

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008
(With Auditors' Report Thereon)

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INTRODUCTORY SECTION

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TUCUMCARI PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2008
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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
OFFICIAL ROSTER
JUNE 30, 2008

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Joe Barnett		President
Marty Garcia		Vice President
Doug Powers		Secretary
Albert J. Mitchell, Jr.		Member
Carlos Romero		Member
	<u>School Officials</u>	
Aaron McKinney		Superintendent
Dennis Roch		Assistant Superintendent
Trude Bauler		Business Manager

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FINANCIAL SECTION

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Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Tucumcari Public Schools
Tucumcari, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and fiduciary funds of Tucumcari Public Schools, New Mexico, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's major capital project funds, debt service fund, nonmajor governmental funds, including all the budgetary comparisons and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Tucumcari Public Schools, New Mexico'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 the 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 Tucumcari Public Schools, New Mexico, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund 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 nonmajor governmental fund and fiduciary fund of Tucumcari Public Schools, New Mexico, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons of major capital project funds, the debt service fund and each nonmajor governmental fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of Tucumcari Public Schools, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on page vi is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

P.O. Box 37379 • Albuquerque, NM 87176-7379
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112
Phone (505) 856-2741 - Fax (505) 856-7510

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Our audit was conducted for the purpose of forming opinions on the Tucumcari Public Schools's basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grigo Professional Services, LLC

Albuquerque, New Mexico
October 31, 2008

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TUCUMCARI PUBLIC SCHOOLS

Aaron W. McKinney, Superintendent
Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2008

This Management Discussion and Analysis of the fiscal performance of the TUCUMCARI PUBLIC SCHOOLS (District) for the period ending June 30, 2008 represents the District's fourth year implementation of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). This is the fifth year implementation of the GASB 34 rules; the reader will be able to make comparisons.

This discussion and analysis provides a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2008. Fund Financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible, this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphical information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's Report on Compliance on Internal Control (Governmental Accounting Standards), and a schedule of Findings and Questioned Costs. These statements and information were included in past audit reports.

About TUCUMCARI PUBLIC SCHOOLS

To completely understand the financial discussion of TUCUMCARI PUBLIC SCHOOLS, it is important to understand the nature of the District.

For parents choosing a public education for their children, Tucumcari Public Schools offers pre-school, pre-k, full day kindergarten, elementary and secondary education for approximately 1,070 students at the present. Our student population has despite the steady decline of the past years remained steady now for the second year consecutive year.

The Tucumcari Public School District is located one hundred and seventy six miles east of Albuquerque, New Mexico. Tucumcari is located on Interstate 40 in rural Eastern New Mexico. Mesalands Community College is located adjacent to the Tucumcari High School, which provides excellent opportunity for concurrent enrollment, both academic and vocational. Tucumcari Public Schools is the largest employer in our community. Our enrollment has hovered just above or below 1,070 students approximately equal in gender distribution. Our students are approximately 61% Hispanic, 35% Caucasian, .01% Native American, .02% Black American, and .02% Asian.

This goal of our school district is to provide safe, quality educational opportunities to all students to empower them to become all that they can be. The vision of the Tucumcari Public School District is:

"Excellence in Education"

Given this vision statement from the Board, and with the guidance of the New Mexico Public Education Department (PED) with their expectations outlined in the Standards for Excellence, and through varied input from district administration, teachers and parents, TPS established three focus areas. Our focus areas as defined by the district's Educational Plan for Students Success are as follows:

- Enhance student achievement for students of all academic abilities in the areas of language arts, mathematics and science as represented by improved test data, attendance data, and disciplinary data.
- Advance the knowledge of real world vocations and professions in order to address economic and employability demands.

The Mission of Tucumcari Public Schools focuses on the students we serve. Our mission is:

"Tucumcari Public schools will prepare students for successful lives"

Significant Financial Highlights for the Year Ended June 30, 2008

- The district continues to implement the new financial reporting and processes as required by the Governmental Accounting Standards Board Statement No. 34. The implementation includes both the current year reporting of depreciation on Capital Assets and accumulated depreciation to date.
- As part of the implementation of GASB 34 requirements, accumulated depreciation of \$27,494,720 as of June 30, 2007 decreased to \$26,527,089 in ending accumulated depreciation as of June 30, 2008 for a difference totaling (\$967,631) of depreciation expense.
- The overall adjusted Fund Balance decreased from \$ 3,129,173 for the year ending June 30, 2007 to \$ 3,006,376 for the year ending June 30, 2008. This represents a decrease in the fund balance of \$ 122,797.
- Total revenues increased from \$11,185,237 for the year ending June 30, 2007 to \$11,774,175 in the year ending June 30, 2008. This is an increase of \$588,938 reflecting an overall revenue increase of 5.26%. The most significant reason for this increase is an increase in State Equalization Guarantee unit value.
- Total expenditures, inclusive of all capital expenditures from bond proceeds increased from \$11,936,722 for the year ending June 30, 2007 to \$11,896,972 for the year ending June 30, 2008. This is a decrease in expenditures of \$39,750.

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Assets

This is the fifth year of implementation for the GASB 34 Statement of Net Assets. The TUCUMCARI PUBLIC SCHOOLS has utilized the accrual method of accounting. This statement shows that the District has total assets of \$23,723,929. The District has \$2,816,741 of cash and cash equivalents on hand as of June 30, 2008 compared to \$900,178 in accounts payable and other current liabilities. Net Assets totaling \$2,174,839 are “restricted” for debt service and capital projects. Net Assets totaling \$957,585 are “unrestricted”.

Assets	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>06/30/2008</u>
Cash Assets	2,477,996	2,643,036	2,816,741
Other Current Assets	618,869	933,931	626,029
Capital Assets	47,821,377	48,578,661	46,765,957
Less Accumulated Depreciation	(26,427,450)	(27,494,720)	(26,527,089)
Other concurrent Assets	9,861	46,470	42,291
Total Assets	<u>24,500,653</u>	<u>24,707,378</u>	<u>23,723,929</u>
Liabilities			
Accounts Payable	168,214	139,229	96,573
Accrued Interest	47,678	39,775	60,004
Other Current Liabilities	394,137	568,124	743,601
Long Term Liabilities	<u>2,484,225</u>	<u>3,445,000</u>	<u>3,025,000</u>
Total Liabilities	<u>3,094,254</u>	<u>4,192,128</u>	<u>3,925,178</u>
Net Assets			
Invested in Capital Assets	18,325,077	17,235,166	16,793,868
Restricted: Debt Service	744,623	507,531	592,153
Restricted: Capital Projects	1,241,307	1,667,308	1,351,778
Unrestricted	<u>1,095,392</u>	<u>1,105,245</u>	<u>1,060,952</u>
Total Net Assets	<u>21,406,399</u>	<u>20,515,250</u>	<u>19,798,751</u>

TUCUMCARI PUBLIC SCHOOLS financial statements, prior years’ information is included. The Management Discussion and Analysis has included three years of information in the presentation of this table.

GASB 34 rules now require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$26,527,089. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Statement of Activities

The Statement of Activities is a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ending June 30, 2008. As of June 30, 2008 the District had net assets of \$19,798,751. The beginning year total net assets is \$20,515,250 reflecting a decrease in total net assets of \$716,499 for the year ending June 30, 2008.

	June 30, 2007	June 30, 2008
Expenses for Governmental Activities	11,761,270	12,325,690
Less Charges for Services	30,849	51,057
Less Operating Grants and Contributions	2,350,726	2,470,907
Less Capital Grants and Contributions	154,812	195,116
	<hr/>	<hr/>
Net (Expenses) Revenues and Changes in Net Assets	(9,224,883)	(9,608,610)
	<hr/>	<hr/>
General Revenues		
Taxes – general, debt service, capital projects	652,373	654,484
Federal and State Aid not restricted to specific purposes	7,823,051	8,190,587
Interest Earned	75,896	84,867
Gain/loss on Disposal of assets		(61,076)
Miscellaneous	1,661	23,249
	<hr/>	<hr/>
Subtotal, General Revenues	8,552,981	8,892,111
	<hr/>	<hr/>
Changes in Net Assets	(671,902)	(716,499)
Prior Year Adjustments	(219,248)	
Net Assets Beginning	21,406,400	20,515,250
	<hr/>	<hr/>
Net Assets – Ending	20,515,250	19,798,751
	<hr/> <hr/>	<hr/> <hr/>

FUND FINANCIAL STATEMENTS

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances is *not* new to the District's annual financial reports. This report guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and federal sources were \$11,774,175. Total expenditures for the District were \$11,774,940. Other financing sources were \$16,800. The total ending fund balance was \$3,059,523 a decrease of \$69,650 from the prior year.

Multi-Year District Revenues and Expenditures

A multi-year view of overall District revenues and expenditures indicates significant change in both areas. The change of revenues and expenditures are commensurate with student count, legislative initiatives to improve funding for teacher salaries, student needs and other educational programs as well as state and local increase in revenues for capital outlay purposes.

Year	Total Revenues*	%age Change	Total Expenses*	%age Change
2007-2008	11,774,175	5.26	11,844,590	-0.0077
2006-2007	11,185,237	4.91	11,936,722	12.0
2005-2006	10,660,996	-8.0	10,649,152	-9.06
2004-2005	11,591,140	.20	11,709,848	3.20
2003-2004	11,566,456	-4.39	11,345,907	-6.79
2002-2003	12,097,386	6.02	12,172,850	4.84
2001-2002	11,410,148	-5.54	11,611,055	-4.31

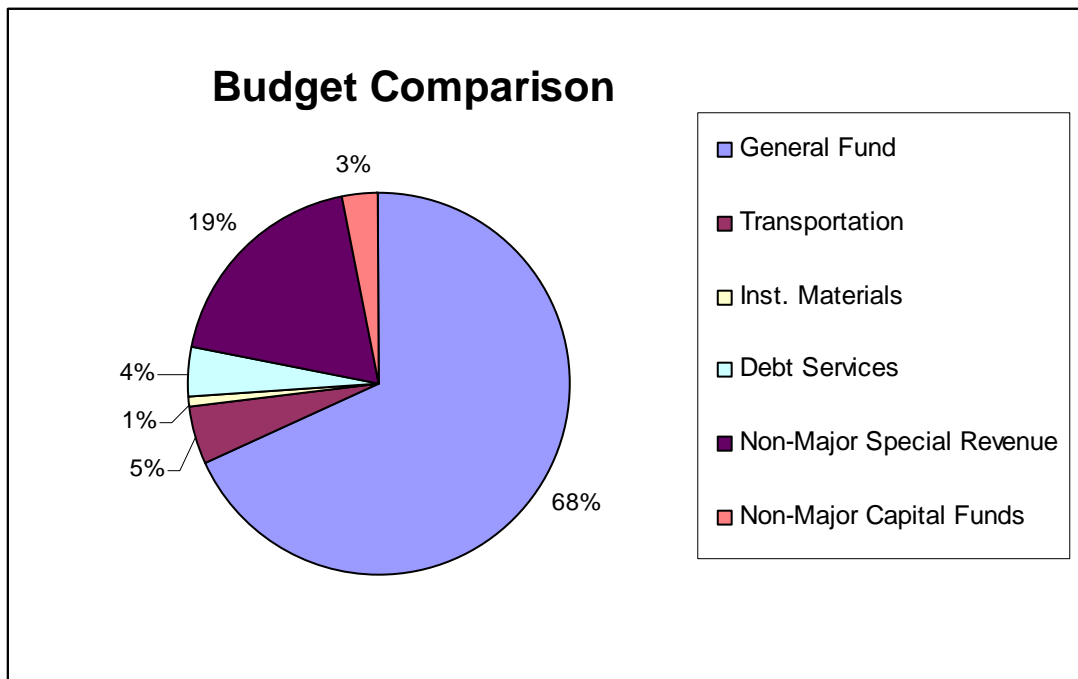
*Note: Revenues include proceeds from General Obligation Bonds, and exclude cash carryovers; Expenditures include Capital Outlays.

The Budget

District budgets reflect the same growth as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District’s Board, community input meetings, long term plans and input from various staff groups to develop the District’s budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for the year. However, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund (Operating, Transportation and Instructional Materials Funds), IDEA-B Entitlement, Title I Family Literacy, Debt Service, Bond Building and Special Capital Outlay - State. In addition, forty-three (43) non-major Special Revenue Funds, three (3) non-major Capital Projects Funds are also reported for budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.



The reader will note that the General Fund represents 75% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2008. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditure Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
Operational	8,185,897	8,291,020	105,123
Transportation	476,765	575,793	99,028
Instructional Materials	102,214	115,925	13,711
Debt Service	400,371	485,146	84,775

COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET

Fund Type	Final Combined Budget	Actual	Variance
Special Funds	2,120,770	2,219,924	99,154
Capital Projects	229,820	380,854	151,034

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Account and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

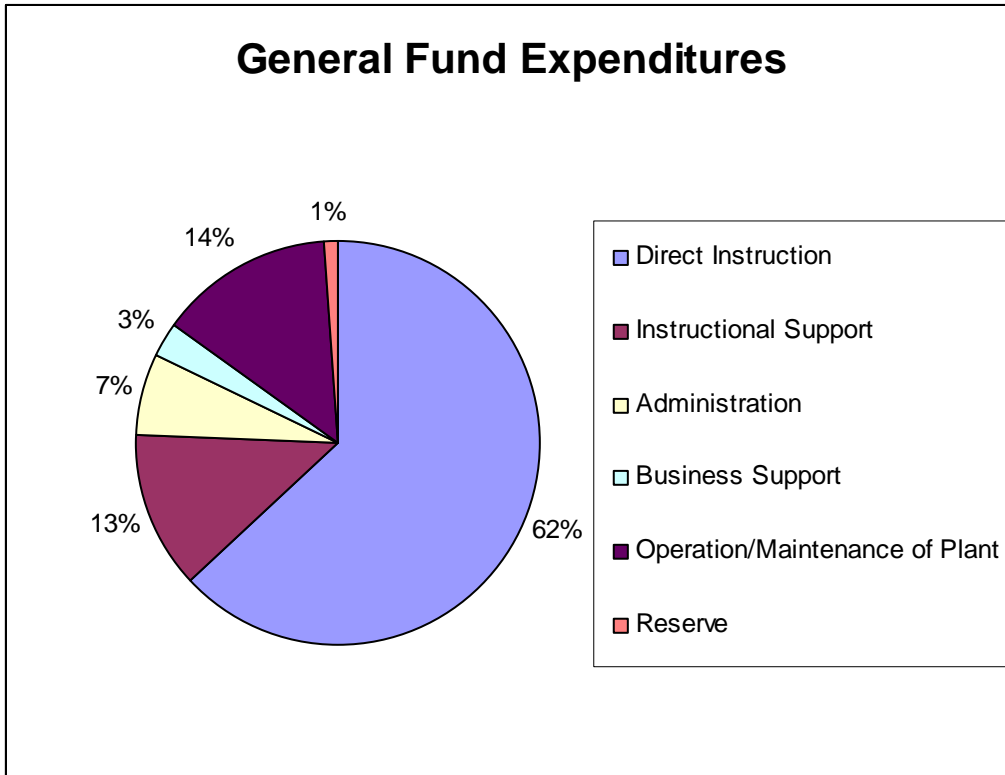
The General Fund

The General Fund revenues represent \$8,290,791 of the total \$11,774,175 in overall District revenues. The impact of this fund must be kept in context. The General Fund began the year with an initial budget of \$8,764,876 and had a final budget of \$8,982,738. This change represents an increase of \$217,862.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. The fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for athletics and vocational. Because of the student enrollment variances experienced by the School District, an emphasis on schools by the New Mexico Legislature and because the Equalization Guarantee Formula is based upon student populations, the General Fund (combined Operational, Transportation and Instructional Materials Funds) has seen both growth and decline in revenues as seen in the following table.

Year	Revenues	Percentage Change
2007-2008	8,883,890	3.61
2006-2007	8,573,992	5.21
2005-2006	8,148,452	3.48
2004-2005	7,874,472	-11.54
2003-2004	8,902,028	13.16
2002-2003	7,866,495	-.80
2001-2002	7,929,757	3.74
2000-2001	7,643,631	.89

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$8,849,469 was expended in the year ending June 30, 2008. The most significant inter-fund expenditure was for the function noted as "Instruction". This expenditure was \$5,603,649 and represents 63% of all General Fund expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Approximately 83% of all General Fund expenditures are made for employee salaries, payroll taxes and benefits.



Instructional Support represents 12% of General Fund expenditures and accounts for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs represent 6.6% and 2.7% respectively of the total General Fund expenditures. Maintenance accounts for 14% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for Athletics and student transportation related to instructional programs.

Capital Assets

Because of aging facilities, the District has taken a pro-active approach to maintaining existing facilities.

Asset Type	Balance June 30, 2006	Balance June 30, 2007	Balance June 30, 2008
Bond Issuance cost		46,470	42,291
Land Improvements	827,103	1,253,899	1,491,759
Furniture, Fixtures & Equipment	3,537,747	4,016,434	4,160,462
Building and Building Improvements	43,456,527	43,308,330	41,019,794
Construction in progress			93,942
Total Capital Assets	47,821,377	48,578,663	46,808,248
Less Accumulated Depreciation	(26,427,450)	(27,494,720)	(26,527,089)
Capital Assets-Net	21,393,927	21,083,943	20,281,159

In fiscal year ending June 30, 2008, the District expended \$708,719 for all capital outlays, including buildings & building improvements as well as furniture, fixtures and equipment. The District in cooperation with PSFA demolished the vacant Granger Elementary Building, which was adjacent to Tucumcari Middle School, and the reclaimed land will be converted to a baseball field and PE facility for the Middle School. Depreciation expense totaled \$1,450,135 for the year.

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for “the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds for purchasing computer software or hardware for student use in public classrooms or any combination of these purposes.” The approval of debt is subject to a vote of the local elector and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below are the Districts annual requirements to amortize the General Obligation Bonds, including interest payments, as of June 30, 2008.

Year Ended June 30	Principal	Interest	Totals
2009	420,000	134,761	554,761
2010	300,000	117,908	417,908
2011	295,000	102,767	397,767
2012	300,000	87,693	387,693
2013	270,000	73,928	343,928
2014-2018	1,280,000	200,627	1,480,627
2019-2023	580,000	28,805	608,805
Totals	3,445,000	746,489	4,191,489

During the year ended June 30, 2008, the District made the final payment on a Bond issued in 2004 in the amount of \$ 1,090,000.

Agency Funds

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with State Department of Education Regulations and School District Policy. The Statement of Fiduciary Net Assets has a cash balance of \$ 157,271 as of June 30, 2008 held on behalf of the students. This amount represents total fundraiser student support by the community.

Future Trends

TUCUMCARI PUBLIC SCHOOLS continues to proceed with plans to build a new high school on the site of the aging building currently in use. The project is funded through a voter-approved \$3 million bond, matched by over \$15 million from the Public School Capital Outlay Council (PSCOC), and is expected to be completed in three phases.

In addition, the district will be seeking direct legislative appropriations to equip the new high school's culinary arts lab with a commercial kitchen, designed to integrate students' academic studies with marketable skills in the hotel and restaurant industry—an industry which represents a significant portion of Quay County's local economy. Other legislative requests include funds to upgrade to more energy-efficient heating and cooling systems at the middle school, as well as to replace current exterior windows with new components designed to improve energy conservation and reduce maintenance and utility costs.

Overall, the district is committed to healthy fiscal practices and takes its financial responsibility very seriously. We endeavor to be good stewards of local, state, and federal resources.

Contacting Tucumcari Public Schools

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Tucumcari Public School District's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Tucumcari Public School District, please visit our web site at <http://www.gorattlers.org/>, or contact us at:

Tucumcari Public Schools Central Office
2400 South Eighth Street
PO Box 1046
Tucumcari, NM 888401
PHONE: 575-461-3910
FAX: 575-461-3554

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,816,741
Receivables	
Property taxes	31,782
Due from other governments	408,210
Inventory	186,037
Total current assets	<u>3,442,770</u>
Noncurrent assets:	
Bond issuance costs (net of accumulated amortization of \$21,772)	42,291
Capital assets:	
Land and land improvements	1,491,759
Buildings and building improvements	41,019,794
Furniture, fixtures and equipment	4,160,462
Construction in progress	93,942
Less: accumulated depreciation	<u>(26,527,089)</u>
Total noncurrent assets	<u>20,281,159</u>
Total assets	<u><u>\$ 23,723,929</u></u>

The accompanying notes are an integral part of these financial statements

	Governmental Activities
	<u> </u>
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 96,573
Accrued insurance	234,489
Accrued compensated absences	53,147
Accrued interest	60,004
Deferred revenue	35,965
Current portion of long-term debt	420,000
Total current liabilities	<u>900,178</u>
Noncurrent liabilities:	
Bonds due in more than one year	<u>3,025,000</u>
Total noncurrent liabilities	<u>3,025,000</u>
Total liabilities	3,925,178
Invested in capital assets, net of related debt	16,793,868
Restricted for:	
Debt service	592,153
Capital projects	1,351,778
Unrestricted	<u>1,060,952</u>
Total net assets	<u>19,798,751</u>
Total liabilities and net assets	<u>\$ 23,723,929</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 5,874,481	\$ 40,758
Support services:		
Students	717,738	-
Instruction	266,984	-
General Administration	577,249	-
School Administration	788,229	-
Other Support Services	-	-
Central Services	206,210	-
Operation & Maintenance of Plant	1,832,516	-
Student Transportation	459,651	-
Food Services Operation	528,110	10,299
Community Services	-	-
Unallocated Outlay Depreciation	920,412	-
Interest on long-term debt	154,110	-
Total Primary Government	\$ 12,325,690	\$ 51,057

The accompanying notes are an integral part of these financial statements

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
Operating Grants and Contributions	Capital Grants and Contributions	
\$ 854,725	\$ -	\$ (4,978,998)
328,927	-	(388,811)
10,131	-	(256,853)
-	-	(577,249)
313,036	-	(475,193)
-	-	-
-	-	(206,210)
-	195,116	(1,637,400)
464,245	-	4,594
499,843	-	(17,968)
-	-	-
-	-	(920,412)
-	-	(154,110)
<u>\$ 2,470,907</u>	<u>\$ 195,116</u>	<u>(9,608,610)</u>

General Revenues:

Property taxes:		
Levied for general purposes		28,282
Levied for debt service		489,186
Levied for capital projects		137,016
State Equalization Guarantee		8,190,587
Unrestricted investment earnings		84,867
Gain/loss on disposal of assets		(61,076)
Miscellaneous		23,249
		<u>8,892,111</u>
Total general revenues		<u>8,892,111</u>
Change in net assets		(716,499)
Net assets - beginning		<u>20,515,250</u>
Net assets - ending		<u>\$ 19,798,751</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 502,335	\$ -	\$ 24,134
Accounts receivable			
Property taxes	1,635	-	-
Due from other governments	-	70,672	-
Due from other funds	398,869	-	-
Inventory	176,266	-	-
<i>Total assets</i>	<u>\$ 1,079,105</u>	<u>\$ 70,672</u>	<u>\$ 24,134</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	\$ 28,108	\$ 1,216	\$ -
Accrued insurance	234,489	-	-
Due to other funds	-	50,234	-
Deferred revenue - property taxes	1,061	-	-
Deferred revenue - other	-	-	-
<i>Total liabilities</i>	<u>263,658</u>	<u>51,450</u>	<u>-</u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	176,266	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	-	-	-
Unreserved:			
Undesignated, reported in			
General Fund	639,181	19,222	24,134
Special Revenue Funds	-	-	-
<i>Total fund balances</i>	<u>815,447</u>	<u>19,222</u>	<u>24,134</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,079,105</u>	<u>\$ 70,672</u>	<u>\$ 24,134</u>

The accompanying notes are an integral part of these financial statements

Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ 1,192,294	\$ 569,041	\$ 528,937	\$ 2,816,741
-	23,112	7,035	31,782
-	-	337,538	408,210
-	-	-	398,869
-	-	9,771	186,037
<u>\$ 1,192,294</u>	<u>\$ 592,153</u>	<u>\$ 883,281</u>	<u>\$ 3,841,639</u>
\$ 60,239	\$ -	\$ 7,010	\$ 96,573
-	-	-	234,489
-	-	348,635	398,869
-	11,373	3,786	16,220
-	-	35,965	35,965
<u>60,239</u>	<u>11,373</u>	<u>395,396</u>	<u>782,116</u>
-	-	9,771	186,037
-	580,780	-	580,780
1,132,055	-	215,937	1,347,992
-	-	-	682,537
-	-	262,177	262,177
<u>1,132,055</u>	<u>580,780</u>	<u>487,885</u>	<u>3,059,523</u>
<u>\$ 1,192,294</u>	<u>\$ 592,153</u>	<u>\$ 883,281</u>	<u>\$ 3,841,639</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
GOVERNMENTAL FUNDS

Exhibit B-1
 (Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2008

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

Fund balances - total governmental funds	\$	3,059,523
Issuance costs, net of accumulated amortization		42,291
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		20,238,868
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		16,220
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest		(60,004)
Accrued compensated absences		(53,147)
General obligation bonds		(3,445,000)
		(3,558,151)
Net Assets Governmental Activities	\$	19,798,751

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
<i>Revenues:</i>			
Charges for services	\$ 4,112	\$ -	\$ -
Property taxes	27,501	-	-
State grants	8,190,587	464,245	115,452
Federal grants	24,533	-	-
Interest	33,738	-	473
Miscellaneous	10,320	12,929	-
<i>Total revenues</i>	<u>8,290,791</u>	<u>477,174</u>	<u>115,925</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	5,171,331	-	115,439
Support Services			
Students	407,160	-	-
Instruction	198,710	-	6,758
General Administration	363,042	-	-
School Administration	599,198	-	-
Central Services	198,541	-	-
Operation & Maintenance of Plant	1,283,574	-	-
Student Transportation	-	477,293	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>8,221,556</u>	<u>477,293</u>	<u>122,197</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>69,235</u>	<u>(119)</u>	<u>(6,272)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>69,235</u>	<u>(119)</u>	<u>(6,272)</u>
<i>Fund balances - beginning of year</i>	<u>746,212</u>	<u>19,341</u>	<u>30,406</u>
<i>Fund balances - end of year</i>	<u>\$ 815,447</u>	<u>\$ 19,222</u>	<u>\$ 24,134</u>

The accompanying notes are an integral part of these financial statements

Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 46,945	\$ 51,057
-	481,984	134,220	643,705
-	-	318,236	9,088,520
-	-	1,859,009	1,883,542
50,574	-	82	84,867
-	-	-	23,249
<u>50,574</u>	<u>481,984</u>	<u>2,358,492</u>	<u>11,774,940</u>
-	-	650,745	5,937,515
-	-	303,837	710,997
-	-	58,165	263,633
-	5,683	187,902	556,627
-	-	183,578	782,776
-	-	-	198,541
-	-	1,474	1,285,048
-	-	-	477,293
-	-	-	-
-	-	524,560	524,560
-	-	-	-
388,491	-	320,228	708,719
-	265,000	-	265,000
-	133,881	-	133,881
-	-	-	-
<u>388,491</u>	<u>404,564</u>	<u>2,230,489</u>	<u>11,844,590</u>
<u>(337,917)</u>	<u>77,420</u>	<u>128,003</u>	<u>(69,650)</u>
(16,800)	-	16,800	-
-	-	-	-
<u>(16,800)</u>	<u>-</u>	<u>16,800</u>	<u>-</u>
<u>(354,717)</u>	<u>77,420</u>	<u>144,803</u>	<u>(69,650)</u>
<u>1,486,772</u>	<u>503,360</u>	<u>343,082</u>	<u>3,129,173</u>
<u>\$ 1,132,055</u>	<u>\$ 580,780</u>	<u>\$ 487,885</u>	<u>\$ 3,059,523</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-2
(Page 2 of 2)

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

Net change in fund balances - total governmental funds	\$	(69,650)
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Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Depreciation expense		(1,059,460)
Capital Outlays		275,463
Gain/loss on disposal of assets		(61,076)

Bond issue costs are expended in the governmental funds when paid, and are capitalized and amortized in the statement of net assets. This is the amount by which current year bond issuance costs exceed amortization expense.		(4,179)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Change in Property taxes		10,779
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Decrease in accrued interest payable		(20,229)
Increase in accrued compensated absences		(53,147)
Principal payments on bonds		265,000

Change in Net Assets Governmental Activities	\$	<u><u>(716,499)</u></u>
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The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
OPERATIONAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 31,735	\$ 31,735	\$ 42,162	\$ 10,427
State sources	8,123,662	8,123,662	8,190,587	66,925
Federal sources	18,000	18,000	24,533	6,533
Interest	12,500	12,500	33,738	21,238
<i>Total revenues</i>	8,185,897	8,185,897	8,291,020	105,123
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,603,649	5,491,150	5,161,374	329,776
Support Services				
Students	447,073	447,071	407,160	39,911
Instruction	232,220	232,220	198,710	33,510
General Administration	408,509	408,362	372,382	35,980
School Administration	580,628	643,127	599,812	43,315
Central Services	236,375	236,523	229,623	6,900
Operation & Maintenance of Plant	1,240,289	1,290,287	1,282,411	7,876
Student Transportation	-	-	-	-
Other Support Services	100,726	100,726	-	100,726
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,849,469	8,849,466	8,251,472	597,994
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(663,572)	(663,569)	39,548	703,117
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	663,572	663,569	-	(663,569)
<i>Total other financing sources (uses)</i>	663,572	663,569	-	(663,569)
<i>Net changes in fund balances</i>	-	-	39,548	39,548
<i>Fund balances - beginning of year</i>	-	-	861,656	861,656
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 901,204	\$ 901,204
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(229)	
Expenditure accruals			30,644	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 69,963	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
TRANSPORTATION FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 12,929	\$ 12,929
State sources	388,275	476,765	562,864	86,099
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	388,275	476,765	575,793	99,028
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	388,274	476,767	476,760	7
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	388,274	476,767	476,760	7
<i>Excess (deficiency) of revenues over (under) expenditures</i>	1	(2)	99,033	99,035
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	(1)	2	-	(2)
<i>Total other financing sources (uses)</i>	(1)	2	-	(2)
<i>Net changes in fund balances</i>	-	-	99,033	99,033
<i>Fund balances - beginning of year</i>	-	-	(149,267)	(149,267)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (50,234)	\$ (50,234)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(98,619)	
Expenditure accruals			(533)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (119)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	102,214	102,214	115,452	13,238
Federal sources	-	-	-	-
Interest	-	-	473	473
<i>Total revenues</i>	<u>102,214</u>	<u>102,214</u>	<u>115,925</u>	<u>13,711</u>
<i>Expenditures:</i>				
Current:				
Instruction	93,938	124,280	115,439	8,841
Support Services				
Students	-	-	-	-
Instruction	8,276	8,276	6,758	1,518
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>102,214</u>	<u>132,556</u>	<u>122,197</u>	<u>10,359</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(30,342)</u>	<u>(6,272)</u>	<u>24,070</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	30,342	-	(30,342)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>30,342</u>	<u>-</u>	<u>(30,342)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,272)</u>	<u>(6,272)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,406</u>	<u>30,406</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,134</u>	<u>\$ 24,134</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (6,272)</u>	

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

Exhibit D-1

ASSETS

Current Assets

Cash

\$ 157,271

Total assets

157,271

LIABILITIES

Current Liabilities

Deposits held in trust for others

157,271

Total liabilities

\$ 157,271

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies

The Tucumcari Public School Board was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

The financial statements of Tucumcari Public Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which include funds that were not required to be presented as major but were at the discretion of management:

Operational Funds:

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

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

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

Additionally, the government reports the following fund types:

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary funds are used to account for the collection and payment of student activity funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The District follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has elected to apply FASB statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and Public School Capital Outlay funding to be used for capital projects. 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, then unrestricted resources as they are needed.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Assets or Equity

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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 "interfund balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Quay County Treasurer in July and August 2008 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2008.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Instructional Materials: The New Mexico Public Education Department receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while thirty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list. The districts are allowed to carry forward unused textbook credits from year to year.

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2008.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, infrastructure assets have not been included in the June 30, 2008 financial statements of Tukumcari Public Schools, since the District did not own infrastructure assets as of June 30, 2008. Information Technology Equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. In addition, the District recognizes capital assets additions received through the NM Public School Finance Authority within its capital asset listings and in the financial statements.

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. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2008.

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

Land Improvements	5-50 years
Buildings/building improvements	5-100 years
Furniture, Fixtures and equipment	5-20 years

Deferred Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Compensated Absences: All regular twelve month support staff employees are entitled to accumulate vacation with pay. Annual leave accumulated during the first year of employment may not be taken during their first year. Annual leave accumulated during the contract year of employment must be taken prior to June the following year. Twelve month employees with less than ten year of service with the District earn ten days annual leave per contract year. Twelve month employees with ten years or more of service with the District earn fifteen day annual leave per contract year.

Compensated sick leave is only paid to an employee upon retirement. If an employee resigns or is terminated, their accumulated leave becomes void. The amount of compensated absences is not to exceed one hundred hours. Due to the policy in place, it is not considered necessary to accrue compensated sick leave. The amounts that are paid to retiring employees are recognized in the year of retirement as a current expenditure.

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

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Equity: Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Restricted Net Assets: For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset used are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program 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 \$8,190,587 in state equalization guarantee distributions during the year ended June 30, 2008.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. The District recognized \$643,705 in tax revenues during the year ended June 30, 2008. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects property taxes and distributes them to the school district in the month following collection.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$464,245 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2008 totaled \$115,452.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (Continued)

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

The District received \$147,037 in state SB-9 matching during the year ended June 30, 2008.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

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

During the year ended June 30, 2008, the District received \$48,079 in public school capital outlay funds.

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

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2. Stewardship, Compliance and Accountability

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 School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget 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:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. 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 Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2. Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Tucumcari Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
11. 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. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2008 is presented under each budgetary statement.

NOTE 3. Deposits and Investments

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on Schedule II 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.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Deposits and Investments (Continued)

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Deposits:

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Wells Fargo Bank	First National Bank	Citizens Bank	Tucumcari Federal Credit Union	Totals
Total of deposit in bank	\$ 630,739	\$ 262,850	\$ 539,564	\$ 100,000	\$ 1,533,153
Less: FDIC Coverage	100,000	100,000	200,000	100,000	500,000
Uninsured public funds	530,739	162,850	339,564	-	1,033,153
Pledged Collateral held by pledging bank's trust department or agent but not in the agency's name	(416,689)	(182,569)	(507,900)	-	(1,107,158)
Uninsured and uncollateralized	<u>\$ 114,050</u>	<u>\$ (19,719)</u>	<u>\$ (168,336)</u>	<u>\$ -</u>	<u>\$ (74,005)</u>
50% pledged collateral requirement per statute	\$ 265,370	\$ 81,425	\$ 169,782	\$ -	\$ 516,577
Total pledged collateral	(416,689)	(182,569)	(507,900)	-	(1,107,158)
Pledged collateral (over) under the requirement	<u>\$ (151,320)</u>	<u>\$ (101,144)</u>	<u>\$ (338,118)</u>	<u>\$ -</u>	<u>\$ (590,582)</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2008, \$1,033,153 of the District's bank balance of \$1,533,153 was exposed to custodial credit risk because it was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name. The remaining \$74,005 of the balance was uninsured and uncollateralized. At June 30, 2008, the carrying amount of these deposits was \$1,290,840.

Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 Year</u>
Repurchase agreements	<u>\$ 1,683,172</u>	<u>\$ 1,683,172</u>

Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one hundred and two percent of the amount on deposit with the institution.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Deposits and Investments (Continued)

The schedule listed below discloses requirements on reporting the insured portion of the District's repurchase agreements.

	Wells Fargo Bank
Total of deposit in bank	\$ 1,683,172
Less: FDIC Coverage	-
Uninsured public funds	1,683,172
Pledged Collateral held by pledging bank's trust department or agent but not in the agency's name	(1,781,942)
Uninsured and uncollateralized	\$ (98,770)
102% pledged collateral requirement per statute	\$ 1,716,835
Total pledged collateral	(1,781,942)
Pledged collateral (over) under the requirement	\$ (65,107)

Custodial credit risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$1,683,172 investment in repurchase agreements, the entire balance of underlying securities are held by the investment's counterparty not in the name of the District. The District's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the District's repurchase agreements at June 30, 2008 was \$1,683,172.

Concentration of credit risk - Investments The District's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. The District's investment in repurchase agreements is 100% of investments.

Reconciliation of Cash and Cash Equivalents

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 2,816,741
Statement of Fiduciary Net Assets – cash per Exhibit D-1	157,271
	2,974,012
Add outstanding checks and other reconciling items	242,313
Bank balance of deposits and investments	\$ 3,216,325

STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4. Receivables

Receivables as of June 30, 2008 are as follows:

	<u>General Fund</u>	<u>Transportation</u>	<u>Debt Service</u>
Property taxes	\$ 1,635	\$ —	\$ 23,112
Intergovernmental – grants	—	70,672	—
Other	—	—	—
Totals	<u>\$ 1,635</u>	<u>\$ 70,672</u>	<u>\$ 23,112</u>
	<u>Other</u>		
	<u>Governmental</u>	<u>Total</u>	
Property taxes	\$ 7,035	\$ 31,782	
Intergovernmental – grants	337,538	408,210	
Other	—	—	
Totals	<u>\$ 344,573</u>	<u>\$ 439,992</u>	

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables are presented net of deferred revenues in the amount of \$16,220 on the governmental fund financial statements.

NOTE 5. Interfund Receivables, Payables, and Transfers

Receivables and payables from interfund transactions as of June 30, 2008 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented (*). All other interfund receivables and payables represent short-term loans and are expected to be repaid within one year.

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	398,869	—
Transportation*	—	50,234
Nonmajor Funds:		
Total Nonmajor*	<u>—</u>	<u>348,635</u>
Total Governmental Activities	<u>\$ 398,869</u>	<u>\$ 398,869</u>

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6. Capital Assets

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

	Balance June 30, 2007	Additions	Deletions	Reclass	Balance June 30, 2008
Assets not being depreciated:					
Land	\$ 304,874	—	—	—	\$ 304,874
Land	—	93,942	—	—	93,942
Subtotal	<u>304,874</u>	<u>93,942</u>	<u>—</u>	<u>—</u>	<u>398,816</u>
Assets being depreciated:					
Land improvements	949,023	—	—	237,862	1,186,885
Buildings and building improvements	43,308,330	—	(2,050,674)	(237,862)	41,019,794
Furniture, fixtures & equipment	4,016,434	181,521	(37,493)	—	4,160,462
Subtotal	<u>48,273,787</u>	<u>181,521</u>	<u>(2,088,167)</u>	<u>—</u>	<u>46,367,141</u>
Less accumulated depreciation:					
Land improvements	(156,974)	(52,575)	(3,964)	—	(213,513)
Buildings and building improvements	(25,171,270)	(741,160)	1,990,335	—	(23,922,095)
Furniture, fixtures & equipment	(2,166,476)	(265,725)	40,720	—	(2,391,481)
Subtotal	<u>(27,494,720)</u>	<u>(1,059,460)</u>	<u>2,027,091</u>	<u>—</u>	<u>(26,527,089)</u>
Net assets being depreciated	<u>20,779,067</u>	<u>(877,939)</u>	<u>(61,076)</u>	<u>—</u>	<u>19,840,052</u>
Total net capital assets	<u>\$ 21,083,941</u>	<u>\$ (783,997)</u>	<u>\$ (61,076)</u>	<u>\$ —</u>	<u>\$ 20,238,868</u>

Depreciation expense for the year ended June 30, 2008 was charged to governmental activities as follows:

Instruction	\$ 71,761
Support Services- General Administration	6,741
Operations/Plant Maint.	1,643
Student Transportation	55,353
Food Services Operations	3,550
Depreciation- Unallocated	<u>920,412</u>
	<u>\$ 1,059,460</u>

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7. Long-term Debt

During the year ended June 30, 2008 the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds	\$ 3,710,000	\$ —	\$ 265,000	\$ 3,445,000	\$ 420,000
Compensated Absences	<u>26,057</u>	<u>69,641</u>	<u>42,551</u>	<u>53,147</u>	<u>53,147</u>
Total	<u>\$ 3,736,057</u>	<u>\$ 69,641</u>	<u>\$ 307,551</u>	<u>\$ 3,498,147</u>	<u>\$ 473,147</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2009	\$ 420,000	\$ 134,761	\$ 554,761
2010	300,000	117,908	417,908
2011	295,000	102,767	397,767
2012	300,000	87,693	387,693
2013	270,000	73,928	373,928
2014-2018	1,280,000	200,627	1,480,627
2019-2023	<u>580,000</u>	<u>28,805</u>	<u>608,805</u>
Totals	<u>\$ 3,445,000</u>	<u>\$ 746,489</u>	<u>\$ 4,191,489</u>

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds and are payable solely from general property taxes that are levied against all taxable property in District. In prior years, the debt service fund was typically used to liquidate general obligation bonds.

Interest payments are due semi-annually on August 1 and February 1. Interest rates on the bonds range from 1.32% to 6.75%. Principal payments in varying amounts are due annually on August 1 through 2020.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2008, compensated absences increased \$27,090 over the prior year accrual. The accrued compensated absences are paid by the general fund. See Note 1 for more details.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

NOTE 8. Deferred Revenue

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance. The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following fund reported a deficit fund balance at June 30, 2008:

Nonmajor Funds:

Carl D. Perkins	<u>\$ 14,788</u>
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- B. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2008.

NOTE 11. Pension Plan – Educational Retirement Board

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

Funding Policy. Plan members are required to contribute 7.825% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's and employee's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$1,110,387, \$1,043,632, and \$937,170 respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$77,653, \$75,533 and \$75,388 respectively, which equal the required contributions for each year.

NOTE 13. Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 14. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 15. Joint Powers Agreements

The New Mexico Department of Transportation and Tukumcari Public Schools (SCS) are in agreement to resurface residential streets that are adjacent to the Schools property that have experienced an increased traffic use, due to school buses and parent delivery and pick-up of students. These repairs will be done in conjunction with City of Tukumcari Road Department projects, who is the party responsible for operations. The total project cost is estimated at \$25,704, with the Schools portion being \$6,426. The work is to commence subsequent to July 1, 2007 and must be completed by December 31, 2008.

Quay County Maternal Child & Community Health Council and Tukumcari Public Schools entered into an agreement with the intent of improving the health of children and families residing within the limits of Tukumcari Public School District. Both will work as collaborative partners in the provision of MCH-funded mental health counseling, health case management, and health education services to students and their families who attend Tukumcari Public Schools. Tukumcari Public Schools provides fiscal agency services for the MCH-funded mental health counseling, health case management, and health education and ongoing work of the Quay County MCCH Council. Quay County MCCH Council determines and monitors the needs of the children and families. This agreement is effective from August 15, 2006 to June 30, 2010. The State of New Mexico, Department of Health will pay Tukumcari Public Schools a total not to exceed \$600,000. Tukumcari in turn will pay all the vendor invoices from Quay County Maternal Child & Community Health Council. It is Tukumcari Public Schools responsibility for an annual financial audit.

NOTE 16. Subsequent Event

The District, along with the community, passed a \$3,075,000 Bond Election in FY 2007 and was awarded a match of \$15,740,000 for the construction of a new High School and renovations to some existing High School facilities. This is a joint effort with PSCOC, PSFA, and the District allocating monies for the completion of the construction. The bond sales are scheduled for May 2007 in the amount of \$ 1,250,000, October 2008 in the amount of \$ 900,000 and October 2009 in the amount of \$ 925,000.

NOTE 16. Commitments

The District is in contract with Weil Construction, Inc. for Mesa Kitchen Alterations- total contract amount is \$930,960, the Schools portion is 25% and the PSFA will get the additional 75%. At June 30, 2008 the Vendor completed and earned \$67,116; therefore leaving an amount of \$863,844, the Schools portion being \$215,961.

The District is in contract with Greer-Stafford for High School Renovations- total contract amount is \$565,296, the Schools portion is 25% and the PSFA will get the additional 75%. At June 30, 2008 the Vendor completed and earned \$308,654; therefore leaving an amount of \$256,642, the Schools portion being \$64,161.

NOTE 17. New Accounting Standard- GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions

This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The District reports as a cost sharing employer under the new standard and will be required to recognize OPEB expenditures for their contractually required contributions to the plan on the modified accrual basis. This Statement is effective for the period beginning 2008/2009, but the impact of it is unknown.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Food Services (21000) – To account for the cost of operating a student food program and is financed with federal grants and fees paid by program users.

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

Title I (24101 and 24162) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

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

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

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

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

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

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

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

Carl D. Perkins Secondary- Current (24174) – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Maternal/Child Health (25110) – To improve the health of mothers and children consistent with the applicable health status goals and national health objectives established by the Secretary of the U.S. Department of Health and Human Services.

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SPECIAL REVENUE FUNDS

Adv Placement Incentive Program NMHU (25135) – To increase access to advance placement classes and tests for low-income students and to cover part or all of the cost of test fees for low-income students enrolled in advanced placement courses. CFDA #84.330

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

Technology for Education PED (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

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

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

Breakfast for Elementary Students (27155) – To pay for breakfast food for elementary students.

School Improvement Framework (27164) – For Alpine Achievement testing.

GO Bond C for Libraries (27170) – Used for Libraries

NMHU Gear Up Program (28138) – For the Middle School to reward achievement in students.

Private Direct Grants (29102) – To account for local grants awarded to provide additional funding for specific projects.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Food Services 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 36,868	\$ 14,863	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	97,063	112,786
Due from other funds	-	-	-	-
Inventory	9,771	-	-	-
<i>Total assets</i>	<u>\$ 46,639</u>	<u>\$ 14,863</u>	<u>\$ 97,063</u>	<u>\$ 112,786</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	\$ 67	\$ -	\$ 19	\$ 3,110
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	97,044	109,676
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>67</u>	<u>-</u>	<u>97,063</u>	<u>112,786</u>
<i>Fund balances</i>				
Fund Balances:				
Reserved:				
Reserved for inventory	9,771	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in Special Revenue Funds	36,801	14,863	-	-
<i>Total fund balances</i>	<u>46,572</u>	<u>14,863</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 46,639</u>	<u>\$ 14,863</u>	<u>\$ 97,063</u>	<u>\$ 112,786</u>

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

Preschool IDEA-B 24109	Enhancing Ed Thru Technology 24133	Title V Part A Innovative Ed Pro Strategies 24150	Teacher / Principal Training / Recruiting 24154	Safe & Drug Free Schools & Community 24157
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
10,297	6,321	2,550	77,760	466
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,297</u>	<u>\$ 6,321</u>	<u>\$ 2,550</u>	<u>\$ 77,760</u>	<u>\$ 466</u>
\$ -	\$ -	\$ -	\$ 585	\$ -
-	-	-	-	-
-	-	-	-	-
10,297	6,321	2,550	77,175	466
-	-	-	-	-
-	-	-	-	-
<u>10,297</u>	<u>6,321</u>	<u>2,550</u>	<u>77,760</u>	<u>466</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,297</u>	<u>\$ 6,321</u>	<u>\$ 2,550</u>	<u>\$ 77,760</u>	<u>\$ 466</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Rural & Low Income Schools 24160	Title I School Improvement 24162	Carl D. Perkins Secondary Current 24174	Maternal/Child Health 25110
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 37,021
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	13,572	9,300	532	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 13,572</u>	<u>\$ 9,300</u>	<u>\$ 532</u>	<u>\$ 37,021</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,229
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	13,572	9,300	15,320	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	33,792
<i>Total liabilities</i>	<u>13,572</u>	<u>9,300</u>	<u>15,320</u>	<u>37,021</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in Special Revenue Funds	-	-	(14,788)	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,788)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 13,572</u>	<u>\$ 9,300</u>	<u>\$ 532</u>	<u>\$ 37,021</u>

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

Adv Placement Incentive Program NMHU 25135	Title XIX Medicaid 3 / 21 Years 25153	Technology for Education PED 27117	Incentives for School Improvement Act 27138	Beginning Teacher Mentoring Program 27154
\$ 2,173	\$ 140,466	\$ 47,447	\$ 36,713	\$ 639
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,173</u>	<u>\$ 140,466</u>	<u>\$ 47,447</u>	<u>\$ 36,713</u>	<u>\$ 639</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	23
-	-	-	-	-
2,173	-	-	-	-
<u>2,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>140,466</u>	<u>47,447</u>	<u>36,713</u>	<u>616</u>
<u>-</u>	<u>140,466</u>	<u>47,447</u>	<u>36,713</u>	<u>616</u>
<u>\$ 2,173</u>	<u>\$ 140,466</u>	<u>\$ 47,447</u>	<u>\$ 36,713</u>	<u>\$ 639</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Breakfast for Elementary Students 27155	School Improvement Framework 27164	GO Bond C for Libraries 27170	NMHU Gear Up Program 28138
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	6,891	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,891</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	6,891	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>6,891</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in Special Revenue Funds	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,891</u>	<u>\$ -</u>

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

Private Direct Grants 29102	Total Special Revenue Funds	Total Capital Projects Funds	Total Nonmajor Funds
\$ 59	\$ 316,249	\$ 212,688	\$ 528,937
-	-	7,035	7,035
-	337,538	-	337,538
-	-	-	-
-	9,771	-	9,771
<u>\$ 59</u>	<u>\$ 663,558</u>	<u>\$ 219,723</u>	<u>\$ 883,281</u>
\$ -	\$ 7,010	\$ -	\$ 7,010
-	-	-	-
-	-	-	-
-	348,635	-	348,635
-	-	3,786	3,786
-	35,965	-	35,965
-	391,610	3,786	395,396
-	9,771	-	9,771
-	-	-	-
-	-	215,937	215,937
-	-	-	-
59	262,177	-	262,177
59	271,948	215,937	487,885
<u>\$ 59</u>	<u>\$ 663,558</u>	<u>\$ 219,723</u>	<u>\$ 883,281</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Food Services 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
<i>Revenues:</i>				
Charges for services	\$ 10,299	\$ 36,646	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	484,417	-	511,876	313,036
Interest	-	-	-	-
<i>Total revenues</i>	<u>494,716</u>	<u>36,646</u>	<u>511,876</u>	<u>313,036</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	21,541	409,755	3,691
Support Services				
Students	-	-	1,215	137,194
Instruction	-	-	-	13,228
General Administration	-	-	100,813	78,016
School Administration	-	-	-	80,387
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	93	520
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	509,134	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>509,134</u>	<u>21,541</u>	<u>511,876</u>	<u>313,036</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,418)</u>	<u>15,105</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(14,418)</u>	<u>15,105</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>60,990</u>	<u>(242)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 46,572</u>	<u>\$ 14,863</u>	<u>\$ -</u>	<u>\$ -</u>

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

Preschool IDEA-B 24109	Enhancing Ed Thru Technology 24133	Title V Part A Innovative Ed Pro Strategies 24150	Teacher / Principal Training / Recruiting 24154	Safe & Drug Free Schools & Community 24157
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
27,576	6,321	313	151,733	2,803
-	-	-	-	-
<u>27,576</u>	<u>6,321</u>	<u>313</u>	<u>151,733</u>	<u>2,803</u>
-	-	306	147,190	2,728
17,337	-	-	-	-
9,654	6,321	-	-	-
585	-	7	3,077	75
-	-	-	1,466	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>27,576</u>	<u>6,321</u>	<u>313</u>	<u>151,733</u>	<u>2,803</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Rural & Low Income Schools 24160	Title I School Improvement 24162	Carl D. Perkins Secondary Current 24174	Maternal/Child Health 25110
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	42,876	-	15,810	153,668
Interest	-	-	-	-
<i>Total revenues</i>	<u>42,876</u>	<u>-</u>	<u>15,810</u>	<u>153,668</u>
<i>Expenditures:</i>				
Current:				
Instruction	42,004	-	15,477	-
Support Services				
Students	-	-	-	83,100
Instruction	-	-	-	-
General Administration	872	-	333	2,756
School Administration	-	-	-	66,951
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	861
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>42,876</u>	<u>-</u>	<u>15,810</u>	<u>153,668</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,788)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,788)</u>	<u>\$ -</u>

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

Adv Placement Incentive Program NMHU 25135	Title XIX Medicaid 3 / 21 Years 25153	Technology for Education PED 27117	Incentives for School Improvement Act 27138	Beginning Teacher Mentoring Program 27154
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	66,278	19,952	4,971
897	147,683	-	-	-
-	82	-	-	-
<u>897</u>	<u>147,765</u>	<u>66,278</u>	<u>19,952</u>	<u>4,971</u>
897	-	-	3,009	(2,215)
-	64,991	-	-	-
-	-	18,831	-	-
-	-	-	-	-
-	34,774	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>897</u>	<u>99,765</u>	<u>18,831</u>	<u>3,009</u>	<u>(2,215)</u>
-	48,000	47,447	16,943	7,186
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	48,000	47,447	16,943	7,186
-	92,466	-	19,770	(6,570)
<u>\$ -</u>	<u>\$ 140,466</u>	<u>\$ 47,447</u>	<u>\$ 36,713</u>	<u>\$ 616</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Breakfast for Elementary Students 27155	School Improvement Framework 27164	GO Bond C for Libraries 27170	NMHU Gear Up Program 28138
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	15,426	4,362	10,131	2,000
Federal grants	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,426</u>	<u>4,362</u>	<u>10,131</u>	<u>2,000</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	4,362	-	2,000
Support Services				
Students	-	-	-	-
Instruction	-	-	10,131	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	15,426	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,426</u>	<u>4,362</u>	<u>10,131</u>	<u>2,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Private Direct Grants 29102	Total Special Revenue Funds	Total Capital Projects Funds	Total Nonmajor Funds
\$ -	\$ 46,945	\$ -	\$ 46,945
-	-	134,220	134,220
-	123,120	195,116	318,236
-	1,859,009	-	1,859,009
-	82	-	82
-	2,029,156	329,336	2,358,492
-	650,745	-	650,745
-	303,837	-	303,837
-	58,165	-	58,165
-	186,534	1,368	187,902
-	183,578	-	183,578
-	-	-	-
-	1,474	-	1,474
-	-	-	-
-	-	-	-
-	524,560	-	524,560
-	-	-	-
-	-	320,228	320,228
-	-	-	-
-	-	-	-
-	1,908,893	321,596	2,230,489
-	120,263	7,740	128,003
-	-	16,800	16,800
-	-	-	-
-	-	16,800	16,800
-	120,263	24,540	144,803
59	151,685	191,397	343,082
\$ 59	\$ 271,948	\$ 215,937	\$ 487,885

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
FOOD SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 10,600	\$ 10,600	\$ 10,299	\$ (301)
State sources	-	-	-	-
Federal sources	495,000	495,000	467,367	(27,633)
Interest	-	-	-	-
<i>Total revenues</i>	<u>505,600</u>	<u>505,600</u>	<u>477,666</u>	<u>(27,934)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	519,101	519,101	481,504	37,597
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>519,101</u>	<u>519,101</u>	<u>481,504</u>	<u>37,597</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(13,501)</u>	<u>(13,501)</u>	<u>(3,838)</u>	<u>9,663</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	13,501	13,501	-	(13,501)
<i>Total other financing sources (uses)</i>	<u>13,501</u>	<u>13,501</u>	<u>-</u>	<u>(13,501)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,838)</u>	<u>(3,838)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>40,706</u>	<u>40,706</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,868</u>	<u>\$ 36,868</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			17,050	
Expenditure accruals			<u>(27,630)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (14,418)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
ATHLETICS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Local and county sources	\$ 15,000	\$ 30,000	\$ 36,646	\$ 6,646
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>30,000</u>	<u>36,646</u>	<u>6,646</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,270	30,270	21,541	8,729
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,270</u>	<u>30,270</u>	<u>21,541</u>	<u>8,729</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(270)</u>	<u>(270)</u>	<u>15,105</u>	<u>15,375</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	270	270	-	(270)
<i>Total other financing sources (uses)</i>	<u>270</u>	<u>270</u>	<u>-</u>	<u>(270)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,105</u>	<u>15,105</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(242)</u>	<u>(242)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,863</u>	<u>\$ 14,863</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 15,105</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

TUCUMCARI PUBLIC SCHOOLS

TITLE I - IASA SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	529,632	543,961	712,799	168,838
Interest	-	-	-	-
<i>Total revenues</i>	<u>529,632</u>	<u>543,961</u>	<u>712,799</u>	<u>168,838</u>
<i>Expenditures:</i>				
Current:				
Instruction	490,347	504,677	431,076	73,601
Support Services				
Students	-	1,300	1,215	85
Instruction	10,000	8,700	-	8,700
General Administration	111,500	111,375	100,813	10,562
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	125	93	32
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>611,847</u>	<u>626,177</u>	<u>533,197</u>	<u>92,980</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(82,215)</u>	<u>(82,216)</u>	<u>179,602</u>	<u>261,818</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	82,215	82,216	-	(82,216)
<i>Total other financing sources (uses)</i>	<u>82,215</u>	<u>82,216</u>	<u>-</u>	<u>(82,216)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>179,602</u>	<u>179,602</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(276,646)</u>	<u>(276,646)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,044)</u>	<u>\$ (97,044)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(200,923)	
Expenditure accruals			21,321	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	308,220	373,429	324,021	(49,408)
Interest	-	-	-	-
<i>Total revenues</i>	<u>308,220</u>	<u>373,429</u>	<u>324,021</u>	<u>(49,408)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,356	15,143	3,691	11,452
Support Services				
Students	97,813	160,984	134,084	26,900
Instruction	24,000	26,500	13,228	13,272
General Administration	84,755	84,293	79,584	4,709
School Administration	85,759	85,759	80,387	5,372
Central Services	-	-	-	-
Operation & Maintenance of Plant	750	750	520	230
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	10,787	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>308,220</u>	<u>373,429</u>	<u>311,494</u>	<u>61,935</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,527</u>	<u>12,527</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>12,527</u>	<u>12,527</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(122,203)</u>	<u>(122,203)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,676)</u>	<u>\$ (109,676)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(10,985)	
Expenditure accruals			(1,542)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
PRESCHOOL IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	22,191	40,146	27,343	(12,803)
Interest	-	-	-	-
<i>Total revenues</i>	<u>22,191</u>	<u>40,146</u>	<u>27,343</u>	<u>(12,803)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	10,226	23,726	17,337	6,389
Instruction	11,591	15,655	9,654	6,001
General Administration	374	765	585	180
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,191</u>	<u>40,146</u>	<u>27,576</u>	<u>12,570</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(233)</u>	<u>(233)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(233)</u>	<u>(233)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,064)</u>	<u>(10,064)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,297)</u>	<u>\$ (10,297)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			233	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

TUCUMCARI PUBLIC SCHOOLS

ENHANCING ED THRU TECHNOLOGY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	8,193	768	(7,425)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,193</u>	<u>768</u>	<u>(7,425)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	8,193	6,321	1,872
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,193</u>	<u>6,321</u>	<u>1,872</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,553)</u>	<u>(5,553)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,553)</u>	<u>(5,553)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(768)</u>	<u>(768)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,321)</u>	<u>\$ (6,321)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			5,553	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

TUCUMCARI PUBLIC SCHOOLS

TITLE V PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	1,582	2,827	2,827	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,582</u>	<u>2,827</u>	<u>2,827</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,547	2,792	306	2,486
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	35	35	7	28
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,582</u>	<u>2,827</u>	<u>313</u>	<u>2,514</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,514</u>	<u>2,514</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,514</u>	<u>2,514</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,064)</u>	<u>(5,064)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,550)</u>	<u>\$ (2,550)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(2,514)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

TUCUMCARI PUBLIC SCHOOLS

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	88,571	148,338	108,252	(40,086)
Interest	-	-	-	-
<i>Total revenues</i>	<u>88,571</u>	<u>148,338</u>	<u>108,252</u>	<u>(40,086)</u>
<i>Expenditures:</i>				
Current:				
Instruction	148,473	208,240	146,834	61,406
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	22,098	22,098	3,077	19,021
School Administration	8,000	8,000	1,237	6,763
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>178,571</u>	<u>238,338</u>	<u>151,148</u>	<u>87,190</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(90,000)</u>	<u>(90,000)</u>	<u>(42,896)</u>	<u>47,104</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	90,000	90,000	-	(90,000)
<i>Total other financing sources (uses)</i>	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(42,896)</u>	<u>(42,896)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(34,279)</u>	<u>(34,279)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,175)</u>	<u>\$ (77,175)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			43,481	
Expenditure accruals			(585)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

TUCUMCARI PUBLIC SCHOOLS

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	8,720	2,708	17,219	14,511
Interest	-	-	-	-
<i>Total revenues</i>	<u>8,720</u>	<u>2,708</u>	<u>17,219</u>	<u>14,511</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,836	9,498	9,632	(134)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	884	210	75	135
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,720</u>	<u>9,708</u>	<u>9,707</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,000)</u>	<u>(7,000)</u>	<u>7,512</u>	<u>14,512</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	7,000	7,000	-	(7,000)
<i>Total other financing sources (uses)</i>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,512</u>	<u>7,512</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(7,978)</u>	<u>(7,978)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (466)</u>	<u>\$ (466)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(14,416)	
Expenditure accruals			6,904	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

TUCUMCARI PUBLIC SCHOOLS

RURAL & LOW INCOME SCHOOLS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	60,649	80,173	46,758	(33,415)
Interest	-	-	-	-
<i>Total revenues</i>	<u>60,649</u>	<u>80,173</u>	<u>46,758</u>	<u>(33,415)</u>
<i>Expenditures:</i>				
Current:				
Instruction	59,327	78,851	42,004	36,847
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,322	1,322	872	450
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,649</u>	<u>80,173</u>	<u>42,876</u>	<u>37,297</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,882</u>	<u>3,882</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,882</u>	<u>3,882</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,454)</u>	<u>(17,454)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,572)</u>	<u>\$ (13,572)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(3,882)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

TUCUMCARI PUBLIC SCHOOLS

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,300)</u>	<u>(9,300)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,300)</u>	<u>\$ (9,300)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

TUCUMCARI PUBLIC SCHOOLS

CARL D. PERKINS SECONDARY- CURRENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	15,896	17,642	1,746
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,896</u>	<u>17,642</u>	<u>1,746</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	15,551	15,477	74
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	345	333	12
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>15,896</u>	<u>15,810</u>	<u>86</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,832</u>	<u>1,832</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,832</u>	<u>1,832</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,152)</u>	<u>(17,152)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,320)</u>	<u>\$ (15,320)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(1,832)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

TUCUMCARI PUBLIC SCHOOLS

MATERNAL/CHILD HEALTH SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	208,945	173,844	(35,101)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>208,945</u>	<u>173,844</u>	<u>(35,101)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	101,599	83,100	18,499
Instruction	-	-	-	-
General Administration	-	3,618	2,756	862
School Administration	-	102,528	66,805	35,723
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	1,200	861	339
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>208,945</u>	<u>153,522</u>	<u>55,423</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>20,322</u>	<u>20,322</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,322</u>	<u>20,322</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,699</u>	<u>16,699</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,021</u>	<u>\$ 37,021</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(20,176)	
Expenditure accruals			(146)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

TUCUMCARI PUBLIC SCHOOLS

ADV PLACEMENT INCENTIVE PROGRAM NMHU SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	3,071	897	2,174
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,071</u>	<u>897</u>	<u>2,174</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(3,071)</u>	<u>(897)</u>	<u>2,174</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	3,071	-	(3,071)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,071</u>	<u>-</u>	<u>(3,071)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(897)</u>	<u>(897)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,070</u>	<u>3,070</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,173</u>	<u>\$ 2,173</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			897	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

TUCUMCARI PUBLIC SCHOOLS

TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	84,375	155,054	70,679
Interest	-	-	82	82
<i>Total revenues</i>	<u>-</u>	<u>84,375</u>	<u>155,136</u>	<u>70,761</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	64,997	64,991	6
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	39,378	34,774	4,604
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>104,375</u>	<u>99,765</u>	<u>4,610</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(20,000)</u>	<u>55,371</u>	<u>75,371</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	20,000	-	(20,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>55,371</u>	<u>55,371</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>85,095</u>	<u>85,095</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,466</u>	<u>\$ 140,466</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,371)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 48,000</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

TUCUMCARI PUBLIC SCHOOLS

TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	19,148	69,052	49,904
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>19,148</u>	<u>69,052</u>	<u>49,904</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	19,148	18,831	317
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>19,148</u>	<u>18,831</u>	<u>317</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>50,221</u>	<u>50,221</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>50,221</u>	<u>50,221</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,774)</u>	<u>(2,774)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,447</u>	<u>\$ 47,447</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(2,774)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 47,447</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

TUCUMCARI PUBLIC SCHOOLS

INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	19,770	19,952	182
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>19,770</u>	<u>19,952</u>	<u>182</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	19,770	3,009	16,761
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>19,770</u>	<u>3,009</u>	<u>16,761</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>16,943</u>	<u>16,943</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>16,943</u>	<u>16,943</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,770</u>	<u>19,770</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,713</u>	<u>\$ 36,713</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 16,943</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

TUCUMCARI PUBLIC SCHOOLS

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	2,787	4,971	2,184
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,787</u>	<u>4,971</u>	<u>2,184</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	2,787	2,147	640
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,787</u>	<u>2,147</u>	<u>640</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,824</u>	<u>2,824</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,824</u>	<u>2,824</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,208)</u>	<u>(2,208)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616</u>	<u>\$ 616</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			4,362	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 7,186</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

TUCUMCARI PUBLIC SCHOOLS

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	15,426	15,426	15,426	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,426</u>	<u>15,426</u>	<u>15,426</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	15,426	15,426	15,426	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,426</u>	<u>15,426</u>	<u>15,426</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

TUCUMCARI PUBLIC SCHOOLS

SCHOOL IMPROVEMENT FRAMEWORK SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	4,362	4,362	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,362</u>	<u>4,362</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	4,362	4,362	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,362</u>	<u>4,362</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

TUCUMCARI PUBLIC SCHOOLS

GO BOND C FOR LIBRARIES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	10,688	3,240	(7,448)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,688</u>	<u>3,240</u>	<u>(7,448)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	10,688	10,131	557
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,688</u>	<u>10,131</u>	<u>557</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,891)</u>	<u>(6,891)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,891)</u>	<u>(6,891)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,891)</u>	<u>\$ (6,891)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			6,891	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

TUCUMCARI PUBLIC SCHOOLS

NMHU GEAR UP PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	4,000	2,000	(2,000)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>2,000</u>	<u>(2,000)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	4,000	2,000	2,000
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>2,000</u>	<u>2,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-25

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>59</u>	<u>59</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

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CAPITAL PROJECTS FUNDS

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Public Schools Capital Outlay (31200) - To account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

Special Capital Outlay State Capital Projects Fund (31400) – The purpose of this fund is to account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of providing funds for capital projects throughout the District.

Capital Improvements SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico’s State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Energy Efficiency (31800) – To account for school projects designed to increase the efficiency of the District’s buildings. The legislation allows the District to incur long-term contracts to complete these projects. Savings from the modifications made are used to fund the projects. This was approved by the Public Building Energy Efficiency Act (6-21-1 to 6-23-10, NMSA 1978).

Public Schools Capital Outlay 20% (32100) – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ 201,826
Accounts receivable			
Taxes	-	-	7,035
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,861</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued insurance	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	-	-	-
Deferred revenue - property taxes	-	-	3,786
Deferred revenue - other	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>3,786</u>
<i>Fund balances</i>			
Fund Balances:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	-	-	205,075
Unreserved:			
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>205,075</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,861</u>

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

Energy Efficiency Act 31800	Public Schools Capital Outlay - 20% 32100	Total
\$ 10,862	\$ -	\$ 212,688
-	-	-
-	-	7,035
-	-	-
-	-	-
<u>\$ 10,862</u>	<u>\$ -</u>	<u>\$ 219,723</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	3,786
-	-	-
<u>-</u>	<u>-</u>	<u>3,786</u>
-	-	-
-	-	-
10,862	-	215,937
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>10,862</u>	<u>-</u>	<u>215,937</u>
<u>\$ 10,862</u>	<u>\$ -</u>	<u>\$ 219,723</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ 134,220
State grants	48,079	-	147,037
Interest	-	-	-
<i>Total revenues</i>	<u>48,079</u>	<u>-</u>	<u>281,257</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	1,368
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	32,316	-	285,089
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>32,316</u>	<u>-</u>	<u>286,457</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>15,763</u>	<u>-</u>	<u>(5,200)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	16,800	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>16,800</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>15,763</u>	<u>16,800</u>	<u>(5,200)</u>
<i>Fund balances - beginning of year</i>	<u>(15,763)</u>	<u>(16,800)</u>	<u>210,275</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,075</u>

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

Energy Efficiency Act 31800	Public Schools Capital Outlay - 20% 32100	Total
\$ -	\$ -	\$ 134,220
-	-	195,116
-	-	-
-	-	329,336
-	-	-
-	-	-
-	-	-
-	-	1,368
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,823	-	320,228
-	-	-
-	-	-
2,823	-	321,596
(2,823)	-	7,740
-	-	16,800
-	-	-
-	-	16,800
(2,823)	-	24,540
13,685	-	191,397
\$ 10,862	\$ -	\$ 215,937

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

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STATE OF NEW MEXICO

Statement C-3

TUCUMCARI PUBLIC SCHOOLS

PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	35,875	48,079	12,204
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,875</u>	<u>48,079</u>	<u>12,204</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	35,875	32,316	3,559
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,875</u>	<u>32,316</u>	<u>3,559</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>15,763</u>	<u>15,763</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,763</u>	<u>15,763</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(15,763)</u>	<u>(15,763)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 15,763</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement C-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	16,800	16,800
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>16,800</u>	<u>16,800</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>16,800</u>	<u>16,800</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,800)</u>	<u>(16,800)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 16,800</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 135,164	\$ 135,164
State sources	-	168,845	147,037	(21,808)
Federal sources	-	-	-	-
Interest	100	100	-	(100)
<i>Total revenues</i>	<u>100</u>	<u>168,945</u>	<u>282,201</u>	<u>113,256</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,350	1,368	1,368	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	448,854	617,681	285,089	332,592
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>450,204</u>	<u>619,049</u>	<u>286,457</u>	<u>332,592</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(450,104)</u>	<u>(450,104)</u>	<u>(4,256)</u>	<u>445,848</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	450,104	450,104	-	(450,104)
<i>Total other financing sources (uses)</i>	<u>450,104</u>	<u>450,104</u>	<u>-</u>	<u>(450,104)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,256)</u>	<u>(4,256)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>206,082</u>	<u>206,082</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,826</u>	<u>\$ 201,826</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(944)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (5,200)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
ENERGY EFFICIENCY ACT CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement C-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	2,823	2,823	2,823	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,823</u>	<u>2,823</u>	<u>2,823</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,823)</u>	<u>(2,823)</u>	<u>(2,823)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	2,823	2,823	-	(2,823)
<i>Total other financing sources (uses)</i>	<u>2,823</u>	<u>2,823</u>	<u>-</u>	<u>(2,823)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,823)</u>	<u>(2,823)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,685</u>	<u>13,685</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,862</u>	<u>\$ 10,862</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,823)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
PUBLIC SCHOOLS CAPITAL OUTLAY - 20% CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	12,150	12,150	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,150</u>	<u>12,150</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(12,150)</u>	<u>(12,150)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	-	12,150	-	(12,150)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>12,150</u>	<u>-</u>	<u>(12,150)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(12,150)</u>	<u>(12,150)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,150</u>	<u>12,150</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			12,150	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-8

TUCUMCARI PUBLIC SCHOOLS

BOND BUILDING CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	25,000	25,000	50,574	25,574
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>50,574</u>	<u>25,574</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,055,500	1,539,938	376,294	1,163,644
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,055,500</u>	<u>1,539,938</u>	<u>376,294</u>	<u>1,163,644</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,030,500)</u>	<u>(1,514,938)</u>	<u>(325,720)</u>	<u>1,189,218</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(16,800)	(16,800)
Proceeds from bond issues	-	-	-	-
Designated cash	1,030,500	1,514,938	-	(1,514,938)
<i>Total other financing sources (uses)</i>	<u>1,030,500</u>	<u>1,514,938</u>	<u>(16,800)</u>	<u>(1,531,738)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(342,520)</u>	<u>(342,520)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,534,814</u>	<u>1,534,814</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,294</u>	<u>\$ 1,192,294</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(12,197)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (354,717)</u>	

The accompanying notes are an integral part of these financial statements

DEBT SERVICE FUND

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
DEBT SERVICE FUND

Statement D-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 393,371	\$ 393,371	\$ 485,911	\$ 92,540
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	7,000	7,000	(765)	(7,765)
<i>Total revenues</i>	<u>400,371</u>	<u>400,371</u>	<u>485,146</u>	<u>84,775</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	3,934	4,919	4,918	1
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	265,000	265,000	265,000	-
Interest	128,371	133,881	133,881	-
<i>Total expenditures</i>	<u>397,305</u>	<u>403,800</u>	<u>403,799</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>3,066</u>	<u>(3,429)</u>	<u>81,347</u>	<u>84,776</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated cash	(3,066)	3,429	-	(3,429)
<i>Total other financing sources (uses)</i>	<u>(3,066)</u>	<u>3,429</u>	<u>-</u>	<u>(3,429)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>81,347</u>	<u>81,347</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>487,694</u>	<u>487,694</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 569,041</u>	<u>\$ 569,041</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(3,162)	
Adjustments to expenditures			(765)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 77,420</u>	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

Schedule I

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
High School	\$ 63,648	\$ 135,751	\$ 124,312	\$ 75,087
High School Investments	20,902	859	-	21,761
Middle School	17,929	31,258	31,907	17,280
Elementary	19,584	14,332	11,984	21,932
Memorials/Scholarships	-	27,538	6,327	21,211
Total All Schools	\$ 122,063	\$ 209,738	\$ 174,530	\$ 157,271

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2008

Schedule II

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2008	Name and Location of Safekeeper
Wells Fargo Bank	FNCL 666353 Due 11/01/2032	\$ 92,045	Wells Fargo Bank California
Wells Fargo Bank	FNCL 671605 Due 12/01/2032	324,644	Wells Fargo Bank California
		<u>416,689</u>	
First National Bank	FNMA 31371NH81 Due 08/01/2027	<u>182,569</u>	Vining Sparks
Citizens Bank	500M U.S. Treas. Note Due 06/21/2010	<u>507,900</u>	Amarillo Natl. Bank Amarillo, Texas
Wells Fargo Bank Stagecoach Sweep	FNCL 00982408 Due 05/01/2038	<u>1,781,942</u>	Wells Fargo Bank California
Total		<u>\$ 2,889,100</u>	

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2008

Schedule III

Bank Account Type/Name	Wells Fargo Bank	First National Bank	Tucumcari Schools Federal Credit Union	Citizens Bank	Totals
Wells Fargo					
Checking - General Operational	\$ 375,039	\$ -	\$ -	\$ -	\$ 375,039
Checking- Sweep Account	1,683,172	-	-	-	1,683,172
Checking - NMPSIA Clearing	234,489	-	-	-	234,489
Checking - Payroll Clearing	-	-	-	-	-
Business Market Rate- Student memorial	2,560	-	-	-	2,560
Checking- Student Memorial & Scholarship	16,850	-	-	-	16,850
Savings- Student Scholarship	1,801	-	-	-	1,801
First National Bank					
Certificate of Deposit	-	262,850	-	-	262,850
Tucumcari Schools Federal Credit Union					
Certificate of Deposit	-	-	100,000	-	100,000
Citizens Bank					
Checking - Other Funds	-	-	-	280,826	280,826
Checking - Payroll Clearing	-	-	-	117,008	117,008
Checking- Activity Funds	-	-	-	119,969	119,969
Certificate of Deposit - Activity Funds	-	-	-	21,761	21,761
Total On Deposit	2,313,911	262,850	100,000	539,564	3,216,325
Reconciling Items	(92,367)	-	-	(149,946)	(242,313)
Reconciled Balance June 30, 2008	<u>\$ 2,221,544</u>	<u>\$ 262,850</u>	<u>\$ 100,000</u>	<u>\$ 389,618</u>	2,974,012
Less: Fiduciary Funds Cash					(157,271)
Balance Sheet Total June 30, 2008					<u>\$ 2,816,741</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2008

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2007	163,706	\$ -	\$ 30,406	\$ 40,706	\$ -
Add:					
2007-08 revenues	8,291,020	575,793	115,925	477,666	36,646
Repayment of interfund loans	299,081	-	-	-	-
Transfer in	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	8,753,807	575,793	146,331	518,372	36,646
Less:					
2007-08 expenditures	(8,251,472)	(476,760)	(122,197)	(481,504)	(21,541)
Repayment of interfund loans	-	(99,033)	-	-	(242)
Transfer out	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2008	<u>\$ 502,335</u>	<u>\$ -</u>	<u>\$ 24,134</u>	<u>\$ 36,868</u>	<u>\$ 14,863</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000	State Direct Grants 28000	Local / State 29000	Bond Building Account 31100	Public School Capital Outlay 31200
\$ 29,100	\$ 104,864	\$ 19,770	\$ -	\$ 59	\$ 1,534,814	\$ -
1,257,629	328,980	117,003	2,000	-	50,574	48,079
-	-	1,932	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,286,729	433,844	138,705	2,000	59	1,585,388	48,079
(1,117,554)	(254,184)	(53,906)	(2,000)	-	(376,294)	(32,316)
(169,175)	-	-	-	-	-	(15,763)
-	-	-	-	-	(16,800)	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 179,660</u>	<u>\$ 84,799</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 1,192,294</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

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Spec. Capital Outlay-State 31400	Cap. Improv. SB 9 31700	Energy Efficiency 31800	Public School Capital Outlay 32100	Debt Service Fund 41000	Total
\$ -	\$ 206,082	\$ 13,685	\$ 12,150	\$ 487,694	\$ 2,643,036
-	282,201	-	-	485,146	12,068,662
-	-	-	-	-	301,013
16,800	-	-	-	-	16,800
-	-	-	-	-	-
16,800	488,283	13,685	12,150	972,840	15,029,511
-	(286,457)	(2,823)	(12,150)	(403,799)	(11,894,957)
(16,800)	-	-	-	-	(301,013)
-	-	-	-	-	(16,800)
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 201,826</u>	<u>\$ 10,862</u>	<u>\$ -</u>	<u>\$ 569,041</u>	<u>\$ 2,816,741</u>

The accompanying notes are an integral part of these financial statements

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COMPLIANCE SECTION

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Griego Professional Services, LLC

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*

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Tucumcari Public Schools
Tucumcari, New Mexico

We have audited the financial statements consisting of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparison for the general fund and the combining and individual funds presented as supplemental information of the Tucumcari Public Schools, New Mexico, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008. We have also audited the financial statements of each of the District's major capital project funds, debt service fund, nonmajor governmental funds, including all the budgetary comparisons and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. 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 Tucumcari Public Schools, New Mexico's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as finding FS 08-0,1 FS 08-02, and FS 08-03.

P.O. Box 37379 • Albuquerque, NM 87176-7379
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112
Phone (505) 856-2741 - Fax (505) 856-7510

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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 Tucumcari Public Schools, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 08-01, FS 08-02, and FS 08-03.

The agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the agency's responses and, accordingly, we express no opinion on them.

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

Grigo Professional Services, LLC

Albuquerque, New Mexico
October 31, 2008

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FEDERAL FINANCIAL ASSISTANCE

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Griego Professional Services, LLC

Certified Public Accountants

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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Tucumcari Public Schools
Tucumcari, New Mexico

Compliance

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

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

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

Internal Control Over Compliance

The management of Tucumcari Public Schools, New Mexico 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 Tucumcari Public Schools, New Mexico's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

P.O. Box 37379 • Albuquerque, NM 87176-7379
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112
Phone (505) 856-2741 - Fax (505) 856-7510

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Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weakness as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be a significant deficiency.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "Diego Professional Services, LLC".

Albuquerque, New Mexico
October 31, 2008

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Health and Human Services			
<i>Passthrough State of New Mexico Department of Health</i>			
Maternal/Child Health	25110	93.994	<u>\$ 153,668</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health</i>			<u>153,668</u>
Total U.S. Department of Health and Human Services			<u>153,668</u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	511,876
IDEA B - Entitlement	24106	84.027	313,036
IDEA B - Pre School	24109	84.173	27,576
Technology Literacy Challenge	24133	84.318X	6,321
Title V	24150	84.298	313
Title II-A Teacher / Principal Training	24154	84.367A	151,733
Title IVA Safe & Drug Free Schools	24157	84.186A	2,803
Rural and Low Income Schools	24160	84.358B	42,876
Carl D. Perkins Secondary- Current	24174	84.048O	15,810
Adv Placement Incentive Program NMHU	25135	84.330O	<u>897</u>
Total U.S. Department of Education			<u>1,073,241</u>

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program (1)	21000	10.555	<u>481,598</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>481,598</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.550	<u>27,536</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>27,536</u>
Total U.S. Department of Agriculture			<u>509,134</u>
Total Federal Financial Assistance			<u><u>\$1,736,043</u></u>

(1) Denotes Major Federal Financial Assistance Program

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Tucumcari Public Schools and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial

2. Subrecipients

During the year, the District provided \$153,668 to subrecipients in federal awards relating to the Maternal/Child Health

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$27,536 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	1,736,043
Total expenditures funded by other sources	<u>10,108,547</u>
Total expenditures	<u><u>11,844,590</u></u>

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

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule VI

Section I – Summary of Audit Results

Financial Statements:

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

Federal Awards:

- | | | | | | |
|--|--|------------------------|-------------------------|--|--|
| 1. Internal control over major programs: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiency identified not considered to be material weaknesses? | No | | | | |
| c. Control deficiency identified not considered to be significant deficiency? | No | | | | |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u>CFDA</u>
<u>Number</u></td> <td style="width: 50%; text-align: center;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;">10.550/10.555
84.010</td> <td style="text-align: center;">National School Lunch Program
Title I</td> </tr> </table> | <u>CFDA</u>
<u>Number</u> | <u>Federal Program</u> | 10.550/10.555
84.010 | National School Lunch Program
Title I | |
| <u>CFDA</u>
<u>Number</u> | <u>Federal Program</u> | | | | |
| 10.550/10.555
84.010 | National School Lunch Program
Title I | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 | | | | |
| 6. Auditee qualified as low-risk auditee? | Yes | | | | |

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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Section I – Financial Statement Findings

FS 08-01 – Policies and Procedures

Condition: The District did not maintain an up to date policies or procedures manual.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards: A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Effect: This inadequacy is a deficiency in internal control over financial reporting. Not maintaining up to date policies and procedures could cause errors, inconsistencies and omissions in the preparation of the financial statements.

Cause: The policies and procedures in place were adopted in 2005 from the 2004 New Mexico School Boards Association generic manual and not many changes have been made to it.

Recommendation: Management should assess the adequacy of the design of its policies and procedures related to preparation financial statements. When developing control policies and procedures for a process, management should consider where errors or fraud could occur that would cause a material misstatement in the financial statements and which policies or procedures, if operating properly would prevent or detect the error or fraud on a timely basis.

Management's Response: The reviewing, correction and clarification of the new Districts policy language is an ongoing process. The Board has since clarified the language in regards to the annual leave for administrators.

FS 08-02 – Warehouse/Supply Inventory

Condition: The following was noted in regards to the Districts Supply Inventory:

- A physical yearend inventory count was not performed
- Inventory is stored in a warehouse left unlocked and unguarded during the day.
- There are various old, overstocked, and/or obsolete items on hand.

Criteria: Per 6.20.2.16 Warehouse/Supply Inventory: This section pertains to districts that maintain a warehouse. At fiscal year end, each school district shall take a physical inventory of remaining goods and materials of an expendable nature (items that are consumed in the normal course of operating the district). School districts shall establish adequate internal accounting control procedures over supplies inventory in accordance with GAAP. [12-08-89, 02-03-93, 11-01-97, 01-15-99; 6.20.2.16 NMAC - Rn, 6 NMAC 2.2.1.16, 05-31-01]

Effect: Not performing a physical yearend inventory count increases the risks of a misstatement in the inventory balance. Maintaining the inventory unlocked and unguarded in the warehouse leaves the District susceptible to loss. Ineffective control processes for determining excess and obsolete inventory misstates the valuation of supplies inventory as well as delays the process of possibly earning income on disposal.

Cause: The District had inadequate controls over the completeness and accuracy of supplies inventory. The District did not feel it was necessary to perform an inventory count due to maintaining inventory on a perpetual inventory system.

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FS 08-02 – Warehouse/Supply Inventory (Continued)

Recommendation: The District should establish inventory count procedures and periodically review for obsolescence. Obsolete items should be removed from the inventory listing as well as the premises timely. Inventory should be kept locked and guarded.

Management's Response: We have been in the process of clearing all obsolete items from the warehouses and school supply closets for the past 18 month and will have an auction in November 2008 to dispose of these items. Supplies at all locations other than the maintenance building have been kept locked and maintenance was instructed to keep their garage door locked during the day. The physical yearend inventory count for supplies will be done concurrent to the physical yearend fixed asset inventory count and entered into the Inventory Direct program.

FS 08-03 – Fixed Asset Disposition

Condition: During our testwork of fixed asset additions it was found that a route bus was traded in as part of the transaction to purchase a new route bus. This disposition was not recorded by the board and notification was not sent to the State Auditor of the State of New Mexico.

Criteria: Per 13-6-1 B NMSA 1978 Prior to the disposition of any items of tangible personal property the governing body (school board) is required to give notification at least thirty days prior to making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act.

Effect: The district is out of compliance with 13-6-1 NMSA 1978 with regard to the disposition of their route bus. Not notifying the State Auditor of disposition of property puts the District at risk for misappropriation of assets.

Cause: The district did not realize that notification must be sent to the State Auditor and the finding for disposition must be approved and recorded by the school board.

Recommendation: We recommend that the district ensure that all future items removed from their capital asset listing be both approved by the school board as well as have notification sent to the State Auditor of the State of New Mexico at least thirty (30) days before such disposition.

Management's Response: The Business Office in cooperation with the Transportation Department has implemented a procedure for reporting the trade-in Vehicle information to the State Auditor's Office.

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Section II – Prior Year Audit Findings

FS 07-01 — Internal Controls Over Non-Standard Journal Entries- *Cleared*

FS 07-02 – Pledged Collateral- *Cleared*

FS 07-03 – Unreconciled Bank Item- *Cleared*

FS 07-04 — Budgetary Conditions- *Cleared*

Section III – Other Disclosures

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on November 12, 2008. The following individuals were in attendance.

Tucumcari Public Schools

Aaron McKinney, Superintendent
Marty Garcia, Vice President- Audit Committee
Trude Bauler, Business Manager

Griego Professional Services, LLC

J.J. Griego, CPA
Diana Cordova, CPA