B Federal Stimulus – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	59
Impact Aid Special Ed – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	60
Title XIX Medicaid 3/21 – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	61
Federal SEG Stimulus – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	62
Education Job Fund – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	63
2009 Dual Credit Instructional Materials – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	64
Library SB333 GO Bonds – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	65
ARRA Solar Energy at Schools – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	66
Technology for Education – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	67
Beginning Teacher Mentoring Program – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	68
Breakfast for Elementary Students – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	69
School in Need of Improvement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	70
Gear Up CHE – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	71
GRADS Childcare – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	72
TANF GRADS – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	73
Private Grants – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	74

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 JUNE 30, 2010

TABLE OF CONTENTS

NON-MAJOR FUNDS (continued)

MAJOR FUNDS

Combining Balance Sheet—General Fund	75
Statement of Revenue, Expenditures and Changes in Fund Balance—General Fund	76
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual—General Fund—Operational	77
Statement of Revenue & Expenditures—Budget (Non GAAP) and Actual—General Fund—Transportation Fund	78
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual—General Fund—Instructional Materials Fund	79
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Capital Projects Fund – Bond Building	80
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Capital Projects Fund – Public School Capital Outlay	81
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Capital Projects Fund – Special Capital Outlay State	82
Combining Balance Sheet – Debt Service Fund Non-Major Governmental	83
Combining Statements of Revenue, Expenditures, and Changes in Fund Balance – Debt Service Fund – Non-Governmental Funds	84
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Debt Service	85
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Educational Technology	86

SUPPLEMENTAL INFORMATION

Schedule of Changes in Assets and Liabilities – Agency Fund	87
Schedule of Expenditures of Federal Awards	88
Schedule of Pledged Collateral	89
Bank Summary	90
Bank Reconciliation	91 – 92

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93 – 94
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	95 - 96
Prior Year Audit Findings	97
Schedule of Findings and Questioned Costs	98
Other Disclosures	99

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2011

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Randy Fowler	Superintendent
Sarah Marquez	Fiscal Officer

Woodard, Cowen & Co.

Certified Public Accountants

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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Portales Municipal Schools' nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, 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, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund, Cafeteria, Senate Bill Nine, 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, 2011, 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 8, 2011, 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.

Portales: PO Box 445, 118 E. 2nd Street Portales NM, 88130 Phone: 575-356-8564 Fax: 575-356-2453
Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

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.

Woodward, Pomeroy & Co.

November 8, 2011
Portales, New Mexico

FINANCIAL SECTION

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS

June 30, 2011

<u>ASSETS</u>	<u>Governmental Activities Primary Government</u>
Current:	
Cash	\$ 8,318,657
Due from other governments	227,984
Property Taxes Receivable	209,232
Inventory	21,938
Non-current:	
Capital assets, Net	43,297,197
Bond Issuance Costs-Net	245,600
Total assets	<u>\$ 52,320,608</u>
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	993,946
Deferred Revenue	9,260
Debt due within one year	1,325,000
Non-current:	
Compensated Absences	107,260
Debt due in more than one year	10,415,000
Total liabilities	<u>12,850,466</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	31,557,197
Restricted for:	
Debt Service	667,993
Bond Building	1,998,585
Senate Bill Nine	1,569,270
Athletics	144,132
Cafeteria	806,087
Instructional Materials	7,402
Unrestricted	2,719,476
Total net assets	<u>\$ 39,470,142</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
Primary government:	\$	\$	\$	\$	\$
Governmental Activities:					
Instruction	15,365,607	56,391	2,792,644	-	(12,516,572)
Support Services	17,929				(17,929)
Support Services-Students	2,648,495		638,989	-	(2,009,506)
Support Services-Instruction	438,877		50,771	-	(388,106)
Support Services-General Administration	848,672		79,707	-	(768,965)
Support Services-School Administration	1,870,658		334,638	-	(1,536,020)
Central Services	1,010,813		23,341	-	(987,472)
Operation & Maintenance of Plant	2,974,385		13,340	-	(2,961,045)
Student Transportation	1,442,745		1,098,819	-	(343,926)
Food Services-Operations	1,098,311	162,507	1,312,454	-	376,650
Bond Interest Paid	435,487				(435,487)
Depreciation-Unallocated	1,859,726				(1,859,726)
Amortization-Unallocated	45,023				(45,023)
					-
Total governmental activities	\$ 30,056,728	\$ 218,898	\$ 6,344,703	\$ -	\$ (23,493,127)

General Revenues:

Property Taxes:

Levied for General Purposes	84,160
Levied for Debt Service	1,586,817
Levied for Capital Projects	339,995
State Equalization Guarantee	20,602,047
State Capital Outlay Grants	2,378,037
Reimbursed Costs	-
Bond Premium	18,857
Interest Earnings	23,162
Donations	28,387
Fees	146,227
Gain on Sale of Equipment	5,720
Miscellaneous	65,457

Total general revenues 25,278,866

Change in net assets 1,785,739

Net assets - beginning 37,684,403

Net assets - ending \$ 39,470,142

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2011

	<u>GENERAL</u>	<u>SENATE BILL 9</u>	<u>BOND BUILDING</u>
ASSETS			
Cash on Deposit	\$ 2,237,243	\$ 1,669,751	\$ 2,660,987
Due from Other Funds	187,093	-	-
Due from Other Agencies	-	-	-
Property Tax Receivable	8,812	35,862	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 2,433,148</u>	<u>\$ 1,705,613</u>	<u>\$ 2,660,987</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ -	\$ 108,435	\$ 662,402
Deferred Revenue	6,850	27,908	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>6,850</u>	<u>136,343</u>	<u>662,402</u>
FUND BALANCE			
Nonspendable	-		
Restricted	7,402	1,569,270	1,998,585
Unassigned	2,418,896		
TOTAL FUND BALANCE	<u>2,426,298</u>	<u>1,569,270</u>	<u>1,998,585</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,433,148</u>	<u>\$ 1,705,613</u>	<u>\$ 2,660,987</u>

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

<u>CAFETERIA</u>	<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 784,149	\$ 812,178	\$ 154,349	\$ 8,318,657
-	-	-	187,093
-	-	227,984	227,984
-	158,647	5,910	209,231
21,938	-	-	21,938
<u>\$ 806,087</u>	<u>\$ 970,825</u>	<u>\$ 388,243</u>	<u>\$ 8,964,903</u>
\$ -	\$ 181,259	\$ 41,849	\$ 993,945
-	121,880	14,862	171,500
-	-	187,093	187,093
<u>-</u>	<u>303,139</u>	<u>243,804</u>	<u>1,352,538</u>
21,938		-	21,938
784,149	667,686	144,439	5,171,531
			2,418,896
<u>806,087</u>	<u>667,686</u>	<u>144,439</u>	<u>7,612,365</u>
<u>\$ 806,087</u>	<u>\$ 970,825</u>	<u>\$ 388,243</u>	<u>\$ 8,964,903</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, 2011

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

Fund balances - total governmental funds	\$ 7,612,365
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	43,297,197
Compensated absences	(107,260)
Property taxes receivable not available for current year expenditures and therefore are deferred in the funds	162,240
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(11,740,000)
Bond Issuance Costs	<u>245,600</u>
Net assets of governmental activities	<u>\$ 39,470,142</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, 2011

	General	Senate Bill 9	Bond Building
REVENUE			
Federal Programs	\$ 6,691	\$ -	\$ -
State Programs	1,216,451	445,643	-
State Equalization	20,602,047	-	-
Interest Earnings	10,398	3,279	6,415
Charges for Services	139,182	-	-
Fees	6,718	-	-
Donations	27,897	-	-
Sale of Property	5,720	-	-
Miscellaneous	65,457	-	-
Sale of Bond Proceeds	-	-	1,400,000
Premium on Bond Sale	-	-	-
Local Property Taxes	82,965	335,410	-
TOTAL REVENUES	<u>22,163,526</u>	<u>784,332</u>	<u>1,406,415</u>
EXPENDITURES			
Current			
Instruction	12,657,796	-	-
Support Services			
Support Services-Students	2,016,288	-	-
Support Services-Instruction	387,280	-	-
Support Services-General Administration	736,916	3,304	-
Support Services-School Administration	1,530,373	-	-
Central Services	987,472	-	-
Operation & Maintenance of Plant	2,634,471	-	-
Student Transportation	1,096,436	-	-
Food Services-Operations	-	-	-
Community Services-Operations	-	-	-
Acquisition & Construction	-	915,132	2,393,289
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>22,047,032</u>	<u>918,436</u>	<u>2,393,289</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>116,494</u>	<u>(134,104)</u>	<u>(986,874)</u>
Other Financing Sources (uses)			
Transfers In/Out	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>116,494</u>	<u>(134,104)</u>	<u>(986,874)</u>
FUND BALANCE			
June 30, 2010	<u>2,309,804</u>	<u>1,703,374</u>	<u>2,985,459</u>
FUND BALANCE June 30, 2011	<u>\$ 2,426,298</u>	<u>\$ 1,569,270</u>	<u>\$ 1,998,585</u>

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

	Cafeteria	Debt Service	Other Governmental Funds	Total Governmental
\$	1,277,795	\$ -	\$ 3,803,529	\$ 5,088,015
	6,381	-	1,966,250	3,634,725
	-	-	-	20,602,047
	1,769	927	374	23,162
	-	-	-	139,182
	162,834	-	56,391	225,943
	-	-	490	28,387
	-	-	-	5,720
	-	-	-	65,457
	-	-	-	1,400,000
	-	18,857	-	18,857
	-	1,561,394	2,352	1,982,121
	<u>1,448,779</u>	<u>1,581,178</u>	<u>5,829,386</u>	<u>33,213,616</u>
	-	-	2,701,841	15,359,637
	-	-	17,929	17,929
	-	-	632,207	2,648,495
	-	-	51,597	438,877
	-	15,367	93,085	848,672
	-	-	340,285	1,870,658
	-	-	23,341	1,010,813
	-	-	13,340	2,647,811
	-	-	1,875	1,098,311
	1,414,467	-	28,278	1,442,745
	-	-	-	-
	-	-	1,908,647	5,217,068
	-	-	-	-
	-	1,200,000	-	1,200,000
	-	435,487	-	435,487
	<u>1,414,467</u>	<u>1,650,854</u>	<u>5,812,425</u>	<u>34,236,503</u>
	34,312	(69,676)	16,961	(1,022,887)
	-	4,231	(4,231)	-
	-	4,231	(4,231)	-
	<u>34,312</u>	<u>(65,445)</u>	<u>12,730</u>	<u>(1,022,887)</u>
	<u>771,775</u>	<u>733,131</u>	<u>131,709</u>	<u>8,635,252</u>
\$	<u>806,087</u>	\$ <u>667,686</u>	\$ <u>144,439</u>	\$ <u>7,612,365</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, 2011

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

Net change in fund balance - total governmental funds	\$ (1,022,887)
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.	2,978,670
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.	28,851
Bond issuance Cost	52,098
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Bond issuance proceeds	(1,400,000)
Expenses in the statement of activities which do not require use of current financial resources	
Increase in compensated absences	(5,970)
Bond Principal	1,200,000
Issuance cost Amortization	<u>(45,023)</u>
Change in Net Assets	<u>\$ 1,785,739</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS
 COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET
 (NON-GAAP) AND ACTUAL-GENERAL FUND
 Year Ended June 30, 2011

	General Fund			VARIANCE Favorable (Unfavorable)
	ORIGINAL BUDGET	BUDGET	ACTUAL	
REVENUE				
Residential/Non-Residential Taxes	\$ 97,604	\$ 97,604	\$ 81,681	\$ (15,923)
Fees-Users	-	-	6,718	6,718
Donations/Gifts	-	-	27,897	27,897
Interest Income	5,239	5,239	10,398	5,159
State Equalization	21,012,934	20,591,875	20,602,047	10,172
State Flow Through Grants	1,187,977	1,215,973	1,216,451	478
Impact Aid	2,883	2,883	6,691	3,808
Rent	-	-	-	-
Sale of Property/Equipment	-	-	5,720	5,720
Refunds	-	-	1,801	1,801
Indirect Cost - (Flow Through Grants)	40,000	40,000	139,182	99,182
Insurance Recoveries	-	-	22,220	22,220
TOTAL REVENUE	<u>22,346,637</u>	<u>21,976,780</u>	<u>\$ 22,162,243</u>	<u>\$ 185,463</u>
Cash Balance Budgeted	<u>1,942,070</u>	<u>1,942,070</u>		
TOTAL REVENUE & CASH	<u>\$ 24,288,707</u>	<u>\$ 23,918,850</u>		
EXPENDITURES				
Current				
Instruction	\$ 14,001,827	\$ 13,326,177	\$ 12,710,311	\$ 615,866
Support Services				
Support Services-Students	2,091,849	2,327,349	2,016,288	311,061
Support Services-Instruction	601,140	539,284	387,280	152,004
Support Services-General Administration	655,418	883,518	736,916	146,602
Support Services-School Administration	1,652,205	1,602,205	1,530,373	71,832
Central Services	997,415	1,074,621	987,472	87,149
Operation & Maintenance of Plant	3,191,312	3,178,699	2,634,471	544,228
Student Transportation	1,086,338	1,096,936	1,096,436	500
Other Support Services	11,203	11,203	-	11,203
Food Services-Operations	-	-	-	-
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 24,288,707</u>	<u>\$ 24,039,992</u>	<u>\$ 22,099,547</u>	<u>\$ 1,940,445</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 22,162,243
Differences-Budget to GAAP	
Property tax Receivable	1,962
Prior Year Tax Receivables	(679)
Total Revenues (GAAP Basis)	<u>\$ 22,163,526</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 22,099,547
Differences-budget to GAAP	
Prior Year Payable	(52,515)
Current Year Payable	
Total Expenditures (GAAP Basis)	<u>\$ 22,047,032</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 398,297	\$ 398,297	\$ 330,353	\$ (67,944)
Interest Income	-	-	3,279	3,279
State Flow Through Grants	432,600	432,600	445,643	13,043
Insurance Recoveries	-	-	-	-
TOTAL REVENUE	<u>830,897</u>	<u>830,897</u>	<u>\$ 779,275</u>	<u>\$ (51,622)</u>
Cash Balance Budgeted	<u>1,619,769</u>	<u>1,619,769</u>		
TOTAL REVENUE & CASH	<u>\$ 2,450,666</u>	<u>\$ 2,450,666</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 7,000	\$ 7,000	\$ 3,304	\$ 3,696
Acquisition & Construction	<u>2,011,066</u>	<u>2,550,344</u>	<u>832,669</u>	<u>1,717,675</u>
TOTAL EXPENDITURES	<u>\$ 2,018,066</u>	<u>\$ 2,557,344</u>	<u>\$ 835,973</u>	<u>\$ 1,721,371</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 779,275
Differences-Budget to GAAP	
Property tax Receivable	7,954
Prior Year Tax Receivables	(2,897)
Total Revenues (GAAP Basis)	<u>\$ 784,332</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 835,973
Differences-budget to GAAP	
Current Accounts Payable	108,435
Prior Year Payable	(25,972)
Total Expenditures (GAAP Basis)	<u>\$ 918,436</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$	\$	\$	\$ -
Fees - Educational				-
Rent and Leases				-
Fees Activities				-
Fees-Users				-
Fees	\$ 161,700	\$ 161,700	\$ 162,506	\$ 806
Donations/Gifts				-
Interest Income	1,300	1,300	1,769	469
State Equalization				-
State Flow Through Grants	4,800	4,800	6,381	1,581
Impact Aid				-
Rent				-
Sale of Property/Equipment				-
Access Board				-
Refunds	-	-	328	328
Charter School Admin				-
Indirect Cost - (DFG)				-
Indirect Cost - (Flow Through Grants)				-
Insurance Recoveries				-
Bond Proceeds				-
Federal Revenue	1,140,000	1,140,000	1,198,435	58,435
Forest Reserve				-
TOTAL REVENUE	<u>1,307,800</u>	<u>1,307,800</u>	<u>\$ 1,369,419</u>	<u>\$ 61,619</u>
Cash Balance Budgeted	<u>699,002</u>	<u>699,002</u>		
TOTAL REVENUE & CASH	<u>\$ 2,006,802</u>	<u>\$ 2,006,802</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ <u>2,006,802</u>	\$ <u>2,006,802</u>	\$ <u>1,327,999</u>	\$ <u>678,803</u>
TOTAL EXPENDITURES	<u>\$ 2,006,802</u>	<u>\$ 2,006,802</u>	<u>\$ 1,327,999</u>	<u>\$ 678,803</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,369,419
Differences-Budget to GAAP	
Commodities Received	79,360
Total Revenues (GAAP Basis)	<u>\$ 1,448,779</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,327,999
Differences-budget to GAAP	
Cost of Commodities Used	79,360
Inventory Adjustment	7,108
Total Expenditures (GAAP Basis)	<u>\$ 1,414,467</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, 2011

ASSETS	
Cash on Deposit	\$ 614,231
TOTAL ASSETS	<u>\$ 614,231</u>
LIABILITIES	
Due to Student Groups	\$ 614,231
TOTAL LIABILITIES	<u>\$ 614,231</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

There were no component units.

I. Summary of Significant Accounting Policies

B. Government-wide and fund financial statements

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied, even if not available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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.

CAFETERIA (Special Revenue Fund) – 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.

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

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

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, 2011

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 2011 fiscal year was \$216,621,083. 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, 2011

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, 2011

I. Summary of Significant Accounting Policies (continued)

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

7. Fund equity

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Comparative data/reclassifications

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

9. Indirect Costs

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

10. Salaries and Wages

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

11. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Revenues

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

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,602,047 in state equalization guarantee distributions during the year ended June 30, 2011.

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 \$1,096,436 in transportation distributions during the year ended June 30, 2011.

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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 \$11,740,000 difference are as follows:

Bonds Payable	\$ 11,740,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 11,740,000</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 \$2,978,670 difference are as follows:

Capital Outlay	\$ 4,838,396
Depreciation expense	<u>(1,859,726)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 2,978,670</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 \$1,200,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,200,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,200,000</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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, 2011 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, 2011

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 24,288,707	\$ 24,039,492
Special Revenue Fund	8,568,114	9,670,337
Debt Service	2,063,984	2,321,255
Capital Projects Fund	4,785,000	5,952,997
	<u>\$ 39,705,805</u>	<u>\$ 41,984,081</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2011.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2011, the carrying amount of the District's deposits was \$8,932,790 and the bank balance was \$10,003,846. Of this balance \$524,483 was covered by federal depository insurance and \$5,528,746 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$3,950,583 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, 2011, the investments held in the LGIP had an interest risk (WAM) of 36 days and a Standard and Poor's Rating of AAAm.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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, 2011, \$3,950,583 of the government's bank balance of \$10,003,812 was exposed to custodial risk as follows:

Uninsured and Uncollateralized	\$3,950,583
--------------------------------	-------------

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	\$ -	\$ 8,812
Senate Bill Nine	-	35,862
Debt Service	-	158,647
Ed Tech Debt Service		5,910
Title I	36,904	
Title I Migrant	3,918	-
Entitlement	76,691	-
English Language Acquisition	7,724	-
Teacher/Principal Training	18,719	-
Safe & Drug Free Schools	575	-
Rural and Low Income Schools	15,288	-
Carl Perkins Redistribution	107	
Title I IASA Federal Stimulus	1,521	-
IDEA B Federal Stimulus	3,745	
2008 GO Bond Student Library SB333	1,625	
Gear Up CHE	19,318	
Totals	\$ 186,135	\$ 209,231

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	\$ 9,260
Property Taxes – Delinquent	<u>162,240</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 171,500</u>

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance 06/30/10	Adjustments	Increases	Decreases	Balance 06/30/11
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 677,173	\$ -	\$ -	\$ -	\$ 677,173
Construction in Progress	14,356,737	(226,237)	2,885,715	-	17,016,215
Total Capital Assets not being depreciated	15,033,910	(226,237)	2,885,715	-	17,693,388
Capital Assets being depreciated					
Buildings & Improvements	34,805,444	226,237	1,384,239	965,421	35,450,499
Equipment & Vehicles	6,176,459	-	568,442	242,906	6,501,995
Total Capital Assets being depreciated	40,981,903	226,237	1,952,681	1,208,327	41,952,494
Less: Accumulated Depreciation					
Buildings & Improvements	11,674,251	-	1,387,729	965,421	12,096,559
Equipment & Vehicles	4,023,036	-	471,997	242,906	4,252,127
Total Accumulated Depreciation	15,697,287	-	1,859,726	1,208,327	16,348,686
Net Capital Assets being depreciated	25,284,616	226,237	92,955	-	25,603,808
Total Net Capital Assets	\$ 40,318,526	\$ -	\$ 2,978,670	\$ -	\$ 43,297,196

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 amount reported in the Adjustments column represents capital assets reported in Construction in Progress in the prior fiscal year reclassified to Buildings & Improvements during the current fiscal year.

The increases in capital assets in the above schedule include \$1,378,482 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, 2011

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2010	Additions	Retirements	Balance 6/30/2011	Amount Due in One Year
2001	6,500,000	3.5%-4.6%	675,000		675,000		
2002	1,400,000	3.5%-4.75%	665,000		120,000	545,000	125,000
2003	600,000	2.3%-3.8%	315,000		55,000	260,000	50,000
2008	4,500,000	3.25%-4.0%	4,050,000		350,000	3,700,000	375,000
2009	1,700,000	3.0%	1,700,000		-	1,700,000	-
		3.00%-					
2010	1,900,000	3.125%	1,900,000		-	1,900,000	-
2010R	2,275,000	1.0%-1.65%	2,235,000		-	2,235,000	710,000
2011	1,400,000	2.0%-3.0%	-	1,400,000	-	1,400,000	-
Total	\$ 13,775,000		\$ 10,540,000	\$ 1,400,000	1,200,000	\$ 11,740,000	\$ 1,260,000

Fiscal Year	Principal	Interest	Total
2012	\$ 1,260,000	\$ 354,364	\$ 1,614,364
2013	1,295,000	323,476	1,618,476
2014	2,140,000	289,614	2,429,614
2015	1,770,000	227,085	1,997,085
2016	1,550,000	162,250	1,712,250
2017-2019	3,725,000	196,250	3,921,250
	\$ 11,740,000	\$ 1,553,039	\$ 13,293,039

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 \$12,997,265 including \$11,740,000 debt outstanding based on the 2011 valuation.

Bond series 2010R was used to advance refund the 2001 series bonds. The advance refunding took place during the fiscal year ended June 30, 2010.

Liability for Compensated Absences

Balance June 30, 2010	Vacation Used	Vacation Accrued	Balance June 30, 2011	Amount Due in One Year
\$101,290	\$86,474	\$79,708	\$107,260	\$107,260

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

IV. Detailed notes on all funds (continued)

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, 2011.

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.

Funding Policy. Effective July 1, 2009 through June 30, 2011, , 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 Cooperative 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. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.12% of their gross salary. The Cooperative is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. 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 Cooperative's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$1,798,688, \$1,727,960, and \$1,748,601, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

D. Post-retirement health care benefits

Plan Description. The Cooperative 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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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 District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$268,791, \$200,747 and \$201,696, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

V. Other information (continued)

F. Interfund Balances

Due from	Due to Operational
Title I	\$ 36,904
Title I Migrant	3,918
Entitlement	76,691
English Language Acquisition	7,724
Teacher/Principal Training	18,719
Safe & Drug Free Schools	575
Rural and Low Income Schools	15,288
Carl Perkins Redistribution	107
Title I IASA Federal Stimulus	1,521
IDEA B Federal Stimulus	4,703
2008 GO Bond Student Library SB333	1,625
Gear Up CHE	19,318
	<u>\$ 187,093</u>

G. Fund Balances Classified

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

Fund Balances	General Fund	Senate Bill 9	Bond Building	Cafeteria	Debt Service	Non-Major Governmental Funds	Total
Non-Spendable:							
Inventory	\$ -	\$ -	\$ -	\$ 21,938	\$ -	\$ -	\$ 21,938
Total Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,938</u>	<u>-</u>	<u>-</u>	<u>21,938</u>
Restricted for:							
Debt Service	-	-	-	-	667,686	-	667,686
Capital Improvements	-	1,569,270	1,998,585	-	-	-	3,567,855
Athletics	-	-	-	-	-	144,439	144,439
Cafeteria	-	-	-	784,149	-	-	784,149
Instructional Materials	7,402	-	-	-	-	-	7,402
Total restricted	<u>7,402</u>	<u>1,569,270</u>	<u>1,998,585</u>	<u>784,149</u>	<u>667,686</u>	<u>144,439</u>	<u>5,171,531</u>
Unassigned	2,418,896	-	-	-	-	-	2,418,896
Total Fund Balances	<u>\$ 2,426,298</u>	<u>\$ 1,569,270</u>	<u>\$ 1,998,585</u>	<u>\$ 806,087</u>	<u>\$ 667,686</u>	<u>\$ 144,439</u>	<u>\$ 7,612,365</u>

NON-MAJOR FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Capital Projects

PUBLIC SCHOOL CAPITAL OUTLAY – To account for financing and construction of school improvements fund from appropriations.

SPECIAL CAPITAL OUTLAY STATE – To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

Debt Service

ED TECH DEBT SERVICE - This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.

Special Revenue

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

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 et seq.

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).

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 – 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.

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

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

TITLE 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.

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.

CARL D. PERKINS CURRENT – 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.

CARL D. PERKINS REDISTRIBUTION – 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.

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.

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.

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.

FEDERAL SEG STIMULUS – Fund was created to account for the allocation received by the District from the American Recovery and Reinvestment Act.

EDUCATION JOB FUND – This fund was created to account for the District's allocation of funds intended to give the District a boost to save teacher jobs. Funding and authority for this fund comes from the American Recovery and Reinvestment Act.

NON-MAJOR GOVERNMENTAL FUNDS

ALL FUNDS – All funds were created by management directive.

Special Revenue (continued)

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS – This fund was created to account for funds provided to the District to pay for required textbooks and materials needed for dual credit activities. The authority and funding for this fund is provided under HB214 which amended Section 21-1-1.2 and Section 21-13-19 related to dual credit.

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.

ARRA SOLAR ENERGY AT SCHOOLS – To account for the funds used to create solar generated electricity in New Mexico public school districts. Fund and the authority for this fund was created through the American Recovery and Reinvestment Act.

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.

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.

SCHOOL IN NEED OF IMPROVEMENT – To account for the funds provided to aid the District in meeting AYP standards.

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.

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.

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.

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.

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.

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS AND OTHER
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	SPECIAL CAPITAL OUTLAY STATE	PUBLIC SCHOOL CAPITAL OUTLAY	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash on Deposit	\$ -	\$ -	\$ -	\$ 154,349	\$ -	\$ 154,349
Property Taxes Receivable			-	-	5,910	5,910
Due From Other Agencies	41,849	-	41,849	186,135	-	227,984
Due From Other Funds			-	-	-	-
Inventory			-	-	-	-
TOTAL ASSETS	\$ 41,849	\$ -	\$ 41,849	\$ 340,484	\$ 5,910	\$ 388,243
LIABILITIES AND FUND BALANCE						
Accounts Payable	\$ 41,849	\$ -	\$ 41,849	\$ -	\$ -	\$ 41,849
Deferred Revenue			-	9,259	5,603	14,862
Due to Other Funds			-	187,093	-	187,093
TOTAL LIABILITIES	41,849	-	41,849	196,352	5,603	243,804
FUND BALANCE						
Restricted			-	144,132	307	144,439
TOTAL FUND BALANCE	-	-	-	144,132	307	144,439
TOTAL LIABILITIES AND FUND BALANCE	\$ 41,849	\$ -	\$ 41,849	\$ 340,484	\$ 5,910	\$ 388,243

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, 2011

	SPECIAL CAPITAL OUTLAY STATE	PUBLIC SCHOOL CAPITAL OUTLAY	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE						
Federal Programs	\$ -	\$ -	\$ -	\$ 3,803,529	\$ -	\$ 3,803,529
State Programs	65,538	1,378,482	1,444,020	522,230	-	1,966,250
Charges for services	-	-	-	-	-	-
Fees	-	-	-	56,391	-	56,391
Donations	-	-	-	490	-	490
Interest Income	-	-	-	367	7	374
Miscellaneous	-	-	-	-	-	-
Local Property Taxes	-	-	-	-	2,352	2,352
TOTAL REVENUES	65,538	1,378,482	1,444,020	4,383,007	2,359	5,829,386
EXPENDITURES						
Current						
Instruction	-	-	-	2,701,841	-	2,701,841
Support Services	-	-	-	17,929	-	17,929
Support Services-Students	-	-	-	632,207	-	632,207
Support Services-Instruction	-	-	-	51,597	-	51,597
Support Services-General Administration	-	-	-	93,057	28	93,085
Support Services-School Administration	-	-	-	340,285	-	340,285
Central Services	-	-	-	23,341	-	23,341
Operation & Maintenance of Plant	-	-	-	13,340	-	13,340
Student Transportation	-	-	-	1,875	-	1,875
Other Support Services	-	-	-	-	-	-
Food Services-Operations	-	-	-	28,278	-	28,278
Community Services-Operations	-	-	-	-	-	-
Acquisition & Construction	65,538	1,378,482	1,444,020	464,627	-	1,908,647
Debt Service	-	-	-	-	-	TRUE
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	65,538	1,378,482	1,444,020	4,368,377	28	5,812,425
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	14,630	2,331	16,961
Other Financing Sources (uses)						
Transfer In/Out	-	-	-	-	(4,231)	(4,231)
Total Other Financial Sources	-	-	-	-	(4,231)	(4,231)
Net Change In Fund Balance	-	-	-	14,630	(1,900)	12,730
FUND BALANCE						
June 30, 2010	-	-	-	129,502	2,207	131,709
Restatement	-	-	-	-	-	-
Restated Balance	-	-	-	129,502	2,207	131,709
FUND BALANCE- June 30, 2011	\$ -	\$ -	\$ -	\$ 144,132	\$ 307	\$ 144,439

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, 2011

	<u>ATHLETICS</u>	<u>TITLE I</u>	<u>TITLE I MIGRANT</u>	<u>ENTITLEMENT</u>	<u>PRESCHOOL</u>
ASSETS					
Cash on Deposit	\$ 144,132	\$ -	\$ -	\$ -	\$ -
Due From Other Agencies	-	36,904	3,918	76,691	-
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	<u>\$ 144,132</u>	<u>\$ 36,904</u>	<u>\$ 3,918</u>	<u>\$ 76,691</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	36,904	3,918	76,691	-
TOTAL LIABILITIES	<u>-</u>	<u>36,904</u>	<u>3,918</u>	<u>76,691</u>	<u>-</u>
FUND BALANCE					
Restricted	144,132	-	-	-	-
TOTAL FUND BALANCE	<u>144,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 144,132</u>	<u>\$ 36,904</u>	<u>\$ 3,918</u>	<u>\$ 76,691</u>	<u>\$ -</u>

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

<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TEACHER PRINCIPAL TRAINING</u>	<u>SAFE & AND DRUG FREE SCHOOLS</u>	<u>RURAL AND LOW INCOME SCHOOLS</u>	<u>TITLE I SCHOOL IMPROVEMENT</u>	<u>READING FIRST</u>	<u>CARL PERKINS CURRENT</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,724	18,719	575	15,288	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,724</u>	<u>18,719</u>	<u>575</u>	<u>15,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
7,724	18,719	575	15,288	-	-	-
<u>7,724</u>	<u>18,719</u>	<u>575</u>	<u>15,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,724</u>	<u>18,719</u>	<u>575</u>	<u>15,288</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 BALANCE SHEET--SPECIAL REVENUE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	CARL PERKINS REDISTRIBUTION	TITLE I IASA FEDERAL STIMULUS	IDEA B FEDERAL STIMULUS	PRESCHOOL IDEA B FEDERAL STIMULUS
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ 958	\$ -
Due From Other Agencies	107	1,521	3,745	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 107	\$ -	\$ 4,703	\$ -
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	107	1,521	4,703	-
TOTAL LIABILITIES	107	1,521	4,703	-
FUND BALANCE				
Restricted	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 107	\$ 1,521	\$ 4,703	\$ -

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

<u>IMPACT AID SPECIAL EDUCATION</u>	<u>TITLE XIX MEDICAID 3-21 YEARS</u>	<u>FEDERAL SEG STIMULUS</u>	<u>EDUCATION JOB FUND</u>	<u>2009 DUAL CREDIT INSTRUCTIONAL MATERIALS</u>	<u>2008 GO BOND STUDENT LIBRARY SB333</u>	<u>ARRA SOLAR ENERGY AT SCHOOLS</u>
\$ 7,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,625	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,625</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,749	-	-	-	-	-	-
-	-	-	-	-	1,625	-
<u>7,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,625</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,625</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, 2011

	TECHNOLOGY IN EDUCATION	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	SCHOOL IN NEED OF IMPROVEMENT
ASSETS				
Cash on Deposit	\$ -	\$ -	\$ -	\$ -
Due From Other Agencies	-	-	-	-
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>
FUND BALANCE				
Restricted	-	-	-	-
TOTAL FUND BALANCE	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>
TOTAL LIABILITIES AND FUND BALANCE	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>

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

GEAR UP CHE	GRADS CHILD CARE	TANF GRADS	PRIVATE DIRECT GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ 1,510	\$ 154,349
19,318	-	-	-	186,135
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 19,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510</u>	<u>\$ 340,484</u>
\$ -	\$ -	\$ -	\$ -	-
-	-	-	1,510	9,259
19,318	-	-	-	187,093
<u>19,318</u>	<u>-</u>	<u>-</u>	<u>1,510</u>	<u>196,352</u>
-	-	-	-	144,132
-	-	-	-	<u>144,132</u>
<u>\$ 19,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510</u>	<u>\$ 340,484</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, 2011

	<u>ATHLETICS</u>	<u>TITLE I</u>	<u>TITLE I MIGRANT</u>	<u>ENTITLEMENT</u>	<u>PRESCHOOL</u>
REVENUE					
Federal Programs	\$ -	\$ 1,106,233	\$ 69,126	\$ 667,753	\$ 25,768
State Programs	-	-	-	-	-
State Equalization	-	-	-	-	-
Interest Earnings	367	-	-	-	-
Charges For Services	-	-	-	-	-
Fees	56,391	-	-	-	-
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Local Property Taxes	-	-	-	-	-
TOTAL REVENUES	<u>56,758</u>	<u>1,106,233</u>	<u>69,126</u>	<u>667,753</u>	<u>25,768</u>
EXPENDITURES					
Current					
Instruction	42,128	798,350	28,544	-	25,768
Support Services	-	331	-	-	-
Support Services-Students	-	84,267	38,425	335,431	-
Support Services-Instruction	-	17,169	-	8,108	-
Support Services-General Administration	-	38,223	2,157	21,527	-
Support Services-School Administration	-	167,893	-	136,185	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	1,875	-
Other Support Services	-	-	-	-	-
Food Services-Operations	-	-	-	-	-
Community Services-Operations	-	-	-	-	-
Acquisition & Construction	-	-	-	164,627	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>42,128</u>	<u>1,106,233</u>	<u>69,126</u>	<u>667,753</u>	<u>25,768</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	14,630	-	-	-	-
Other Financing Sources (uses)					
Transfer/Refunds	-	-	-	-	-
Total Other Financial Sources	-	-	-	-	-
Net Change In Fund Balance	14,630	-	-	-	-
FUND BALANCE					
June 30, 2010	129,502	-	-	-	-
FUND BALANCE					
June 30, 2011	<u>\$ 144,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ENGLISH LANGUAGE ACQUISITION	TEACHER PRINCIPAL TRAINING	SAFE & AND DRUG FREE SCHOOLS	RURAL AND LOW INCOME SCHOOLS	TITLE I SCHOOL IMPROVEMENT	READING FIRST	CARL PERKINS CURRENT
\$ 75,387	\$ 224,436	\$ 13,340	\$ 101,259	\$ -	\$ -	\$ 34,825
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>75,387</u>	<u>224,436</u>	<u>13,340</u>	<u>101,259</u>	<u>-</u>	<u>-</u>	<u>34,825</u>
72,010	198,089	-	82,811	-	-	34,825
1,136	-	-	15,954	-	-	-
-	-	-	161	-	-	-
-	6,194	-	-	-	-	-
2,241	20,153	-	2,333	-	-	-
-	-	-	-	-	-	-
-	-	13,340	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>75,387</u>	<u>224,436</u>	<u>13,340</u>	<u>101,259</u>	<u>-</u>	<u>-</u>	<u>34,825</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, 2011

	CARL PERKINS REDISTRIBUTION	TITLE I IASA FEDERAL STIMULUS	IDEA B FEDERAL STIMULUS	PRESCHOOL IDEA B FEDERAL STIMULUS
REVENUE				
Federal Programs	\$ 4,813	\$ 250,125	\$ 405,697	\$ 6,450
State Programs	-	-	-	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>4,813</u>	<u>250,125</u>	<u>405,697</u>	<u>6,450</u>
EXPENDITURES				
Current				
Instruction	4,813	196,064	258,308	6,331
Support Services	-	508	-	-
Support Services-Students	-	35,646	132,767	119
Support Services-Instruction	-	1,740	-	-
Support Services-General Administration	-	9,273	13,350	-
Support Services-School Administration	-	6,894	1,272	-
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>4,813</u>	<u>250,125</u>	<u>405,697</u>	<u>6,450</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, 2010	-	-	-	-
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2011	<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, 2011

	TECHNOLOGY IN EDUCATION	BEGINNING TEACHER MENTORING	BREAKFAST FOR ELEMENTARY STUDENTS	SCHOOL IN NEED OF IMPROVEMENT
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	36,631	3,768	28,278	-
State Equalization	-	-	-	-
Interest Earnings	-	-	-	-
Charges For Services	-	-	-	-
Fees	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Local Property Taxes	-	-	-	-
TOTAL REVENUES	<u>36,631</u>	<u>3,768</u>	<u>28,278</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	2,885	3,768	-	-
Support Services	-	-	-	-
Support Services-Students	-	-	-	-
Support Services-Instruction	10,405	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	23,341	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services-Operations	-	-	28,278	-
Community Services-Operations	-	-	-	-
Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>36,631</u>	<u>3,768</u>	<u>28,278</u>	<u>-</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, 2010	-	-	-	-
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GEAR UP CHE	GRADS CHILD CARE	TANF GRADS	PRIVATE DIRECT GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	3,803,529
109,356	2,500	6,000	-	522,230
-	-	-	-	-
-	-	-	-	367
-	-	-	-	-
-	-	-	-	56,391
-	-	-	490	490
-	-	-	-	-
-	-	-	-	-
<u>109,356</u>	<u>2,500</u>	<u>6,000</u>	<u>490</u>	<u>4,383,007</u>
103,709	2,500	6,000	490	2,701,841
-	-	-	-	17,929
-	-	-	-	632,207
-	-	-	-	51,597
-	-	-	-	93,057
5,647	-	-	-	340,285
-	-	-	-	23,341
-	-	-	-	13,340
-	-	-	-	1,875
-	-	-	-	-
-	-	-	-	28,278
-	-	-	-	-
-	-	-	-	464,627
-	-	-	-	-
-	-	-	-	-
<u>109,356</u>	<u>2,500</u>	<u>6,000</u>	<u>490</u>	<u>4,368,377</u>
-	-	-	-	14,630
-	-	-	-	-
-	-	-	-	-
-	-	-	-	14,630
-	-	-	-	-
-	-	-	-	129,502
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,132</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, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees Activities	54,031	54,031	56,391	2,360
Interest Income	200	200	367	167
TOTAL REVENUE	<u>54,231</u>	<u>54,231</u>	<u>\$ 56,758</u>	<u>\$ 2,527</u>
Cash Balance Budgeted	<u>130,769</u>	<u>130,769</u>		
TOTAL REVENUE & CASH	<u>\$ 185,000</u>	<u>\$ 185,000</u>		
 EXPENDITURES				
Current				
Instruction	\$ 185,000	185,000	42,128	142,872
TOTAL EXPENDITURES	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 42,128</u>	<u>\$ 142,872</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 56,758
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 56,758

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 42,128
 Total Expenditures (GAAP Basis) \$ 42,128

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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,112,427	\$ 1,427,007	\$ 1,065,382	\$ (361,625)
TOTAL REVENUE	<u>1,112,427</u>	<u>1,427,007</u>	<u>1,065,382</u>	<u>(361,625)</u>
 Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 1,112,427</u>	<u>\$ 1,427,007</u>		
EXPENDITURES				
Current				
Instruction	\$ 830,820	1,078,260	798,350	279,910
Support Services-Students	71,110	96,007	84,266	11,741
Support Services-Instruction	1,400	19,400	17,169	2,231
Support Services-General Administration	39,481	51,058	38,223	12,835
Support Services-School Administration	169,616	181,387	167,893	13,494
Central Services				-
Operation & Maintenance of Plant		895	331	564
Student Transportation	-	-	-	-
Other Support Services				-
Food Services-Operations				-
Community Services-operations				-
TOTAL EXPENDITURES	<u>\$ 1,112,427</u>	<u>\$ 1,427,007</u>	<u>\$ 1,106,232</u>	<u>\$ 320,775</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,065,382
Differences-Budget to GAAP	
Current Year Receivable	36,904
Prior Year Deferral	3,946

Total Revenues (GAAP Basis) \$ 1,106,232

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,106,232
Total Expenditures (GAAP Basis)	<u>\$ 1,106,232</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 70,000	\$ 73,185	65,208	(7,977)
TOTAL REVENUE	<u>70,000</u>	<u>73,185</u>	<u>\$ 65,208</u>	<u>\$ (7,977)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 70,000</u>	<u>\$ 73,185</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,050	32,268	28,544	3,724
Support Services-Students	65,793	38,432	38,425	7
Support Services-General Administration	2,157	2,485	2,157	328
TOTAL EXPENDITURES	<u>\$ 70,000</u>	<u>\$ 73,185</u>	<u>\$ 69,126</u>	<u>\$ 4,059</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 65,208
Differences-Budget to GAAP	
Current Year Receivable	3,918
Total Revenues (GAAP Basis)	<u>\$ 69,126</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 69,126
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 69,126</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 681,956	\$ 856,525	591,062	(265,463)
TOTAL REVENUE	<u>681,956</u>	<u>856,525</u>	<u>\$ 591,062</u>	<u>\$ (265,463)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 681,956</u>	<u>\$ 856,525</u>		
EXPENDITURES				
Current				
Instruction	\$ 146,864	265,133	164,627	100,506
Support Services-Students	362,575	415,500	335,431	80,069
Support Services-Instruction	8,160	8,660	8,107	553
Support Services-General Administration	21,932	21,932	21,527	405
Support Services-School Administration	142,425	143,425	136,185	7,240
Central Services	-	-	-	-
Operation & Maintenance of Plant				-
Student Transportation	1,875	1,875	1,875	-
Other Support Services				-
Food Services-Operations				-
Community Services-operations	-	-	-	-
Acquisition & Construction				-
Principal				-
Interest & Finance Charges				-
Debt Service Reserve				-
TOTAL EXPENDITURES	<u>\$ 683,831</u>	<u>\$ 856,525</u>	<u>\$ 667,752</u>	<u>\$ 188,773</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 591,062
Differences-Budget to GAAP	
Current Year Receivable	76,690
Total Revenues (GAAP Basis)	<u>\$ 667,752</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 667,752
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 667,752</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 27,367	34,516	25,768	(8,748)
TOTAL REVENUE	<u>27,367</u>	<u>34,516</u>	<u>\$ 25,768</u>	<u>\$ (8,748)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 27,367</u>	<u>\$ 34,516</u>		
EXPENDITURES				
Current				
Instruction	\$ 27,367	34,516	25,768	8,748
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 27,367</u>	<u>\$ 34,516</u>	<u>\$ 25,768</u>	<u>\$ 8,748</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 25,768
Differences-Budget to GAAP	
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 25,768</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 25,768
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 25,768</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 39,699	\$ 76,126	\$ 67,663	\$ (8,463)
TOTAL REVENUE	<u>39,699</u>	<u>76,126</u>	<u>67,663</u>	<u>(8,463)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 39,699</u>	<u>\$ 76,126</u>		
EXPENDITURES				
Current				
Instruction	\$ 37,400	72,691	72,010	681
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	1,136	1,136	1,136	-
Support Services-School Administration	2,299	2,299	2,241	58
TOTAL EXPENDITURES	<u>\$ 40,835</u>	<u>\$ 76,126</u>	<u>\$ 75,387</u>	<u>\$ 739</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 67,663
Differences-Budget to GAAP	
Current Year Receivable	7,724
Total Revenues (GAAP Basis)	<u>\$ 75,387</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 75,387
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 75,387</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 233,905	258,023	207,524	\$ (50,499)
TOTAL REVENUE	<u>233,905</u>	<u>258,023</u>	<u>\$ 207,524</u>	<u>\$ (50,499)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 233,905</u>	<u>\$ 258,023</u>		
EXPENDITURES				
Current				
Instruction	\$ 225,603	222,855	198,089	\$ 24,766
Support Services-Students	-	-	-	-
Support Services-General Administration	8,302	9,158	6,194	2,964
Support Services-School Administration	26,010	26,010	20,153	5,857
TOTAL EXPENDITURES	<u>\$ 259,915</u>	<u>\$ 258,023</u>	<u>\$ 224,436</u>	<u>\$ 33,587</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 207,524
Differences-Budget to GAAP	
Current Year Receivable	18,719
Prior Year Receivable	(1,807)
Total Revenues (GAAP Basis)	<u>\$ 224,436</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 224,436
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 224,436</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 13,340	\$ 13,340	\$ 12,764	\$ (576)
TOTAL REVENUE	<u>13,340</u>	<u>13,340</u>	<u>12,764</u>	<u>(576)</u>
Cash Balance Budgeted				
TOTAL REVENUE & CASH	<u>\$ 13,340</u>	<u>\$ 13,340</u>		
EXPENDITURES				
Current				
Instruction	\$ -	-	-	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction				-
Support Services-General Administration				-
Support Services-School Administration				-
Central Services				-
Operation & Maintenance of Plant	13,340	13,340	13,340	-
TOTAL EXPENDITURES	<u>\$ 13,340</u>	<u>\$ 13,340</u>	<u>13,340</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,764
Differences-Budget to GAAP	
Property tax Receivable	
Prior Year Tax Receivables	
Current Year Receivable	576
Total Revenues (GAAP Basis)	<u>\$ 13,340</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 13,340
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 13,340</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 117,693	\$ 117,693	\$ 85,971	\$ (31,722)
TOTAL REVENUE	<u>117,693</u>	<u>117,693</u>	<u>85,971</u>	<u>(31,722)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 117,693</u>	<u>\$ 117,693</u>		
EXPENDITURES				
Current				
Instruction	\$ 96,361	\$ 96,361	\$ 82,811	\$ 13,550
Support Services-Students	170	170	161	9
Support Services-Instruction	-	-	-	-
Support Services-General Administration	4,332	4,332	2,333	1,999
Support Services-School Administration	-	-	-	-
Central Services				-
Operation & Maintenance of Plant	16,830	16,830	15,954	876
Student Transportation				-
Other Support Services				-
Food Services-Operations				-
Community Services-operations				-
Acquisition & Construction				-
Principal				-
Interest & Finance Charges				-
Debt Service Reserve				-
TOTAL EXPENDITURES	<u>\$ 117,693</u>	<u>\$ 117,693</u>	<u>\$ 101,259</u>	<u>\$ 16,434</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 85,971
Differences-Budget to GAAP	
Current Year Receivable	15,288
Total Revenues (GAAP Basis)	<u>\$ 101,259</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 101,259
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 101,259</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 37,357	\$ 37,357
TOTAL REVENUE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,357</u>	<u>\$ 37,357</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	-	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 37,357
Differences-Budget to GAAP	
Prior Year Receivable	(37,357)

Total Revenues (GAAP Basis) \$ -

Uses/outflows of resources

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

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

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

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 5,727	\$ 5,727
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>5,727</u>	<u>5,727</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 5,727	
Differences-Budget to GAAP				
Prior Year Receivable			(5,727)	
Total Revenues (GAAP Basis)			<u>\$ -</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ -	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ -</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--CARL PERKINS SECONDARY -CURRENT

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 34,935	\$ 34,935	36,335	\$ 1,400
TOTAL REVENUE	<u>34,935</u>	<u>34,935</u>	<u>36,335</u>	<u>1,400</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 34,935</u>	<u>\$ 34,935</u>		
EXPENDITURES				
Current				
Instruction	\$ 34,935	\$ 34,935	\$ 34,825	\$ 110
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 34,935</u>	<u>\$ 34,935</u>	<u>\$ 34,825</u>	<u>\$ 110</u>
 Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 36,335	
Differences-Budget to GAAP				
Prior Year Receivable			(1,510)	
Total Revenues (GAAP Basis)			<u>\$ 34,825</u>	
 Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 34,825	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 34,825</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 - REDISTRIBUTIONS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 5,039	\$ 9,630	\$ 4,813	\$ (4,817)
TOTAL REVENUE	<u>5,039</u>	<u>9,630</u>	<u>4,813</u>	<u>(4,817)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 5,039</u>	<u>\$ 9,630</u>		
EXPENDITURES				
Current				
Instruction	\$ 5,039	\$ 9,630	\$ 4,813	\$ 4,817
TOTAL EXPENDITURES	<u>\$ 5,039</u>	<u>\$ 9,630</u>	<u>\$ 4,813</u>	<u>\$ 4,817</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 4,813

Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 4,813

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 4,813

Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 4,813

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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 215,917	\$ 250,125	274,150	\$ 24,025
TOTAL REVENUE	<u>215,917</u>	<u>250,125</u>	<u>\$ 274,150</u>	<u>\$ 24,025</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 215,917</u>	<u>\$ 250,125</u>		
EXPENDITURES				
Current				
Instruction	\$ 178,815	\$ 196,064	\$ 196,064	\$ -
Support Services-Students	6,000	35,646	35,646	-
Support Services-Instruction	6,207	1,740	1,740	-
Support Services-General Administration	6,655	9,273	9,273	-
Support Services-School Administration	8,240	6,894	6,894	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	508	508	508	-
Student Transportation	10,000	-	-	-
TOTAL EXPENDITURES	<u>\$ 216,425</u>	<u>\$ 250,125</u>	<u>\$ 250,125</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 274,150
Differences-Budget to GAAP	
Current Year Receivable	1,521
Prior Year Receivable	(25,546)

Total Revenues (GAAP Basis) \$ 250,125

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 250,125
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 250,125</u>

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 408,007	\$ 405,730	\$ 401,952	\$ (3,778)
TOTAL REVENUE	<u>408,007</u>	<u>405,730</u>	<u>401,952</u>	<u>(3,778)</u>
 Cash Balance Budgeted	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 408,007</u>	<u>\$ 405,730</u>		
EXPENDITURES				
Current				
Instruction	\$ 236,775	\$ 258,315	\$ 258,308	\$ 7
Support Services-Students	158,258	132,792	132,766	26
Support Services-General Administration	12,974	13,350	13,350	-
Support Services-School Administration	1,273	1,273	1,272	1
TOTAL EXPENDITURES	<u>\$ 409,280</u>	<u>\$ 405,730</u>	<u>\$ 405,696</u>	<u>\$ 34</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 401,952
Differences-Budget to GAAP	
Current Year Receivable	3,744
Total Revenues (GAAP Basis)	<u>\$ 405,696</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 405,696
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 405,696</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--PRESCHOOL IDEA B FEDERAL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	6,616	6,582	6,363	(219)
TOTAL REVENUE	<u>6,616</u>	<u>6,582</u>	<u>\$ 6,363</u>	<u>\$ (219)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 6,616</u>	<u>\$ 6,582</u>		
EXPENDITURES				
Current				
Instruction	\$ 6,616	\$ 6,462	\$ 6,330	\$ 132
Support Services-Students	120	120	119	1
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 6,736</u>	<u>\$ 6,582</u>	<u>\$ 6,449</u>	<u>\$ 133</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 6,363
Differences-Budget to GAAP	
Prior Year Deferral	86
Total Revenues (GAAP Basis)	<u>\$ 6,449</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,449
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,449</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 3,108	\$ 3,108	3,684	\$ 576
TOTAL REVENUE	<u>3,108</u>	<u>3,108</u>	<u>\$ 3,684</u>	<u>\$ 576</u>
Cash Balance Budgeted	<u>10,923</u>	<u>10,923</u>		
TOTAL REVENUE & CASH	<u>\$ 14,031</u>	<u>\$ 14,031</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,923	\$ 12,396	\$ 5,496	\$ 6,900
Support Services-Students	1,635	1,635	1,362	273
TOTAL EXPENDITURES	<u>\$ 12,558</u>	<u>\$ 14,031</u>	<u>\$ 6,858</u>	<u>\$ 7,173</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 3,684
Differences-Budget to GAAP	
Current Year Deferral	(7,749)
Prior Year Deferral	10,923

Total Revenues (GAAP Basis) \$ 6,858

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 6,858
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,858</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 XIX MEDICAID 3/21

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,723	\$ 1,723	\$ -	\$ (1,723)
TOTAL REVENUE	<u>1,723</u>	<u>1,723</u>	<u>-</u>	<u>(1,723)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,723</u>	<u>\$ 1,723</u>		
EXPENDITURES				
Current				
Instruction	\$ 500	\$ -	\$ -	\$ -
Support Services-Students	1,223	2,493	2,493	-
Support Services-School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,723</u>	<u>\$ 2,493</u>	<u>\$ 2,493</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	
Prior Year Deferral	2,493
Total Revenues (GAAP Basis)	<u>\$ 2,493</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 2,493
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,493</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 216,349	\$ 218,976	\$ 454,109	\$ 235,133
TOTAL REVENUE	<u>216,349</u>	<u>218,976</u>	<u>454,109</u>	<u>235,133</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 216,349</u>	<u>\$ 218,976</u>		
EXPENDITURES				
Current				
Instruction	\$ 216,349	\$ 217,440	\$ 217,440	\$ -
Support Services-Students	1,536	1,536	1,536	-
Support Services-General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 217,885</u>	<u>\$ 218,976</u>	<u>\$ 218,976</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 454,109
Differences-Budget to GAAP	
Prior Year Receivable	(235,133)
Total Revenues (GAAP Basis)	<u>\$ 218,976</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 218,976
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 218,976</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--EDUCATION JOB FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 589,991	\$ 589,991	\$ 589,990	\$ (1)
TOTAL REVENUE	<u>589,991</u>	<u>589,991</u>	<u>589,990</u>	<u>(1)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 589,991</u>	<u>\$ 589,991</u>		
EXPENDITURES				
Current				
Instruction	\$ 589,991	\$ 589,991	\$ 589,990	\$ 1
Support Services-Students		-	-	-
Support Services-General Administration	-			-
TOTAL EXPENDITURES	<u>\$ 589,991</u>	<u>\$ 589,991</u>	<u>\$ 589,990</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)	\$ 589,990
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 589,990</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 589,990
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 589,990</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--2009 DUAL CREDIT INSTRUCTIONAL MATERIALS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 22,717	\$ 22,717	\$ 21,522	\$ (1,195)
TOTAL REVENUE	<u>22,717</u>	<u>22,717</u>	<u>21,522</u>	<u>(1,195)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 22,717</u>	<u>\$ 22,717</u>		
EXPENDITURES				
Current				
Instruction	\$ 22,717	\$ 22,717	\$ 21,522	\$ 1,195
TOTAL EXPENDITURES	<u>22,717</u>	<u>22,717</u>	<u>21,522</u>	<u>1,195</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 21,522
Differences-Budget to GAAP	

Total Revenues (GAAP Basis) \$ 21,522

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 21,522
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 21,522</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 SB333 GO BONDS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 18,576	\$ 18,576	\$ 12,800	\$ (5,776)
TOTAL REVENUE	<u>18,576</u>	<u>18,576</u>	<u>12,800</u>	<u>(5,776)</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 18,576</u>	<u>\$ 18,576</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 18,576	\$ 18,576	\$ 14,175	\$ 4,401
TOTAL EXPENDITURES	<u>\$ 18,576</u>	<u>\$ 18,576</u>	<u>14,175</u>	<u>4,401</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,800
Differences-Budget to GAAP	
Current Year Receivable	1,625
Prior Year Receivable	(250)
Total Revenues (GAAP Basis)	<u>\$ 14,175</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 14,175
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,175</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--ARRA SOLAR ENERGY AT SCHOOLS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
TOTAL REVENUE	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 300,000</u>	<u>\$ 300,000</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
TOTAL EXPENDITURES	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 300,000
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 300,000

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 300,000
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 300,000

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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>39,739</u>	<u>39,739</u>		
TOTAL REVENUE & CASH	<u>\$ 39,739</u>	<u>\$ 39,739</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,886	\$ 2,886	\$ 2,886	\$ -
Support Services-Instruction	13,000	10,413	10,405	8
Central Services	26,739	23,343	23,341	2
TOTAL EXPENDITURES	<u>\$ 42,625</u>	<u>\$ 36,642</u>	<u>\$ 36,632</u>	<u>\$ 10</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	
Prior Year Deferral	36,632
Total Revenues (GAAP Basis)	<u>\$ 36,632</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 36,632
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 36,632</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,768	\$ 3,768	\$ 3,768	\$ -
TOTAL EXPENDITURES	<u>3,768</u>	<u>3,768</u>	<u>3,768</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	
Prior Year Deferral	3,768
Total Revenues (GAAP Basis)	<u>\$ 3,768</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 3,768
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,768</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 28,278	\$ 28,278	\$ 28,278	\$ -
TOTAL REVENUE	<u>28,278</u>	<u>28,278</u>	<u>28,278</u>	<u>-</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ 28,278</u>	<u>\$ 28,278</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ 28,278	\$ 28,278	\$ 28,278	\$ -
TOTAL EXPENDITURES	<u>\$ 28,278</u>	<u>\$ 28,278</u>	<u>\$ 28,278</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 28,278
 Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 28,278

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 28,278
 Differences-budget to GAAP
 Total Expenditures (GAAP Basis) \$ 28,278

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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ -	\$ 12,589	\$ 12,589
Forest Reserve	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 12,589</u>	<u>\$ 12,589</u>
Cash Balance Budgeted	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 12,589
Differences-Budget to GAAP	
Prior Year Receivable	(12,589)

Total Revenues (GAAP Basis) \$ -

Uses/outflows of resources

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

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 110,532	\$ 110,532	\$ 97,439	\$ (13,093)
TOTAL REVENUE	<u>110,532</u>	<u>110,532</u>	<u>97,439</u>	<u>(13,093)</u>
Cash Balance Budgeted	_____	_____		
TOTAL REVENUE & CASH	<u>\$ 110,532</u>	<u>\$ 110,532</u>		
EXPENDITURES				
Current				
Instruction	\$ 104,885	\$ 104,885	\$ 103,709	\$ 1,176
Support Services-Students	5,647	5,647	5,647	-
Support Services-School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 110,532</u>	<u>\$ 110,532</u>	<u>\$ 109,356</u>	<u>\$ 1,176</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 97,439
Differences-Budget to GAAP	
Current Year Receivable	19,318
Prior Year Receivable	(7,401)
Total Revenues (GAAP Basis)	<u>\$ 109,356</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 109,356
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 109,356</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, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
TOTAL REVENUE	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,500</u>	<u>\$ 2,500</u>		
EXPENDITURES				
Current				
Instruction	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
TOTAL EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) \$ 2,500

Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 2,500

Uses/outflows of resources

Actual amounts (budgetary basis) \$ 2,500

Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 2,500

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

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

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
TOTAL REVENUE	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 6,000</u>	<u>\$ 6,000</u>		
EXPENDITURES				
Current				
Instruction	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 6,000	
Differences-Budget to GAAP				
Total Revenues (GAAP Basis)			<u>\$ 6,000</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 6,000	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 6,000</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--PRIVATE GRANTS

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Private Grants	2,000	2,000	2,000	-
TOTAL REVENUE	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>2,000</u>	<u>\$ -</u>
TOTAL REVENUE & CASH				
EXPENDITURES				
Current				
Instruction	2,000	2,000	490	-
TOTAL EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>490</u>	<u>-</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 2,000	-
Differences-Budget to GAAP				
Current Year Deferral			(1,510)	
Total Revenues (GAAP Basis)			<u>\$ 490</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 490	
Differences-budget to GAAP				
Total Expenditures (GAAP Basis)			<u>\$ 490</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, 2011

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
ASSETS				
Cash on Deposit	\$ 2,229,841	\$ -	\$ 7,402	\$ 2,237,243
Due from Other Funds	187,093	-	-	187,093
Property Tax Receivable	8,812	-	-	8,812
Due from other Agencies	-	-	-	-
TOTAL ASSETS	<u>\$ 2,425,746</u>	<u>\$ -</u>	<u>\$ 7,402</u>	<u>\$ 2,433,148</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	6,850	-	-	6,850
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES AND OTHER CREDITS	6,850	-	-	6,850
FUND BALANCE				
Restricted			7,402	7,402
Unassigned	2,418,896	-	-	2,418,896
TOTAL FUND BALANCE	<u>2,418,896</u>	<u>-</u>	<u>7,402</u>	<u>2,426,298</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,425,746</u>	<u>\$ -</u>	<u>\$ 7,402</u>	<u>\$ 2,433,148</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 -- GENERAL FUND

Year Ended June 30, 2011

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>TOTALS</u>
REVENUE				
Federal Programs	\$ 6,691	\$	\$ 120,015	\$ 6,691
State Programs	-	1,096,436		1,216,451
State Equalization	20,602,047			20,602,047
Interest Earnings	10,398			10,398
Charges For Services	139,182			139,182
Fees	6,718			6,718
Donations	27,897			27,897
Sale of Property	5,720			5,720
Miscellaneous	65,457			65,457
Local Property Taxes	82,965	-	-	82,965
TOTAL REVENUES	<u>20,947,075</u>	<u>1,096,436</u>	<u>120,015</u>	<u>22,163,526</u>
EXPENDITURES				
Current				
Instruction	12,350,209		307,587	12,657,796
Support Services				-
Support Services-Students	2,016,288			2,016,288
Support Services-Instruction	387,280		-	387,280
Support Services-General Administration	736,916			736,916
Support Services-School Administration	1,530,373			1,530,373
Central Services	987,472			987,472
Operation & Maintenance of Plant	2,634,471			2,634,471
Student Transportation	-	1,096,436		1,096,436
Other Support Services	-			-
Food Services-Operations	-			-
Community Services-Operations	-			-
Acquisition & Construction	-			-
Debt Service				-
Principal Interest				-
TOTAL EXPENDITURES	<u>20,643,009</u>	<u>1,096,436</u>	<u>307,587</u>	<u>22,047,032</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	304,066	-	(187,572)	116,494
Other Financing Sources (uses)				
Transfer IN (OUT)		-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	304,066	-	(187,572)	116,494
FUND BALANCE				
June 30, 2010	2,114,830	-	194,974	2,309,804
Restatement		-		-
Restated Balance	<u>2,114,830</u>	<u>-</u>	<u>194,974</u>	<u>2,309,804</u>
FUND BALANCE				
June 30, 2011	<u>\$ 2,418,896</u>	<u>\$ -</u>	<u>\$ 7,402</u>	<u>\$ 2,426,298</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--OPERATIONAL

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 97,604	\$ 97,604	\$ 81,681	\$ (15,923)
Fees - Educational	-	-	-	-
Rent and Leases	-	-	-	-
Fees Activities	-	-	-	-
Fees-Users	-	-	6,718	6,718
Fees-Summer School	-	-	-	-
Donations/Gifts	-	-	27,897	27,897
Interest Income	5,239	5,239	10,398	5,159
State Equalization	21,012,934	20,591,875	20,602,047	10,172
State Flow Through Grants	-	-	-	-
Impact Aid	2,883	2,883	6,691	3,808
Rent	-	-	-	-
Sale of Property/Equipment	-	-	5,720	5,720
Access Board	-	23,206	41,437	18,231
Refunds	-	-	1,801	1,801
Charter School Admin	-	-	-	-
Indirect Cost - (DFG)	-	-	-	-
Indirect Cost - (Flow Through Grants)	40,000	40,000	139,182	99,182
Insurance Recoveries	-	-	22,220	22,220
TOTAL REVENUE	<u>21,158,660</u>	<u>20,760,807</u>	<u>\$ 20,945,792</u>	<u>\$ 184,985</u>

Cash Balance Budgeted	<u>1,862,151</u>	<u>1,862,151</u>		
TOTAL REVENUE & CASH	<u>\$ 23,020,811</u>	<u>\$ 22,622,958</u>		

EXPENDITURES

Current				
Instruction	\$ 13,820,029	\$ 13,006,783	\$ 12,396,637	\$ 610,146
Support Services-Students	2,091,849	2,327,349	2,016,288	311,061
Support Services-Instruction	600,880	538,080	387,280	150,800
Support Services-General Administration	655,418	883,518	736,916	146,602
Support Services-School Administration	1,652,205	1,602,205	1,530,373	71,832
Central services	997,415	1,074,621	987,472	87,149
Operation & Maintenance of Plant	3,191,312	3,178,699	2,634,471	544,228
Student Transportation	500	500	-	500
Other Support Services	11,203	11,203	-	11,203
Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 23,020,811</u>	<u>\$ 22,622,958</u>	<u>\$ 20,689,437</u>	<u>\$ 1,933,521</u>

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

Resources/inflows of resources

Actual amounts (budgetary basis)	\$ 20,945,792
Differences-Budget to GAAP	
Property tax Receivable	1,962
Prior Year Tax Receivables	(679)
Total Revenues (GAAP Basis)	<u>\$ 20,947,075</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 20,689,437
Differences-budget to GAAP	
Current Year Payables	-
Amortization	-
Issuance Cost	-
Current Year Interest Payable	-
Current year Payable	-
Prior Year Payable	(46,428)
Inventory Adjustment	-
Total Expenditures (GAAP Basis)	<u>\$ 20,643,009</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, 2011

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 1,085,838	\$ 1,096,436	\$ 1,096,436	\$ -
TOTAL REVENUE	<u>\$ 1,085,838</u>	<u>\$ 1,096,436</u>	<u>\$ 1,096,436</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 1,085,838</u>	<u>\$ 1,096,436</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 1,085,838	\$ 1,096,436	\$ 1,096,436	\$ -
TOTAL EXPENDITURES	<u>\$ 1,085,838</u>	<u>\$ 1,096,436</u>	<u>\$ 1,096,436</u>	<u>\$ -</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,096,436
Differences-Budget to GAAP	
Property tax Receivable	-
Prior Year Tax Receivables	-
Current Year Receivable	-
Prior Year Receivable	
Current Year Deferral	
Prior Year Deferral	

Total Revenues (GAAP Basis) \$ 1,096,436

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,096,436
Differences-budget to GAAP	
Current Year Payables	-
Amortization	
Issuance Cost	
Current Year Interest Payable	-
Current year Payable	
Prior Year Payable	-
Inventory Adjustment	
Total Expenditures (GAAP Basis)	<u>\$ 1,096,436</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	102,139	119,537	120,015	478
TOTAL REVENUE	<u>102,139</u>	<u>119,537</u>	<u>\$ 120,015</u>	<u>\$ 478</u>
Cash Balance Budgeted	79,919	79,919		
TOTAL REVENUE & CASH	<u>\$ 182,058</u>	<u>\$ 199,456</u>		
EXPENDITURES				
Current				
Instruction	\$ 181,798	\$ 319,394	\$ 313,674	\$ 5,720
Support Services-Instruction	260	1,204	-	1,204
TOTAL EXPENDITURES	<u>\$ 182,058</u>	<u>\$ 320,598</u>	<u>\$ 313,674</u>	<u>\$ 6,924</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 120,015
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 120,015</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 313,674
Differences-budget to GAAP	
Prior Year Payable	(6,087)
Total Expenditures (GAAP Basis)	<u>\$ 307,587</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, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Interest Income	2,000	2,000	6,415	4,415
Bond Proceeds	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
TOTAL REVENUE	1,402,000	1,402,000	<u>\$ 1,406,415</u>	<u>\$ 4,415</u>
Cash Balance Budgeted	<u>2,345,340</u>	<u>2,345,340</u>		
TOTAL REVENUE & CASH	<u>\$ 3,747,340</u>	<u>\$ 3,747,340</u>		
EXPENDITURES				
Current				
Acquisition & Construction	<u>\$ 2,347,340</u>	<u>\$ 4,387,459</u>	<u>\$ 1,730,887</u>	<u>\$ 2,656,572</u>
TOTAL EXPENDITURES	<u>\$ 2,347,340</u>	<u>\$ 4,387,459</u>	<u>\$ 1,730,887</u>	<u>\$ 2,656,572</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 1,406,415
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 1,406,415</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,730,887
Differences-budget to GAAP	

Current Year Payable	<u>662,402</u>
Total Expenditures (GAAP Basis)	<u>\$ 2,393,289</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--PUBLIC SCHOOL CAPITAL OUTLAY

Year Ended June 30, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ 1,500,000	\$ 1,500,000	\$ -	\$ (1,500,000)
TOTAL REVENUE	<u>1,500,000</u>	<u>1,500,000</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>		
EXPENDITURES				
Acquisition & Construction	\$ 1,500,000	\$ 1,500,000	\$ 1,378,482	\$ 121,518
TOTAL EXPENDITURES	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,378,482</u>	<u>\$ 121,518</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	-
Paid Directly By State Agency	1,378,482
Total Revenues (GAAP Basis)	<u>\$ 1,378,482</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 1,378,482
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,378,482</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--SPECIAL CAPITAL OUTLAY STATE

Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
State Flow Through Grants	\$ 23,689	\$ 65,538	\$ 23,689	\$ (41,849)
TOTAL REVENUE	23,689	65,538	\$ 23,689	\$ (41,849)
Cash Balance Budgeted	<u> </u>	<u> </u>		
TOTAL REVENUE & CASH	\$ 23,689	\$ 65,538		
EXPENDITURES				
Acquisition & Construction	23,689	65,538	23,689	41,849
TOTAL EXPENDITURES	\$ 23,689	\$ 65,538	\$ 23,689	\$ 41,849

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 23,689
Differences-Budget to GAAP	
Current Year Receivable	41,849
Prior Year Receivable	-
Total Revenues (GAAP Basis)	\$ 65,538

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 23,689
Differences-budget to GAAP	
Current Year Payable	41,849
Total Expenditures (GAAP Basis)	\$ 65,538

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, 2011

	<u>EDUCATIONAL TECHNOLOGY</u>	<u>TOTAL</u>
ASSETS		
Cash on Deposit	\$ -	\$ -
Due From Other Funds		-
Property Tax Receivable	5,910	5,910
TOTAL ASSETS	<u>\$ 5,910</u>	<u>\$ 5,910</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ -	\$ -
Deferred Revenue	5,603	5,603
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>5,603</u>	<u>5,603</u>
FUND BALANCE		
Restricted	307	307
TOTAL FUND BALANCE	<u>307</u>	<u>307</u>
TOTAL LIABILITIES AND FUND Balance	<u>\$ 5,910</u>	<u>\$ 5,910</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 FUNE

Year Ended June 30, 2011

	EDUCATIONAL TECHNOLOGY	TOTAL
REVENUE		
Local Property Taxes	\$ 2,352	\$ 2,352
Interest Earnings	7	7
TOTAL REVENUES	<u>2,359</u>	<u>2,359</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services-Students	-	-
Support Services-Instruction	-	-
Support Services-General Administration	28	28
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>28</u>	<u>28</u>
EXCESS (DEFICIENCY) OF		-
REVENUE OVER EXPENDITURES	2,331	2,331
Other Financing Sources (uses)		
Transfer In/Out	(4,231)	(4,231)
Total Other Financial Sources	<u>(4,231)</u>	<u>(4,231)</u>
Net Change In Fund Balance	(1,900)	(1,900)
FUND BALANCE		
June 30, 2010	<u>2,207</u>	<u>2,207</u>
FUND BALANCE		
June 30, 2011	<u>\$ 307</u>	<u>307</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 1,680,481	\$ 1,680,481	\$ 1,536,673	\$ (143,808)
Interest Income	669	336	927	591
Bond Proceeds Premium	18,857	18,857	18,857	-
TOTAL REVENUE	<u>1,700,007</u>	<u>1,699,674</u>	<u>\$ 1,556,457</u>	<u>\$ (143,217)</u>
Cash Balance Budgeted	<u>609,772</u>	<u>609,772</u>		
TOTAL REVENUE & CASH	<u>\$ 2,309,779</u>	<u>\$ 2,309,446</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 20,000	\$ 23,336	\$ 15,367	\$ 7,969
Principal	2,270,253	2,286,110	1,589,299	696,811
Interest and Finance Charges	-	-	-	-
Debt Service Reserve	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,290,253</u>	<u>\$ 2,309,446</u>	<u>\$ 1,604,666</u>	<u>\$ 704,780</u>
Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual amounts (budgetary basis)			\$ 1,556,457	
Differences-Budget to GAAP				
Property tax Receivable			36,767	
Prior Year Tax Receivables			(12,046)	
Total Revenues (GAAP Basis)			<u>\$ 1,581,178</u>	
Uses/outflows of resources				
Actual amounts (budgetary basis)			\$ 1,604,666	
Differences-budget to GAAP				
Prior Year Interest Payable			(135,070)	
Current Year Interest Payable			181,259	
Total Expenditures (GAAP Basis)			<u>\$ 1,650,855</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, 2011

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 2,000	\$ 2,000	\$ 2,758	\$ 758
Interest Income	-	-	7	7
Bond premium				
TOTAL REVENUE	2,000	2,000	\$ 2,765	\$ 765
Cash Balance Budgeted	9,809	9,809		
TOTAL REVENUE & CASH	\$ 11,809	\$ 11,809		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 200	\$ 200	\$ 28	\$ 172
Debt Service Reserve	11,609	11,609	-	11,609
TOTAL EXPENDITURES	\$ 11,809	\$ 11,809	\$ 28	\$ 11,781

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 2,765
Differences-Budget to GAAP	
Property tax Receivable	306
Prior Year Tax Receivables	(712)
Total Revenues (GAAP Basis)	\$ 2,359

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 28
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 28

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

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2011

	BALANCE 7/01/10	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6/30/11
Administration	\$ 217,383	\$ 29,581	\$ -	\$ 21,008	\$ 225,956
High School	115,036	185,986	2,738	179,006	124,754
Junior High School	36,597	45,483	-	44,866	37,214
Brown Elementary	18,547	42,700	-	25,096	36,151
James Elementary	23,853	17,470	2,536	20,091	21,232
Lindsey Elementary	11,050	22,913	-	24,904	9,059
Steiner Elementary	2,536	-	(2,536)	-	2,536
Valencia Elementary	27,916	55,559	-	45,477	37,998
Portales High School Daycare	125,793	153,202	(2,738)	156,926	119,331
Total	<u>\$ 578,711</u>	<u>\$ 552,894</u>	<u>\$ 2,738</u>	<u>\$ 517,374</u>	<u>\$ 614,231</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

<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	84.010	24101	\$ 1,106,233
Migrant Children Education	84.011	24103	69,126
Idea B Entitlement	84.027	24106	667,753
Idea B Preschool	84.027	24109	25,768
English Language Acquisition	84.365A	25153	75,387
Teacher/Principal Training	84.367	24154	224,436
Safe & Drug Free Schools	84.186	24157	13,340
Rural & Low Income Schools	84.358	24160	101,259
Carl Perkins	84.048	24174	39,638
Title I Federal Stimulus	84.389	24201	250,125
Entitlement-Federal Stimulus	84.0270	24206	405,697
Pre School-Federal Stimulus	84.1730	24209	6,450
Impact Aid Special Ed	84.041	25145	6,858
Title XIX Medicaid	93.778	25153	2,493
SEG Federal Stimulus	84.394	25250	218,976
Education Job Fund	<1> 84.410	25255	589,990
Impact Aid	84.041	44103	6,691
Total Department of Education			<u>3,810,220</u>
US DEPARTMENT OF AGRICULTURE			
Passed Through New Mexico Public Education Department			
National School Lunch	<1> 10.555	21000	1,198,435
School Food Commodity Distribution Program	<1> 10.559	21000	79,360
Total Department of Agriculture			<u>1,277,795</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 5,088,015</u>
<1> Major Program			
Reconciliation to Federal Revenues in Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 5,088,015</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

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2011

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED BANK BALANCE	COLLATERAL REQUIRED	COLLATERAL PLEDGED	SECURITY DEFICIT	UNINSURED & UNCOLLATERALIZED DEPOSITS
PORTALES NATIONAL BANK	\$ 9,960,154	\$ 500,000	\$ 9,460,154	\$ 4,730,077	\$ 5,509,571	\$ -	\$ 3,950,583
COLLATERAL	CUSIP #	MATURITY	MARKET VALUE				
FHLB AGENCY NOTE	313371SA5	05/29/14	1,002,481	X	Agency Note		
FHLB AGENCY NOTE	3133XGWH3	09/29/16	1,013,374	X	Agency Note		
FHLB AGENCY NOTE	3136FPEZ6	02/28/14	505,027	X	Agency Note		
FHLB AGENCY NOTE	3136FPS57	06/27/13	1,004,035	X	Agency Note		
FHLB AGENCY NOTE	3133XJUT3	03/09/12	516,995	X	Agency Note		
ALAMOGORDO NM SCHOOL DIST	011464FH2	08/01/12	205,016	X	GO Bonds		
CLOUDCROFT NM SCHOOL DIST	264430JWO	09/01/13	163,303	X	GO Bonds		
DULCE NM SCHOOL DIST	264430KE8	09/01/13	161,318	X	GO Bonds		
PORTALES NM SCHOOL DIST	555483AZ9	10/01/17	404,812	X	GO Bonds		
ELIDA NM SCHOOL DIST	776465BE5	07/01/12	82,139		GO Bonds		
ROSWELL NM SCHOOL DIST	778550FW8	08/01/11	451,071		GO Bonds		
			\$ 5,509,571				
NEW MEXICO STATE TREASURER	\$ 19,175	\$ -	\$ 19,175	\$ 19,175	\$ 19,175	\$ -	\$ -
FIRST COMMUNITY BANK	\$ 24,483	\$ 24,483	\$ -	\$ -	\$ -	\$ -	\$ -
Total all Institutions	\$ 10,003,812	\$ 524,483	\$ 9,479,329	\$ 4,749,252	\$ 5,528,746	\$ -	\$ 3,950,583
	Portales National Bank	New Mexico State Treasurer	First Community Bank				
50% pledged collateral requirement per statute	\$ 4,730,077	\$ 19,175	\$ -				
Total pledged collateral	(5,509,571)	(19,175)					
Pledged collateral (over) under requirement	\$ (779,494)	\$ -	\$ -				

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

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BANK SUMMARY

June 30, 2011

BANK	ACCT TYPE	FUND	BANK BALANCE	DEPOSITS IN TRANSIT	OUTSTANDING CHECKS	NET CASH BALANCE
JAMES POLK STONE NATIONAL BANK	CHK	PAYROLL	\$ 1,019,919	\$ -	\$ 1,014,139	\$ 5,780
	• CHK	OPERATING	2,232,725	-	-	2,232,725
	• CHK	CAP OUTLAY/DEBT SERVICE	5,133,923	-	-	5,133,923
	• CHK	CAFETERIA	784,149	-	-	784,149
	• CHK	ACTIVITY	588,659	-	-	588,659
	• CHK	ATHLETICS	143,896	-	-	143,896
	CHK	A/P CLEARING	56,883	-	56,883	-
TOTAL JAMES POLK STONE NATIONAL BANK			<u>\$ 9,960,154</u>	<u>\$ -</u>	<u>\$ 1,071,022</u>	<u>\$ 8,889,132</u>
NEW MEXICO STATE TREASURER	• SAVINGS	Operational	\$ 8,958	\$ -	\$ -	\$ 8,958
		Athletic	237	-	-	237
		Activity	989	-	-	989
		Capital Outlay	8,991	-	-	8,991
TOTAL NEW MEXICO STATE TREASURER			<u>\$ 19,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,175</u>
FIRST COMMUNITY BANK	• CD	Activity	\$ 24,483	\$ -	\$ -	\$ 24,483
TOTAL DEPOSITS		TOTAL DEPOSITED CASH	<u>\$ 10,003,812</u>	<u>\$ -</u>	<u>\$ 1,071,022</u>	<u>\$ 8,932,790</u>
	* interest bearing	ACTIVITY CASH ON HAND				100
		TOTAL CASH				<u>\$ 8,932,890</u>

STATE OF NEW MEXICO
 PORTALES MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2011

	<u>Operational</u>	<u>Transportation</u>	<u>Food Services</u>	<u>Athletics</u>	<u>Federal Projects</u>	<u>Local & State</u>	<u>SB-9</u>
Audited Net Cash JUNE 30, 2010	\$ 1,825,630	\$ -	\$ 742,729	\$ 129,502	\$ 19,313	\$ 40,400	\$ 1,726,448
	-	-	-	-	-	-	-
TOTAL CASH BALANCE JUNE 30, 2010	1,825,630	-	742,729	129,502	19,313	40,400	1,726,448
Add: Prior year void checks	-	-	-	-	-	-	-
2010-2011 Revenue	20,945,791	1,096,436	1,369,418	56,758	3,935,809	483,128	779,275
Loans Paid back	329,171	-	-	-	-	-	-
Loans In	-	-	-	-	166,149	20,944	-
Transfers In	-	-	-	-	-	-	-
	21,274,962	1,096,436	1,369,418	56,758	4,101,958	504,072	779,275
TOTAL AVAILABLE CASH	23,100,592	1,096,436	2,112,147	186,260	4,121,271	544,472	2,505,723
2010-2011 Expenditures	20,689,437	1,096,436	1,327,999	42,128	3,803,633	522,720	835,972
Loans Out	187,093	-	-	-	-	-	-
Loans Paid Back	-	-	-	-	308,930	20,241	-
Transfers Out	-	-	-	-	-	-	-
	20,876,530	1,096,436	1,327,999	42,128	4,112,563	542,961	835,972
NET CASH, JUNE 30, 2011	2,224,062	-	784,148	144,132	8,708	1,511	1,669,751
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL CASH, JUNE 30, 2011	\$ 2,224,062	\$ -	\$ 784,148	\$ 144,132	\$ 8,708	\$ 1,511	\$ 1,669,751

Ed Tech Debt Service	Debt Service	Activities	Instructional Materials	SPECIAL CAP OUTLAY STATE	Bond Building	Accounts Payable Clearing	Payroll Clearing
\$ 1,493	\$ 856,156	\$ 578,711	\$ 201,061	\$ -	\$ 2,985,459	\$	\$
	-	-	-	-	-		
1,493	856,156	578,711	201,061	-	2,985,459		
2,765	1,556,457	552,893	120,015	23,689	1,406,415		
-	4,231	-	-	-	-		
2,765	1,560,688	552,893	120,015	23,689	1,406,415		
4,258	2,416,844	1,131,604	321,076	23,689	4,391,874		
27	1,604,666	517,373	313,674	23,689	1,730,887		
-	-	-	-	-	-		
4,231	-	-	-	-	-		
4,258	1,604,666	517,373	313,674	23,689	1,730,887		
-	812,178	614,231	7,402	-	2,660,987	-	5,780
	-	-	-	-	-		
\$ -	\$ 812,178	\$ 614,231	\$ 7,402	\$ -	\$ 2,660,987	\$ -	\$ 5,780

SINGLE AUDIT SECTION

Woodard, Cowen & Co.

Certified Public Accountants

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 Balderas, New Mexico State Auditor
Board of Education
Portales Municipal Schools
Portales, NM 88130

We have audited the 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, 2011, which collectively comprise the Portales Municipal Schools' basic financial statements and have issued our report thereon dated November 8, 2011. 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 Portales Municipal Schools' 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.

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.

Woodard, Cowen & Co.

Woodard, Cowen & Company
Portales, New Mexico
November 8, 2011

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Portales Municipal Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Portales Municipal Schools' major federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 to determine the 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.

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.

Woodard, Cowen & Co.

Woodard, Cowen & Company
Portales, New Mexico
November 8, 2011

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2011

PRIOR YEAR AUDIT FINDINGS – Portales Municipal Schools

None

STATE OF NEW MEXICO
PORTALES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

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	National School Lunch #10.555 School Food Commodity #10.559 Education Job Fund #84.410
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, 2011

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 8, 2011. In attendance at the 4:00 p.m. meeting were Randy Fowler, Superintendent, Alan Garrett and Inez Rodriguez, School Board Members, and Sarah Marquez, Superintendent of Finance. Gayland Cowen, CPA represented our firm at this meeting. Also in attendance were audit committee members, Ira Kay Frasier, and Curt Jaynes.