



STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2

ANNUAL FINANCIAL REPORT
June 30, 2008

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
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STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
Official Roster
June 30, 2008

BOARD OF EDUCATION

Ralph Sepulveda	President
Vicki Smith	Vice-President
Frank Cordova	Secretary
Corina Rivera	Member
Richard Abalos	Member

SCHOOL OFFICIALS

Harrell Holder	Superintendent
Frank Ryan	Director of Finance
Teresa Holguin	Financial Controller

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Cobre Consolidated Schools

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2, (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds 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 of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, debt service fund and all nonmajor funds 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 a report dated October 8, 2009, on our consideration of the District'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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" 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.

De'Ann Willoughby, CPA PC

October 8, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 Government-Wide Statement of Net Assets
 June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,244,811
Taxes Receivable	144,019
Due from Grantor	375,426
Inventory	22,106
Total Current Assets	<u>3,786,362</u>
Noncurrent Assets	
Capital Assets	42,538,283
Less: Accumulated Depreciation	<u>(17,283,556)</u>
Total Noncurrent Assets	<u>25,254,727</u>
Total Assets	<u>29,041,089</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	76,347
Accrued Interest	88,070
Current Portion of Long-Term Debt	1,261,470
Deferred Revenue	124,202
Total Current Liabilities	<u>1,550,089</u>
Noncurrent Liabilities	
Bonds and Notes, Net	4,875,790
Compensated Absences	67,387
Total Noncurrent Liabilities	<u>4,943,177</u>
Total Liabilities	<u>6,493,266</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	19,117,467
Restricted for:	
Capital Projects	1,284,645
Debt Service	337,754
Unrestricted	1,807,957
Total Net Assets	<u>\$ 22,547,823</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
Government-Wide Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 9,609,482	\$ 34,137	\$ 1,418,435	\$ 0	\$ (8,156,910)
Support Services-Students	2,225,123	101,229	141,002	0	(1,982,892)
Support Services-Instruction	658,204	0	60,231	0	(597,973)
General Administration	840,955	0	87,689	0	(753,266)
School Administration	1,097,873	0	128,356	0	(969,517)
Central Services	399,709	0	0	0	(399,709)
Operation of Plant	2,307,385	0	19,440	0	(2,287,945)
Student Transportation	846,543	0	721,515	0	(125,028)
Food Services Operations	760,484	93,236	639,787	0	(27,461)
Interest on Long-Term Obligations	213,689	0	0	0	(213,689)
Total Governmental Activities	<u>\$ 18,959,447</u>	<u>\$ 228,602</u>	<u>\$ 3,216,455</u>	<u>\$ 0</u>	<u>\$ (15,514,390)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				\$	23,624
Property Taxes, Levied for Capital Projects					204,568
Property Taxes, Levied for Debt Service					653,405
Federal and State aid not restricted to specific purpose					
General					13,635,337
Capital					5,470,209
Interest and investment earnings					100,424
Miscellaneous					182,361
Total General Revenues					<u>20,269,928</u>
Change in Net Assets					
					<u>4,755,538</u>
Net Assets - beginning					
Restatement					(414,096)
Restated Beginning Net Assets					<u>17,792,285</u>
Net Assets - ending					
				\$	<u>22,547,823</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 78,410	\$ 0	\$ 40,922
Receivables			
Taxes	4,289	0	0
Due From Grantor	0	0	0
Interfund Balance	369,586	0	0
Inventory	0	0	0
Total Assets	<u>\$ 452,285</u>	<u>\$ 0</u>	<u>\$ 40,922</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	46,371	0	450
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	3,979	0	0
Total Liabilities	<u>50,350</u>	<u>0</u>	<u>450</u>
Fund Balances			
Reserved for Inventory	0	0	0
Reserved for Capital Improvements	0	0	0
Reserved for Debt Service	0	0	0
Unreserved and reported in:			
General Fund	401,935	0	40,472
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>401,935</u>	<u>0</u>	<u>40,472</u>
Total Liabilities and Fund Balances	<u>\$ 452,285</u>	<u>\$ 0</u>	<u>\$ 40,922</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	Title I 24101	IDEA , Part B Entitlement 24106	Bond Building 31100
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 104,714	\$ 1,284,645
Receivables			
Taxes	0	0	0
Due From Grantor	196,321	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 196,321</u>	<u>\$ 104,714</u>	<u>\$ 1,284,645</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 194,081	\$ 0	\$ 0
Accounts Payable	2,240	3,778	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	100,936	0
Total Liabilities	<u>196,321</u>	<u>104,714</u>	<u>0</u>
Fund Balances			
Reserved for Inventory	0	0	0
Reserved for Capital Improvements	0	0	1,284,645
Reserved for Debt Service	0	0	0
Unreserved and reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>1,284,645</u>
Total Liabilities and Fund Balances	<u>\$ 196,321</u>	<u>\$ 104,714</u>	<u>\$ 1,284,645</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	Special Capital Outlay-State 31400	Debt Service 41000	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 659,541	\$ 1,076,579
Receivables			
Taxes	0	113,139	26,591
Due From Grantor	0	0	179,105
Interfund Balance	0	0	0
Inventory	0	0	22,106
Total Assets	<u>\$ 0</u>	<u>\$ 772,680</u>	<u>\$ 1,304,381</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 175,505
Accounts Payable	0	0	23,508
Current Portion Due			
Principal	0	280,000	0
Interest	0	49,972	0
Deferred Revenue	0	104,954	47,747
Total Liabilities	<u>0</u>	<u>434,926</u>	<u>246,760</u>
Fund Balances			
Reserved for Inventory	0	0	22,106
Reserved for Capital Improvements	0	0	0
Reserved for Debt Service	0	337,754	0
Unreserved and reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	397,625
Capital Projects	0	0	637,890
Total Fund Balances	<u>0</u>	<u>337,754</u>	<u>1,057,621</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 772,680</u>	<u>\$ 1,304,381</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 3,244,811
Receivables	
Taxes	144,019
Due From Grantor	375,426
Interfund Balance	369,586
Inventory	22,106
Total Assets	<u>\$ 4,155,948</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 369,586
Accounts Payable	76,347
Current Portion Due	
Principal	280,000
Interest	49,972
Deferred Revenue	257,616
Total Liabilities	<u>1,033,521</u>
Fund Balances	
Reserved for Inventory	22,106
Reserved for Capital Improvements	1,284,645
Reserved for Debt Service	337,754
Unreserved and reported in:	
General Fund	442,407
Special Revenue Funds	397,625
Capital Projects	637,890
Total Fund Balances	<u>3,122,427</u>
Total Liabilities and Fund Balances	<u>\$ 4,155,948</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 Reconciliation of the Governmental Funds
 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:

Total Fund Balance - Governmental Funds	\$	3,122,427
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Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	133,414
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 42,538,283	
Accumulated depreciation is	<u>(17,283,556)</u>	25,254,727

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds and loans payable	(5,923,390)	
Accrued interest on bonds	(38,098)	
Bond Issue Costs	74,819	
Accumulated Amortization	(8,689)	
Compensated Absences	<u>(67,387)</u>	<u>(5,962,745)</u>

Total Net Assets - governmental activities	\$	<u><u>22,547,823</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL
DISTRICT NO. 2
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Taxes	\$ 23,636	\$ 0	\$ 0
Interest Income	54,154	0	0
Fees	940	0	0
State & Local Grants	13,635,337	721,515	150,410
Federal Grant	15,545	0	0
Miscellaneous	180,322	0	0
Total Revenues	13,909,934	721,515	150,410
Expenditures			
Current			
Instruction	7,790,317	0	120,999
Support Services-Student	1,856,727	0	0
Support Services-Instruction	336,053	0	7,228
Support Services-General Administration	721,621	0	0
Support Services-School Administration	913,130	0	0
Central Services	362,537	0	0
Operation & Maintenance of Plant	1,510,739	0	0
Student Transportation	15,770	721,515	0
Food Service Operation	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	13,506,894	721,515	128,227
Excess (Deficiency) of Revenues Over Expenditures	403,040	0	22,183
Other Financing Sources (Uses)	0	0	0
Bond Proceeds	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	403,040	0	22,183
Fund Balances at Beginning of Year	57,736	0	18,289
Restatement	(58,841)	0	0
Restated Beginning Fund Balance	(1,105)	0	18,289
Fund Balance End of Year	\$ 401,935	\$ 0	\$ 40,472

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL
DISTRICT NO. 2
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	Title I 24101	IDEA , Part B Entitlement 24106	Bond Building 31100
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	36,256
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grant	620,731	416,926	0
Miscellaneous	0	0	0
Total Revenues	<u>620,731</u>	<u>416,926</u>	<u>36,256</u>
Expenditures			
Current			
Instruction	460,590	203,472	0
Support Services-Student	631	149,674	0
Support Services-Instruction	52,482	0	0
Support Services-General Administration	14,785	54,544	0
Support Services-School Administration	85,497	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	1,430	0
Student Transportation	0	0	0
Food Service Operation	0	0	0
Capital Outlay	6,746	7,806	1,522,183
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	37,635
Total Expenditures	<u>620,731</u>	<u>416,926</u>	<u>1,559,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(1,523,562)</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>2,800,000</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,800,000</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>1,276,438</u>
Fund Balances at Beginning of Year	0	0	8,207
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>8,207</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,284,645</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL
DISTRICT NO. 2
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Capital Outlay-State 31400	Debt Service 41000	Other Governmental Funds
Revenues			
Taxes	\$ 0	\$ 654,251	\$ 164,911
Interest Income	0	0	10,014
Fees	0	0	228,389
State & Local Grants	5,208,641	0	515,648
Federal Grant	0	0	1,076,301
Miscellaneous	0	0	2,039
Total Revenues	<u>5,208,641</u>	<u>654,251</u>	<u>1,997,302</u>
Expenditures			
Current			
Instruction	0	0	473,263
Support Services-Student	0	0	95,176
Support Services-Instruction	0	0	17,749
Support Services-General Administration	0	2,890	10,554
Support Services-School Administration	0	0	36,113
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	621,958
Student Transportation	0	0	0
Food Service Operation	0	0	760,484
Capital Outlay	5,208,641	0	212,675
Debt Service			
Principal	0	1,230,000	27,492
Interest	0	228,429	16,026
Bond Issue Costs	0	0	37,184
Total Expenditures	<u>5,208,641</u>	<u>1,461,319</u>	<u>2,308,674</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(807,068)</u>	<u>(311,372)</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>435,000</u>
Total Other Sources (Uses)			
Net Change in Fund Balance	<u>0</u>	<u>(807,068)</u>	<u>123,628</u>
Fund Balances at Beginning of Year	(75,000)	1,144,822	933,993
Restatement	75,000	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>1,144,822</u>	<u>933,993</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 337,754</u>	<u>\$ 1,057,621</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL
DISTRICT NO. 2
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2008

	Total Governmental Funds
Revenues	
Taxes	\$ 842,798
Interest Income	100,424
Fees	229,329
State & Local Grants	20,231,551
Federal Grant	2,129,503
Miscellaneous	182,361
Total Revenues	<u>23,715,966</u>
Expenditures	
Current	
Instruction	9,048,641
Support Services-Student	2,102,208
Support Services-Instruction	413,512
Support Services-General Administration	804,394
Support Services-School Administration	1,034,740
Central Services	362,537
Operation & Maintenance of Plant	2,134,127
Student Transportation	737,285
Food Service Operation	760,484
Capital Outlay	6,958,051
Debt Service	
Principal	1,257,492
Interest	244,455
Bond Issue Costs	74,819
Total Expenditures	<u>25,932,745</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,216,779)</u>
Other Financing Sources (Uses)	<u>3,235,000</u>
Bond Proceeds	<u>3,235,000</u>
Total Other Sources (Uses)	
Net Change in Fund Balance	<u>1,018,221</u>
Fund Balances at Beginning of Year	2,088,047
Restatement	16,159
Restated Beginning Fund Balance	<u>2,104,206</u>
Fund Balance End of Year	<u>\$ 3,122,427</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2008

Net Change in Fund Balance-Governmental Funds \$ 1,018,221

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. (981)

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. Buildings have been removed resulting in a loss on disposition that has no effect on the governmental funds but is an expense on the Statement of Activities.

Depreciation expense	\$ (1,365,718)	
Capital Outlays	<u>6,958,051</u>	5,592,333

Proceeds from bond issues are recognized as revenue in the Statement of Revenues, Expenditures and Changes in Fund Balances but are recognized as long term debt on the Statement of Net Assets. (3,235,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,257,492

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

Bond Issue Costs	74,819	
Amortized Bond Issue Costs	<u>(8,689)</u>	66,130

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 39,456

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 17,887

Changes in Net Assets of Governmental Activities \$ 4,755,538

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GENERAL FUND-OPERATIONAL FUND-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 43,895	\$ 43,895	\$ 24,120	\$ (19,775)
Interest Income	100,000	100,000	54,154	(45,846)
Fees	0	0	940	940
State & Local Grants	13,573,663	13,573,663	13,635,337	61,674
Federal Grants	15,435	15,435	15,545	110
Miscellaneous	37,000	37,000	180,322	143,322
Total Revenues	<u>13,769,993</u>	<u>13,769,993</u>	<u>13,910,418</u>	<u>140,425</u>
Expenditures				
Instruction				
Personnel Services	5,639,461	5,680,130	5,645,116	35,014
Employee Benefits	1,930,939	1,785,108	1,749,085	36,023
Professional & Tech Services	8,000	10,092	8,788	1,304
Other Purchased Services	133,750	216,316	201,228	15,088
Supplies	170,088	224,931	183,459	41,472
Total Instruction	<u>7,882,238</u>	<u>7,916,577</u>	<u>7,787,676</u>	<u>128,901</u>
Support Services-Students				
Personnel Services	1,328,483	1,334,113	1,332,358	1,755
Employee Benefits	407,760	401,296	401,284	12
Professional & Tech Services	73,000	115,673	114,872	801
Other Purchased Services	3,000	4,342	4,341	1
Supplies	5,000	5,140	3,872	1,268
Total Support Services-Students	<u>1,817,243</u>	<u>1,860,564</u>	<u>1,856,727</u>	<u>3,837</u>
Support Services-Instruction				
Personnel Services	253,856	240,064	224,949	15,115
Employee Benefits	81,579	79,609	63,665	15,944
Professional & Tech Services	1,000	1,000	0	1,000
Purchased Property Services	1,108	1,108	0	1,108
Other Purchased Services	2,000	5,400	3,346	2,054
Supplies	66,000	64,600	44,094	20,506
Total Support Services-Instruction	<u>\$ 405,543</u>	<u>\$ 391,781</u>	<u>\$ 336,054</u>	<u>\$ 55,727</u>

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GENERAL FUND-OPERATIONAL FUND-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Support Services-General Administration				
Personnel Services	\$ 488,264	\$ 490,300	\$ 480,321	\$ 9,979
Employee Benefits	129,135	127,616	121,685	5,931
Professional & Tech Services	52,250	49,815	41,502	8,313
Purchased Property Services	1,300	1,471	1,159	312
Other Purchased Services	51,000	61,219	55,037	6,182
Supplies	24,000	25,186	21,018	4,168
Total Support Services-General Administration	745,949	755,607	720,722	34,885
Support Services-School Administration				
Personnel Services	634,700	670,576	670,573	3
Employee Benefits	206,915	202,095	202,089	6
Professional & Tech Services	15,000	12,753	12,753	0
Purchased Property Services	1,300	4,935	4,930	5
Other Purchased Services	4,000	4,445	3,233	1,212
Supplies	30,000	28,755	19,498	9,257
Total Support Services-School Administration	891,915	923,559	913,076	10,483
Central Services				
Personnel Services	235,268	249,105	249,103	2
Employee Benefits	82,350	75,708	75,704	4
Professional & Tech Services	3,300	12,552	12,451	101
Other Purchased Services	2,000	5,040	4,423	617
Supplies	22,000	19,896	19,585	311
Total Central Services	344,918	362,301	361,266	1,035
Operation & Maintenance of Plant				
Personnel Services	525,112	502,892	485,279	17,613
Employee Benefits	205,507	204,161	188,054	16,107
Professional & Tech Services	0	1,000	134	866
Purchased Property Services	588,200	550,736	531,863	18,873
Other Purchased Services	288,456	286,327	276,774	9,553
Supplies	40,000	1,196	0	1,196
Total Operation & Maintenance of Plant	\$ 1,647,275	\$ 1,546,312	\$ 1,482,104	\$ 64,208

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GENERAL FUND-OPERATIONAL FUND-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Student Transportation				
Purchased Property Services	\$ 35,000	\$ 23,414	\$ 15,415	\$ 7,999
Other Purchased Services	0	850	354	496
Total Student Transportation	<u>35,000</u>	<u>24,264</u>	<u>15,769</u>	<u>8,495</u>
 Total Expenditures	 <u>13,770,081</u>	 <u>13,780,965</u>	 <u>13,473,394</u>	 <u>307,571</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (88)	 (10,972)	 437,024	 447,996
 Cash Balance Beginning of Year	 <u>10,972</u>	 <u>10,972</u>	 <u>10,972</u>	 <u>0</u>
 Cash Balance End of Year	 <u>\$ 10,884</u>	 <u>\$ 0</u>	 <u>\$ 447,996</u>	 <u>\$ 447,996</u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 437,024	
Net Change in Taxes Receivable			(497)	
Net Change in Payables			(33,499)	
Net Change in Deferred Revenue			12	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 403,040</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 701,968	\$ 721,515	\$ 721,515	\$ 0
Total Revenues	<u>701,968</u>	<u>721,515</u>	<u>721,515</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	0	9,202	9,202	0
Employee Benefits	0	2,619	2,619	0
Professional & Tech Services	2,500	1,222	1,222	0
Purchased Property Services	81,071	85,913	85,913	0
Other Purchased Services	618,397	612,167	612,167	0
Supplies	0	10,392	10,392	0
Total Student Transportation	<u>701,968</u>	<u>721,515</u>	<u>721,515</u>	<u>0</u>
Total Expenditures	<u>701,968</u>	<u>721,515</u>	<u>721,515</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 132,670	\$ 132,670	\$ 150,410	\$ 17,740
Total Revenues	<u>132,670</u>	<u>132,670</u>	<u>150,410</u>	<u>17,740</u>
Expenditures				
Instruction				
Supplies	121,928	138,648	120,999	17,649
Total Instruction	<u>121,928</u>	<u>138,648</u>	<u>120,999</u>	<u>17,649</u>
Support Services-Instruction				
Supplies	10,742	11,733	6,778	4,955
Total Support Services-Instruction	<u>10,742</u>	<u>11,733</u>	<u>6,778</u>	<u>4,955</u>
Total Expenditures	<u>132,670</u>	<u>150,381</u>	<u>127,777</u>	<u>22,604</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(17,711)	22,633	40,344
Cash Balance Beginning of Year	<u>18,289</u>	<u>18,289</u>	<u>18,289</u>	<u>0</u>
Cash Balance End of Year	\$ <u>18,289</u>	\$ <u>578</u>	\$ <u>40,922</u>	\$ <u>40,344</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,633	
Net Change in Payables			<u>(450)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>22,183</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 710,886	\$ 868,774	\$ 453,477	\$ (415,297)
Total Revenues	<u>710,886</u>	<u>868,774</u>	<u>453,477</u>	<u>(415,297)</u>
Expenditures				
Instruction				
Personnel Services	365,000	339,531	310,467	29,064
Employee Benefits	115,000	104,748	100,149	4,599
Professional & Tech Services	34,230	19,230	7,414	11,816
Supplies	13,731	47,695	39,852	7,843
Supply Assets	5,000	75,543	2,783	72,760
Total Instruction	<u>532,961</u>	<u>586,747</u>	<u>460,665</u>	<u>126,082</u>
Support Services-Students				
Professional & Tech Services	6,846	4,076	561	3,515
Other Purchased Services	0	70	70	0
Total Support Services-Students	<u>6,846</u>	<u>4,146</u>	<u>631</u>	<u>3,515</u>
Support Services-Instruction				
Supplies	3,000	102,299	52,959	49,340
Total Support Services-Instruction	<u>3,000</u>	<u>102,299</u>	<u>52,959</u>	<u>49,340</u>
Support Services-General Administration				
Professional & Tech Services	16,372	16,372	14,785	1,587
Total Support Services-General Administration	<u>16,372</u>	<u>16,372</u>	<u>14,785</u>	<u>1,587</u>
Support Services-School Administration				
Personnel Services	54,300	57,278	55,990	1,288
Employee Benefits	27,673	17,047	15,629	1,418
Professional & Tech Services	34,230	35,910	5,750	30,160
Other Purchased Services	2,230	2,395	1,720	675
Supplies	5,000	5,856	5,364	492
Fixed Assets	0	12,500	6,746	5,754
Supply Assets	2,000	1,950	1,045	905
Total Support Services-School Administration	<u>125,433</u>	<u>132,936</u>	<u>92,244</u>	<u>40,692</u>
Total Expenditures	\$ <u>684,612</u>	\$ <u>842,500</u>	\$ <u>621,284</u>	\$ <u>221,216</u>

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,274	\$ 26,274	\$ (167,807)	\$ (194,081)
Cash Balance Beginning of Year	<u>(26,274)</u>	<u>(26,274)</u>	<u>(26,274)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(194,081)</u>	\$ <u>(194,081)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (167,807)	
Net Change in Due from Grantor			167,255	
Net Change in Payables			<u>552</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 261,162	\$ 327,400	\$ 370,054	\$ 42,654
Total Revenues	<u>261,162</u>	<u>327,400</u>	<u>370,054</u>	<u>42,654</u>
Expenditures				
Instruction				
Personnel Services	94,000	100,053	99,568	485
Employee Benefits	30,000	35,547	35,547	0
Professional & Tech Services	15,000	885	283	602
Purchased Property Services	0	379	379	0
Other Purchased Services	39,970	44,217	39,723	4,494
Supplies	7,500	9,720	8,576	1,144
Supply Assets	7,500	43,642	16,396	27,246
Total Instruction	<u>193,970</u>	<u>234,443</u>	<u>200,472</u>	<u>33,971</u>
Support Services-Students				
Personnel Services	88,000	75,089	69,143	5,946
Employee Benefits	21,000	20,957	20,459	498
Professional & Tech Services	5,000	6,004	5,417	587
Other Purchased Services	16,000	34,362	31,894	2,468
Supplies	9,000	9,000	7,933	1,067
Supply Assets	5,000	22,453	14,439	8,014
Total Support Services-Students	<u>144,000</u>	<u>167,865</u>	<u>149,285</u>	<u>18,580</u>
Support Services-General Administration				
Personnel Services	26,000	26,000	25,632	368
Employee Benefits	8,000	5,800	5,565	235
Professional & Tech Services	10,000	10,130	9,957	173
Purchased Property Services	10,000	987	50	937
Other Purchased Services	5,000	4,144	3,613	531
Supplies	5,000	7,905	7,406	499
Fixed Assets	6,000	8,000	7,806	194
Supply Assets	1,000	2,934	1,932	1,002
Total Support Services-General Administration	<u>71,000</u>	<u>65,900</u>	<u>61,961</u>	<u>3,939</u>
Operation & Maintenance of Plant				
Purchased Property Services	0	6,000	1,430	4,570
Other Purchased Services	0	1,000	0	1,000
Total Operation & Maintenance of Plant	<u>\$ 0</u>	<u>\$ 7,000</u>	<u>\$ 1,430</u>	<u>\$ 5,570</u>

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances Positive (Negative) Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
Total Expenditures	\$ <u>408,970</u>	\$ <u>475,208</u>	\$ <u>413,148</u>	\$ <u>62,060</u>
Excess (Deficiency) of Revenues Over Expenditures	(147,808)	(147,808)	(43,094)	104,714
Cash Balance Beginning of Year	<u>147,808</u>	<u>147,808</u>	<u>147,808</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>104,714</u></u>	\$ <u><u>104,714</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (43,094)	
Net Change in Payables			(3,778)	
Net Change in Deferred Revenue			<u>46,872</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>0</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 329,349
Total Assets	<u>\$ 329,349</u>
Liabilities	
Deposits Held for Others	\$ 329,349
Total Liabilities	<u>\$ 329,349</u>

The notes to the financial statements are an integral part of this statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The COBRE SCHOOL DISTRICT (District) has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

The financial statements of the have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

GASB Statement No. 14 established criteria for determining the governmental 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 has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

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 capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

Under the requirements of GASB #43, 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:

GENERAL FUND (11000)(13000)(14000)

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage fund rents housing to District personnel. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

SPECIAL REVENUE FUNDS

TITLE I (24101)

To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA Entitlement (24106)

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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

CAPITAL PROJECT FUNDS

Bond Building (31100)

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Special Capital Outlay-State (31400).

To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

DEBT SERVICE FUND (41000)

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to Debt Reduction.

Assets, Liabilities and Net Assets and Fund Balances

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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

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Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (per Section 12-6-10 NMSA1978) and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

After a non-certified employee has been with the District for a period of at least six months, the employee is entitled to a one-week paid vacation; when employed twelve months, the employee is entitled to a two week paid vacation accumulative to no more than 20 contract days. Vacation is to be scheduled at an appropriate time and approved by the supervisor. If an employee is discharged because of lack of work, and through no fault of the employee, the employee shall receive commensurate vacation pay.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The entire compensated absence liability is reported on the government-wide financial statements.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Contingent Liabilities

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

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes. Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future

Net Assets

Net Assets are presented on the Statement of Net Assets and may be presented in any of the three

1. Invested in Capital Assets, Net of Related Debt. This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted Net Assets. Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
3. Unrestricted Net Assets. This component consist of net assets that do not meet the definition of the above two components.

Revenues

Taxes. The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, Capital Improvement HB-33 Fund, Capital Improvements SB-9 fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the District has recorded delinquent property taxes receivable and revenue for taxes assessed as of year end that have not been collected. An allowance for refunds and uncollectables has not been recorded.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants. Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified be enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Program Revenues. Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants which include SEG, Transportation, Instructional Materials and several federal and state grants as listed on the title pages, and 3) program specific capital grants which include capital grants received from the state for construction and improvements.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses) and Interfund Transfers

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur. In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Estimates

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.

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3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. 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 SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. 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 the District 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

Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

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DETAILED NOTES

Cash and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Name of Account</u>	Balance		Type
	Per Bank 6/30/08	Reconciled Balance	
Bank of America			
Operational	\$ 570,275	\$ 447,996	Checking
Cafeteria Sweep Account	(21,479)	25,445	Checking
Athletic Fund	9,494	6,074	Checking
Activity Fund	392,642	329,351	Checking
Federal Projects-Sweep	359,912	247,454	Checking
Bond Building-Sweep	1,719,186	1,682,460	Checking
SB9-Sweep	270,334	175,842	Checking
Debt Service	659,541	659,539	Checking
Payroll Clearing-Sweep	2,164,630	0	Checking
TOTAL Deposited	6,124,535	\$ 3,574,161	
Less: FDIC Coverage	(1,631,952)		
Uninsured Amount	4,492,583		
50% collateral requirement	0		
102% collateral requirement	4,582,435		
Pledged securities	5,869,506		
Over (Under) requirement	\$ 1,287,071		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at Bank of America:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>
FNMA	31410KGV0	\$ 1,383,190	2/1/2038
FNMA	31410GY98	1,552,525	2/1/2038
FNMA	21404LX70	219,164	10/1/2033
FNMA	31410GZ48	647,173	9/1/2037
FNMA	31402CVY5	1,106,397	2/1/2034
FNMA	31402CVW9	242,231	3/1/2034
FNMA	31410KEQ3	33,510	4/1/2038
FNMA	31385XAZ0	685,316	5/1/2033
		\$ 5,869,506	

The above securities are held at Bank of America in Charlotte, North Carolina.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 1,631,952
Collateralized:	
Collateral held by the pledging bank in District's name	4,492,583
Uninsured and uncollateralized	0
Total Deposits	\$ 6,124,535

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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. As of June 30, 2008, none of the District's bank balance of \$6,124,535 was exposed to custodial credit risk.

Interfund Receivables, Payables, Transfers and Deferred Revenues

The composition of interfund balances is as follows:

Receivable Funds	Payable Funds		
	Title I	Non Major Funds	Total
General Fund	\$ 194,081	\$ 175,505	\$ 369,586
Totals	\$ 194,081	\$ 175,505	\$ 369,586

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

Receivables

Following is a schedule of property taxes receivable:

	General	Debt Service	Non Major Funds
Property Taxes Receivable:			
Available	\$ 4,289	\$ 113,139	\$ 26,591
Unavailable	0	0	0
TOTAL Property Taxes Receivable	\$ 4,289	\$ 113,139	\$ 26,591

Amounts due from other agencies and units of government were as follows:

Federal Agencies	\$ 316,393
State Agencies	59,033
Total	\$ 375,426

Deferred Revenue

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the fund financial statements.

	General	IDEA, Part B Entitlement	Debt Service	Non Major Funds
Property Taxes	\$ 4,289	\$ 0	\$ 113,139	\$ 26,591
Federal Revenues	3,979	100,936	104,954	47,747
TOTAL Deferred Revenues	\$ 8,268	\$ 100,936	\$ 218,093	\$ 74,338

Capital Assets

Capital assets balances and activity for the year is as follows:

	Beginning of Year 6/30/07	Increases	Decreases	End of Year 6/30/08
Capital Assets not being Depreciated				
Land	\$ 747,139	\$ 0	\$ 0	\$ 747,139
Construction in Progress	461,663	0	0	461,663
Total Capital Assets not being Depreciated	\$ 1,208,802	\$ 0	\$ 0	\$ 1,208,802

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Capital Assets, being Depreciated				
Buildings	\$ 30,630,778	\$ 6,850,616	\$ 0	\$ 37,481,394
Equipment	3,990,403	107,434	249,750	3,848,087
Total Capital Assets	<u>35,829,983</u>	<u>6,958,050</u>	<u>249,750</u>	<u>42,538,283</u>

Capital Assets, being Depreciated				
Buildings & Improvement	13,827,621	477,961	0	14,305,582
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,339,967</u>	<u>887,757</u>	<u>249,750</u>	<u>2,977,974</u>
Total Capital Assets being Depreciated	<u>16,167,588</u>	<u>1,365,718</u>	<u>249,750</u>	<u>17,283,556</u>
Total Capital Assets	\$ <u>19,662,395</u>	\$ <u>8,323,768</u>	\$ <u>499,500</u>	\$ <u>25,254,727</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 559,945
Support Services-Students	122,915
Support Services-Instruction	245,829
General Administration	43,703
School Administration	65,554
Central Services	40,972
Operation of Plant	177,543
Student Transportation	109,257
Total depreciation expenses	\$ <u>1,365,718</u>

Commitments

The District is involved in a major construction project that is anticipated to cost \$ 28,921,949 .

Long Term Debt

A summary of activity in the long term debt is as follows:

	Beginning of Year 6/30/07	Additions	Reductions	End of Year 6/30/08	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 3,600,000	3,235,000	\$ 950,000	\$ 5,885,000	\$ 1,261,470
Total Bonds	<u>3,600,000</u>	<u>3,235,000</u>	<u>950,000</u>	<u>5,885,000</u>	<u>1,261,470</u>
Other Liabilities					
Compensated					
Absences	85,274	87,880	105,767	67,387	0
Total Other Liabilities	<u>85,274</u>	<u>87,880</u>	<u>105,767</u>	<u>67,387</u>	<u>0</u>
Long-Term	\$ <u>3,685,274</u>	\$ <u>3,322,880</u>	\$ <u>1,055,767</u>	\$ <u>5,952,387</u>	\$ <u>1,261,470</u>

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Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Food Service Fund and Title I Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Date of Issue	Original Issue	Ending Balance 6/30/08	Interest Rates	Maturity Date
2/15/1997	\$ 5,000,000	\$ 500,000	5%-6.5%	8/15/2009
2/15/1998	3,600,000	2,150,000	4.25%-5.75%	8/15/2010
9/15/2007	2,800,000	2,800,000	3.45%-3.63%	9/15/2013
2/15/2008	435,000	435,000	3.287%	2/15/2013
	<u>\$ 11,835,000</u>	<u>\$ 5,885,000</u>		

The annual requirements to amortize the general obligation bonds, including interest payments are as follows:

	Principal	Interest	Total
2009	\$ 1,230,000	\$ 202,091	\$ 1,432,091
2010	1,470,000	149,078	1,619,078
2011	1,535,000	90,028	1,625,028
2012	1,200,000	38,606	1,238,606
2013	450,000	8,298	458,298
	<u>\$ 5,885,000</u>	<u>\$ 488,101</u>	<u>\$ 6,373,101</u>

Reconciliation of Long-Term Debt disclosed above to the Long-Term Debt reported in the Statement of Net Assets.

Above Balance of Long-Term Debts	\$ 5,885,000
Energy Efficiency Lease below	318,391
Net Issue Costs/Premium/Discounts on Bond Issues	(66,130)
Statement of Net Assets	<u>\$ 6,137,261</u>
Long-Term Per Government Wide Financial Statements	\$ 4,875,790
Current Portion	1,261,470
Statement of Net Assets	<u>\$ 6,137,260</u>

Reconciliation of principal paid on the above note and the amount paid in the Statement of Revenues, Expenditures and Changes in Fund Balance

Above amount of principal	\$ 950,000
Amount of lease payment below	27,491
Current Amount Due on the Balance Sheet	<u>280,000</u>
Amount of principal paid on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 1,257,491</u>

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June 30, 2008

Energy Efficiency Lease

The District entered into a lease purchase agreement with New Mexico Bank & Trust (NMB&T) on December 2, 2006. The cost of the equipment was \$530,656. The terms of the agreement are quarterly payments of \$17,747, beginning April 28, 1998. The interest rate is 5.902%. The maturity date is January 28, 2008. The payments are made from the Energy Efficiency Capital Projects Fund (31800).

A summary of activity in the lease purchase is as follows:

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
NMB&T	\$ 345,882	\$ 0	\$ 27,491	\$ 318,391	\$ 31,470

Schedule of Payments	2009	\$ 46,068
	2010	46,068
	2011	46,068
	2012	46,068
	2013	46,068
	2014-2017	<u>184,272</u>
	Total Lease Payments	414,612
	Less Imputed Interest	(96,221)
		<u>\$ 318,391</u>

OTHER INFORMATION

Retirement Plan

Substantially all of the (name of employer'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.

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 contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$1,051,627, \$933,431 and \$861,570 respectively, which equal the amount of the required contributions for each fiscal year.

Post-Retirement Health Care Benefits

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.

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 \$125,437, \$119,553 and \$108,430, respectively, which equal the required contributions for each year.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime
- Surety Bond

Restatements

The Statement of Net Assets was restated for \$(345,882) to add the Energy Efficiency Lease to long-term debt and \$75,000 to the Special Capital Outlay State Fund for an incorrect negative fund balance. The Statement was also restated for \$(84,373) for Intergovernmental receivables subject to the 60 day availability period and a reclassification of activity funds of \$(58,841) from General Fund to Activity Funds. The total restatement was \$(414,096).

The Fund Balance were restated for \$75,000 for an incorrectly presented negative fund balance for the Special Capital Outlay State Fund and \$(58,841) to reclassify Activity Funds from the General Fund.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
CAPITAL PROJECTS FUND-BOND BUILDING-31100
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 29,428	\$ 36,256	\$ 6,828
Total Revenues	<u>0</u>	<u>29,428</u>	<u>36,256</u>	<u>6,828</u>
Expenditures				
Debt Service				
Bond Issue Cost	0	37,635	37,635	0
Total Debt Service	<u>0</u>	<u>37,635</u>	<u>37,635</u>	<u>0</u>
Capital Outlay				
Building Improvements	7,930	2,800,000	1,522,183	1,277,817
Total Capital Outlay	<u>7,930</u>	<u>2,800,000</u>	<u>1,522,183</u>	<u>1,277,817</u>
Total Expenditures	<u>7,930</u>	<u>2,837,635</u>	<u>1,559,818</u>	<u>1,277,817</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,930)	(2,808,207)	(1,523,562)	1,284,645
Other Financing Sources (Uses)				
Bond Proceeds	0	2,800,000	2,800,000	0
Total Other Sources (Uses)	<u>0</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>0</u>
Net Change in Fund Balance	(7,930)	(8,207)	1,276,438	1,284,645
Cash Balance Beginning of Year	<u>8,207</u>	<u>8,207</u>	<u>8,207</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 277</u>	<u>\$ 0</u>	<u>\$ 1,284,645</u>	<u>\$ 1,284,645</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,276,438	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,276,438</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 250,000	\$ 145,358	\$ 145,358	\$ 0
Total Revenues	<u>250,000</u>	<u>145,358</u>	<u>145,358</u>	<u>0</u>
Expenditures				
Capital Outlay				
Building Improvements	125,000	20,358	20,358	0
Fixed Assets	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Capital Outlay	<u>175,000</u>	<u>70,358</u>	<u>70,358</u>	<u>0</u>
Total Expenditures	<u>175,000</u>	<u>70,358</u>	<u>70,358</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	75,000	75,000	75,000	0
Cash Balance Beginning of Year	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 75,000	
Net Change in Due From Grantor			<u>(75,000)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 1,101,437	\$ 1,101,437	\$ 664,822	\$ (436,615)
Total Revenues	<u>1,101,437</u>	<u>1,101,437</u>	<u>664,822</u>	<u>(436,615)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	5,620	5,620	2,890	2,730
Total Support Services-General Administration	<u>5,620</u>	<u>5,620</u>	<u>2,890</u>	<u>2,730</u>
Debt Service				
Principal	950,000	950,000	950,000	0
Interest	178,456	178,457	178,457	0
Total Debt Service	<u>1,128,456</u>	<u>1,128,457</u>	<u>1,128,457</u>	<u>0</u>
Total Expenditures	<u>1,134,076</u>	<u>1,134,077</u>	<u>1,131,347</u>	<u>2,730</u>
Excess (Deficiency) of Revenues Over Expenditures	(32,639)	(32,640)	(466,525)	(433,885)
Cash Balance Beginning of Year	<u>1,126,066</u>	<u>1,126,066</u>	<u>1,126,066</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,093,427</u>	<u>\$ 1,093,426</u>	<u>\$ 659,541</u>	<u>\$ (433,885)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (466,525)	
Net Change in Taxes Receivables			(11,417)	
Net Change in Current Portion Due Principal			(280,000)	
Net Change in Current Portion Due Interest			(49,972)	
Net Change in Deferred Revenue			846	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (807,068)</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Part B, Competitive, Preschool (24108) (24109). 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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

Enhancing Education Through Technology (24133). To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

Title V (24150). To account for State and Local educational agencies in the reform of elementary and secondary education. Authorized by Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

English Language Acquisition (24153). To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications related to unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101, 3129.

Title II Teacher & Principal Training & Recruiting (24154) To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Safe & Drug Free Schools & Communities (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

21st Century (24159) To account for revenues and expenditures for a collaborative consortium of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions.

NONMAJOR FUNDS

Rural & Low Income (24160) To account for a federal grant to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The grant is authorized by the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Carl Perkins (24174). To account for funds distributed by the U. S. Department of Education through the State Department of Education to provide services which impact school district vocational programs, educators, and students. This fund was created by the authority of the Carl D. Perkins Vocational. and Applied Technology Education Amendments of 1998, Title I, Part B and C and Sections 115 and 116, and Workforce Investment Act, Section 503.

Mental Health (25139). To account for revenues and expenditure from a federal grant to provide mental health services to children and youth in need. The fund was created by federal grant provisions.

GRADS Childcare CYFD (25149). To account for funds received from New Mexico Department of Health for the Graduation and Dual Skills (GRADS) program for pregnant and parenting skills. The fund was created by state grant provisions.

Title XIX Medicaid 3/21 Years (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. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

TANF/Grads HSD (25162). To provide grants to States or Territories to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provisions.

NM Community Foundation (25176). To account for revenues and expenditures from a federal grant to improve educational opportunities for all children and youth. The fund was created by federal grant provisions

Technology for Education (27117) To account for funds used to purchase computers and software for a District-wide student information system and software licensing for computer labs within the District. The program is funded through the Office of Technology for the State of New Mexico. Authorized by the IASA Improving America School Act PL 103-382.

Physical Education Classes (27121). To account for funds received from the Carol M. White Physical Education Program. The purpose of the fund is to initiate, expand and improve physical education programs in order to help them make progress toward meeting state standards for physical education.

Incentives for School Improvement (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

NONMAJOR FUNDS

Library GO Bonds (27145). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for beginning teacher mentoring programs. The fund was created by state grant provisions.

School in Need of Improvement (27163). To account for revenues and expenditures from a state grant to improve the District's academic performance of the students. The fund was created by state grant provisions.

Libraries Go Bonds (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

School Based Health Center (29130). To account for funds to provide health services to students. The fund is provided by PED and the State Grants.

NONMAJOR CAPITAL PROJECTS FUNDS

Senate Bill Nine (31700)

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Energy Efficiency (31800).

The purpose of this fund is to account for revenue pursuant to Public Building Energy Efficiency Act, NMSA 1978 6-23-1 to 6-23-10. Funds will be utilized to retrofit the District's buildings to provide energy cost savings.

Educational Technology Act (31900)

To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA, Part B Competitive 24108
ASSETS			
Cash and Cash Equivalents	\$ 25,445	\$ 6,074	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	22,106	0	0
Total Assets	47,551	6,074	0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	1,196	0	0
Deferred Revenue	0	0	0
Total Liabilities	1,196	0	0
Fund Balance			
Reserved for Inventory	22,106	0	0
Unreserved, Undesignated			
Special Revenue	24,249	6,074	0
Capital Projects	0	0	0
Total Fund Balance	46,355	6,074	0
Total Liabilities and Fund Balance	\$ 47,551	\$ 6,074	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	IDEA, Part B Preschool 24109	Enhancing Ed Thru Tech 24133	Title V 24150
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 21,676	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>21,676</u>	<u>0</u>	<u>0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	1,137	0	0
Deferred Revenue	20,539	0	0
Total Liabilities	<u>21,676</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 21,676</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	English Language Acquisition 24153	Teacher/ Principal Training 24154	Safe & Drug Free School 24157
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	9,180	34,836	6,047
Inventory	0	0	0
Total Assets	9,180	34,836	6,047
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	9,180	34,836	2,447
Accounts Payable	0	0	3,600
Deferred Revenue	0	0	0
Total Liabilities	9,180	34,836	6,047
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 9,180	\$ 34,836	\$ 6,047

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	21st Century 24159	Rural & Low- Income Schools 24160	Carl Perkins 24174
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 2,000	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	66,027	0	3,982
Inventory	0	0	0
Total Assets	66,027	2,000	3,982
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	66,027	0	3,982
Accounts Payable	0	0	0
Deferred Revenue	0	2,000	0
Total Liabilities	66,027	2,000	3,982
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 66,027	\$ 2,000	\$ 3,982

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	Mental Health 25139	Grads Child Care CYFD 25149	Title XIX- Medicaid 3/21 Years 25153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 121,552
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	0	0	121,552
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	121,552
Capital Projects	0	0	0
Total Fund Balance	0	0	121,552
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 121,552

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	TANF/GRADS HSD 25162	NM Community Foundation 26176	Technology for Education 27117
ASSETS			
Cash and Cash Equivalents	\$ 727	\$ 0	\$ 50,202
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	727	0	50,202
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	727	0	0
Total Liabilities	727	0	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	50,202
Capital Projects	0	0	0
Total Fund Balance	0	0	50,202
Total Liabilities and Fund Balance	\$ 727	\$ 0	\$ 50,202

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	Physical Education Classes 27121	Incentives for School Improvement 27138	Libraries-GO Bonds-2004 27145
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 46,396	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	0	46,396	0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	0	6,745	0
Deferred Revenue	0	0	0
Total Liabilities	0	6,745	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	39,651	0
Capital Projects	0	0	0
Total Fund Balance	0	39,651	0
Total Liabilities and Fund Balance	\$ 0	\$ 46,396	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	Beginning Teacher Mentoring 27154	Schools in Need of Improvement 27163	Libraries GO Bonds 27170
ASSETS			
Cash and Cash Equivalents	\$ 11,147	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	52,250	6,783
Inventory	0	0	0
Total Assets	11,147	52,250	6,783
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	52,250	6,783
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	52,250	6,783
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	11,147	0	0
Capital Projects	0	0	0
Total Fund Balance	11,147	0	0
Total Liabilities and Fund Balance	\$ 11,147	\$ 52,250	\$ 6,783

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue		
	Funds	Capital Outlay	
	School Based Health Clinic 29130	Capital Improvements SB-9 31700	Energy Efficiency 31800
ASSETS			
Cash and Cash Equivalents	\$ 148,000	\$ 230,321	\$ 15,223
Receivables			
Taxes	0	26,591	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>148,000</u>	<u>256,912</u>	<u>15,223</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	3,250	7,580	0
Deferred Revenue	0	24,481	0
Total Liabilities	<u>3,250</u>	<u>32,061</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	144,750	0	0
Capital Projects	0	224,851	15,223
Total Fund Balance	<u>144,750</u>	<u>224,851</u>	<u>15,223</u>
Total Liabilities and Fund Balance	<u>\$ 148,000</u>	<u>\$ 256,912</u>	<u>\$ 15,223</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	<u>Capital Outlay</u>	
	<u>Ed Tech Equipment 31900</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 397,816	\$ 1,076,579
Receivables		
Taxes	0	26,591
Due From Grantor	0	179,105
Inventory	0	22,106
Total Assets	<u>397,816</u>	<u>\$ 1,304,381</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	0	175,505
Accounts Payable	0	23,508
Deferred Revenue	0	47,747
Total Liabilities	<u>0</u>	<u>246,760</u>
Fund Balance		
Reserved for Inventory	0	22,106
Unreserved, Undesignated		
Special Revenue	0	397,625
Capital Projects	397,816	637,890
Total Fund Balance	<u>397,816</u>	<u>1,057,621</u>
Total Liabilities and Fund Balance	<u>\$ 397,816</u>	<u>\$ 1,304,381</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA, Part B Competitive 24108
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	2,368	0	0
Fees	93,236	33,924	0
State & Local Grants	0	0	0
Federal Grants	639,787	0	1,829
Miscellaneous	0	261	0
Total Revenues	<u>735,391</u>	<u>34,185</u>	<u>1,829</u>
Expenditures			
Current			
Instruction	0	32,717	1,829
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	760,484	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>760,484</u>	<u>32,717</u>	<u>1,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,093)</u>	<u>1,468</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(25,093)	1,468	0
Fund Balances at Beginning of Year	<u>71,448</u>	<u>4,606</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 46,355</u>	<u>\$ 6,074</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	IDEA, Part B Preschool 24109	Enhancing Ed Thru Tech 24133	Title V 24150
	<u>24109</u>	<u>24133</u>	<u>24150</u>
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	16,187	1,541	1,929
Miscellaneous	0	0	0
Total Revenues	<u>16,187</u>	<u>1,541</u>	<u>1,929</u>
Expenditures			
Current			
Instruction	9,362	1,541	1,882
Support Services-Students	6,465	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	360	0	47
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>16,187</u>	<u>1,541</u>	<u>1,929</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	English Language Acquisition 24153	Teacher/ Principal Training 24154	Safe & Drug Free School 24157
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	11,164	146,767	10,904
Miscellaneous	0	0	0
Total Revenues	11,164	146,767	10,904
Expenditures			
Current			
Instruction	10,866	141,387	10,658
Support Services-Students	0	0	90
Support Services-Instruction	0	966	0
Support Services-General Administration	298	4,414	156
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	11,164	146,767	10,904
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	21st Century 24159	Rural & Low- Income Schools 24160	Carl Perkins 24174
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	151,788	46,428	14,606
Miscellaneous	0	0	0
Total Revenues	<u>151,788</u>	<u>46,428</u>	<u>14,606</u>
Expenditures			
Current			
Instruction	112,644	28,418	14,346
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	3,031	0	260
Support Services-School Administration	36,113	0	0
Operation of Maintenance of Plant	0	18,010	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>151,788</u>	<u>46,428</u>	<u>14,606</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Mental Health 25139	Grads Child Care CYFD 25149	Title XIX- Medicaid 3/21 Years 25153
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	101,229
State & Local Grants	0	0	0
Federal Grants	25,371	8,000	0
Miscellaneous	0	0	0
Total Revenues	<u>25,371</u>	<u>8,000</u>	<u>101,229</u>
Expenditures			
Current			
Instruction	0	8,000	36,940
Support Services-Students	25,371	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>25,371</u>	<u>8,000</u>	<u>36,940</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>64,289</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	64,289
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>57,263</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 121,552</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	TANF/GRADS HSD 25162	NM	
		Community Foundation 26176	Technology for Education 27117
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	50,202
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>50,202</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	10,000	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(10,000)</u>	<u>50,202</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	(10,000)	50,202
Fund Balances at Beginning of Year	<u>0</u>	<u>10,000</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,202</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Physical Education Classes 27121	Incentives for School Improvement 27138	Libraries-GO Bonds-2004 27145
	<u>27121</u>	<u>27138</u>	<u>27145</u>
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	33,180	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>33,180</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	11,673	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>0</u>	<u>11,673</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>21,507</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	21,507	0
Fund Balances at Beginning of Year	<u>0</u>	<u>18,144</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 39,651</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Beginning Teacher Mentoring 27154	Schools in Need of Improvement 27163	Libraries GO Bonds 27170
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	11,147	52,250	6,783
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>11,147</u>	<u>52,250</u>	<u>6,783</u>
Expenditures			
Current			
Instruction	0	51,000	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	6,783
Support Services-General Administration	0	1,250	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>0</u>	<u>52,250</u>	<u>6,783</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,147</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	11,147	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 11,147</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Revenue Funds		
	School Based Health Clinic 29130	Capital Improvements SB-9 31700	Capital Outlay Energy Efficiency 31800
Revenues			
Taxes	\$ 0	\$ 164,911	\$ 0
Interest Income	0	7,646	0
Fees	0	0	0
State & Local Grants	60,000	253,193	48,893
Federal Grants	0	0	0
Miscellaneous	0	1,778	0
Total Revenues	<u>60,000</u>	<u>427,528</u>	<u>48,893</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	63,250	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	738	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	603,948	0
Food Service Operations	0	0	0
Capital Outlay	0	212,675	0
Debt Service			
Principal	0	0	27,492
Interest	0	0	16,026
Bond Issue Cost	0	0	0
Total Expenditures	<u>63,250</u>	<u>817,361</u>	<u>43,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,250)</u>	<u>(389,833)</u>	<u>5,375</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(3,250)	(389,833)	5,375
Fund Balances at Beginning of Year	<u>148,000</u>	<u>614,684</u>	<u>9,848</u>
Fund Balance End of Year	<u>\$ 144,750</u>	<u>\$ 224,851</u>	<u>\$ 15,223</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 1
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	<u>Capital Outlay</u>	
	Ed Tech Equipment 31900	Total
	<u> </u>	<u> </u>
Revenues		
Taxes	\$ 0	\$ 164,911
Interest Income	0	10,014
Fees	0	228,389
State & Local Grants	0	515,648
Federal Grants	0	1,076,301
Miscellaneous	0	2,039
Total Revenues	<u>0</u>	<u>1,997,302</u>
Expenditures		
Current		
Instruction	0	473,263
Support Services-Students	0	95,176
Support Services-Instruction	0	17,749
Support Services-General Administration	0	10,554
Support Services-School Administration	0	36,113
Operation of Maintenance of Plant	0	621,958
Food Service Operations	0	760,484
Capital Outlay	0	212,675
Debt Service		
Principal	0	27,492
Interest	0	16,026
Bond Issue Cost	37,184	37,184
Total Expenditures	<u>37,184</u>	<u>2,308,674</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(37,184)</u>	<u>(311,372)</u>
Other Financing Sources (Uses)		
Bond Proceeds	435,000	435,000
Total Other Sources (Uses)	<u>435,000</u>	<u>435,000</u>
Net Change in Fund Balance	397,816	123,628
Fund Balances at Beginning of Year	<u>0</u>	<u>933,993</u>
Fund Balance End of Year	<u>\$ 397,816</u>	<u>\$ 1,057,621</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ 4,000	\$ 4,000	\$ 2,368	\$ (1,632)
Fees	88,000	88,000	93,236	5,236
Federal Grants	654,271	654,271	595,485	(58,786)
Total Revenues	<u>746,271</u>	<u>746,271</u>	<u>691,089</u>	<u>(55,182)</u>
Expenditures				
Food Service Operations				
Personnel Services	253,384	255,679	239,479	16,200
Employee Benefits	135,880	136,645	122,142	14,503
Professional & Tech Services	1,000	1,704	1,704	0
Purchased Property Services	5,000	5,000	0	5,000
Other Purchased Services	1,000	3,169	3,169	0
Supplies	413,450	407,517	362,593	44,924
Total Food Service Operations	<u>809,714</u>	<u>809,714</u>	<u>729,087</u>	<u>80,627</u>
Total Expenditures	<u>809,714</u>	<u>809,714</u>	<u>729,087</u>	<u>80,627</u>
Excess (Deficiency) of Revenues Over Expenditures	(63,443)	(63,443)	(37,998)	25,445
Cash Balance Beginning of Year	<u>63,443</u>	<u>63,443</u>	<u>63,443</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,445</u>	<u>\$ 25,445</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (37,998)	
Net Change in Inventory			3,728	
Net Change in Payables			9,177	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (25,093)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 40,000	\$ 40,000	33,924	\$ (6,076)
Miscellaneous	0	0	261	261
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>34,185</u>	<u>(5,815)</u>
Expenditures				
Instruction				
Other Purchased Services	<u>44,606</u>	<u>44,606</u>	<u>32,717</u>	<u>11,889</u>
Total Instruction	<u>44,606</u>	<u>44,606</u>	<u>32,717</u>	<u>11,889</u>
Total Expenditures	<u>44,606</u>	<u>44,606</u>	<u>32,717</u>	<u>11,889</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,606)	(4,606)	1,468	6,074
Cash Balance Beginning of Year	<u>4,606</u>	<u>4,606</u>	<u>4,606</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,074</u>	<u>\$ 6,074</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 1,468</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,468</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-IDEA, PART B COMPETITIVE-24108
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	1,829	1,829	1,829	0
Total Instruction	<u>1,829</u>	<u>1,829</u>	<u>1,829</u>	<u>0</u>
Total Expenditures	<u>1,829</u>	<u>1,829</u>	<u>1,829</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,829)	(1,829)	(1,829)	0
Cash Balance Beginning of Year	<u>1,829</u>	<u>1,829</u>	<u>1,829</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,829)	
Net Change in Deferred Revenue			<u>1,829</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-IDEA, PART B PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 7,637	\$ 8,384	\$ 13,078	\$ 4,694
Total Revenues	<u>7,637</u>	<u>8,384</u>	<u>13,078</u>	<u>4,694</u>
Expenditures				
Instruction				
Other Purchased Services	539	395	394	1
Supplies	1,000	9,676	2,531	7,145
Supply Assets	980	12,947	5,689	7,258
Total Instruction	<u>2,519</u>	<u>23,018</u>	<u>8,614</u>	<u>14,404</u>
Support Services-Students				
Personnel Services	7,989	4,100	4,100	0
Employee Benefits	611	1,617	1,471	146
Other Purchased Services	4,500	1,905	388	1,517
Supplies	392	1,000	117	883
Total Support Services-Students	<u>13,492</u>	<u>8,622</u>	<u>6,076</u>	<u>2,546</u>
Support Services-General Administration				
Professional & Tech Services	0	392	360	32
Total Support Services-General Administration	<u>0</u>	<u>392</u>	<u>360</u>	<u>32</u>
Total Expenditures	<u>16,011</u>	<u>32,032</u>	<u>15,050</u>	<u>16,982</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,374)	(23,648)	(1,972)	21,676
Cash Balance Beginning of Year	<u>23,648</u>	<u>23,648</u>	<u>23,648</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 15,274</u>	<u>\$ 0</u>	<u>\$ 21,676</u>	<u>\$ 21,676</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,972)	
Net Change in Payables			(1,137)	
Net Change in Deferred Revenue			3,109	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-ENHANCING EDUCATION THRU TECH-24133
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	1,541	1,541	1,541	0
Total Instruction	<u>1,541</u>	<u>1,541</u>	<u>1,541</u>	<u>0</u>
Total Expenditures	<u>1,541</u>	<u>1,541</u>	<u>1,541</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,541)	(1,541)	(1,541)	0
Cash Balance Beginning of Year	<u>1,541</u>	<u>1,541</u>	<u>1,541</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,541)	
Net Change in Deferred Revenue			<u>1,541</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 3,667	\$ 3,777	\$ 3,774	\$ (3)
Total Revenues	<u>3,667</u>	<u>3,777</u>	<u>3,774</u>	<u>(3)</u>
Expenditures				
Instruction				
Personnel Services	<u>1,778</u>	<u>1,885</u>	<u>1,882</u>	<u>3</u>
Total Instruction	<u>1,778</u>	<u>1,885</u>	<u>1,882</u>	<u>3</u>
Support Services-General Administration				
Professional & Tech Services	<u>44</u>	<u>47</u>	<u>47</u>	<u>0</u>
Total Support Services-General Administration	<u>44</u>	<u>47</u>	<u>47</u>	<u>0</u>
Total Expenditures	<u>1,822</u>	<u>1,932</u>	<u>1,929</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	1,845	1,845	1,845	0
Cash Balance Beginning of Year	<u>(1,845)</u>	<u>(1,845)</u>	<u>(1,845)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,845	
Net Change in Due From Grantor			<u>(1,845)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 1,077	\$ 50,614	\$ 4,378	\$ (46,236)
Total Revenues	<u>1,077</u>	<u>50,614</u>	<u>4,378</u>	<u>(46,236)</u>
Expenditures				
Instruction				
Other Purchased Services	0	29,576	243	29,333
Supplies	0	18,746	11,940	6,806
Total Instruction	<u>0</u>	<u>48,322</u>	<u>12,183</u>	<u>36,139</u>
Support Services-General Administration				
Professional & Tech Services	0	1,215	298	917
Total Support Services-General Administration	<u>0</u>	<u>1,215</u>	<u>298</u>	<u>917</u>
Total Expenditures	<u>0</u>	<u>49,537</u>	<u>12,481</u>	<u>37,056</u>
Excess (Deficiency) of Revenues Over Expenditures	1,077	1,077	(8,103)	(9,180)
Cash Balance Beginning of Year	<u>(1,077)</u>	<u>(1,077)</u>	<u>(1,077)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,180)</u>	<u>\$ (9,180)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,103)	
Net Change in Due From Grantor			6,787	
Net Change in Payables			1,316	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-TITLE II TEACHER/PRINCIPAL TRAINING & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 151,966	\$ 159,880	\$ 115,625	\$ (44,255)
Total Revenues	<u>151,966</u>	<u>159,880</u>	<u>115,625</u>	<u>(44,255)</u>
Expenditures				
Instruction				
Personnel Services	96,000	94,667	94,542	125
Employee Benefits	18,974	36,441	36,327	114
Other Purchased Services	22,752	17,756	10,374	7,382
Supplies	5,000	809	145	664
Supply Assets	2,000	1,096	0	1,096
Total Instruction	<u>144,726</u>	<u>150,769</u>	<u>141,388</u>	<u>9,381</u>
Support Services-Instruction				
Other Purchased Services	0	966	966	0
Total Support Services-Students	<u>0</u>	<u>966</u>	<u>966</u>	<u>0</u>
Support Services-General Administration				
Other Purchased Services	3,546	3,546	3,509	37
Supplies	0	905	904	1
Total Support Services-General Administration	<u>3,546</u>	<u>4,451</u>	<u>4,413</u>	<u>38</u>
Total Expenditures	<u>148,272</u>	<u>156,186</u>	<u>146,767</u>	<u>9,419</u>
Excess (Deficiency) of Revenues Over Expenditures	3,694	3,694	(31,142)	(34,836)
Cash Balance Beginning of Year	<u>(3,694)</u>	<u>(3,694)</u>	<u>(3,694)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (34,836)</u>	<u>\$ (34,836)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (31,142)	
Net Change in Due from Grantor			<u>31,142</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITIES-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 16,843	\$ 22,699	\$ 10,718	\$ (11,981)
Total Revenues	<u>16,843</u>	<u>22,699</u>	<u>10,718</u>	<u>(11,981)</u>
Expenditures				
Instruction				
Other Purchased Services	2,119	343	342	1
Supplies	<u>8,600</u>	<u>16,142</u>	<u>6,716</u>	<u>9,426</u>
Total Instruction	<u>10,719</u>	<u>16,485</u>	<u>7,058</u>	<u>9,427</u>
Support Services-Students				
Other Purchased Services	<u>0</u>	<u>90</u>	<u>90</u>	<u>0</u>
Total Support Services-Students	<u>0</u>	<u>90</u>	<u>90</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	<u>263</u>	<u>263</u>	<u>156</u>	<u>107</u>
Total Support Services-General Administration	<u>263</u>	<u>263</u>	<u>156</u>	<u>107</u>
Total Expenditures	<u>10,982</u>	<u>16,838</u>	<u>7,304</u>	<u>9,534</u>
Excess (Deficiency) of Revenues Over Expenditures	5,861	5,861	3,414	(2,447)
Cash Balance Beginning of Year	<u>(5,861)</u>	<u>(5,861)</u>	<u>(5,861)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,447)</u>	<u>\$ (2,447)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,414	
Net Change in Due from Grantor			186	
Net Change in Payables			<u>(3,600)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-21ST CENTURY-24159
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 182,700	\$ 194,611	\$ 83,564	\$ (111,047)
Total Revenues	<u>182,700</u>	<u>194,611</u>	<u>83,564</u>	<u>(111,047)</u>
Expenditures				
Instruction				
Personnel Services	91,723	79,809	79,809	0
Employee Benefits	39,212	20,144	20,144	0
Professional & Tech Services	0	225	0	225
Other Purchased Services	4,862	8,149	8,149	0
Supplies	5,786	47,534	3,842	43,692
Supply Assets	0	700	700	0
Total Instruction	<u>141,583</u>	<u>156,561</u>	<u>112,644</u>	<u>43,917</u>
Support Services-General Administration				
Professional & Tech Services	4,476	4,134	3,031	1,103
Total Support Services-General Administration	<u>4,476</u>	<u>4,134</u>	<u>3,031</u>	<u>1,103</u>
Support Services-School Administration				
Personnel Services	16,144	15,842	15,842	0
Employee Benefits	4,997	4,771	4,771	0
Professional & Tech Services	15,500	15,500	15,500	0
Total Support Services-School Administration	<u>36,641</u>	<u>36,113</u>	<u>36,113</u>	<u>0</u>
Total Expenditures	<u>182,700</u>	<u>196,808</u>	<u>151,788</u>	<u>45,020</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(2,197)	(68,224)	(66,027)
Cash Balance Beginning of Year	<u>2,197</u>	<u>2,197</u>	<u>2,197</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,197</u>	<u>\$ 0</u>	<u>\$ (66,027)</u>	<u>\$ (66,027)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (68,224)	
Net Change in Due from Grantor			66,027	
Net Change in Deferred Revenue			2,197	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-RURAL & LOW-INCOME SCHOOLS-24160
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 63,007	\$ 69,286	\$ 71,286	\$ 2,000
Total Revenues	<u>63,007</u>	<u>69,286</u>	<u>71,286</u>	<u>2,000</u>
Expenditures				
Instruction				
Personnel Services	18,472	23,711	23,711	0
Employee Benefits	<u>3,667</u>	<u>4,707</u>	<u>4,707</u>	<u>0</u>
Total Instruction	<u>22,139</u>	<u>28,418</u>	<u>28,418</u>	<u>0</u>
Operation & Maintenance of Plant				
Personnel Services	14,544	14,544	14,544	0
Employee Benefits	<u>3,466</u>	<u>3,466</u>	<u>3,466</u>	<u>0</u>
Total Operation & Maintenance of Plant	<u>18,010</u>	<u>18,010</u>	<u>18,010</u>	<u>0</u>
Total Expenditures	<u>40,149</u>	<u>46,428</u>	<u>46,428</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	22,858	22,858	24,858	2,000
Cash Balance Beginning of Year	<u>(22,858)</u>	<u>(22,858)</u>	<u>(22,858)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 24,858	
Net Change in Due from Grantor			(22,858)	
Net Change in Deferred Revenue			<u>(2,000)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-CARL PERKINS-24174
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 21,981	\$ 10,624	\$ (11,357)
Total Revenues	<u>0</u>	<u>21,981</u>	<u>10,624</u>	<u>(11,357)</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,682	0	1,682
Employee Benefits	0	8,951	8,752	199
Supply Assets	0	9,860	5,594	4,266
Total Instruction	<u>0</u>	<u>20,493</u>	<u>14,346</u>	<u>4,266</u>
Support Services-General Administration				
Professional & Tech Services	0	1,487	260	1,227
Total Support Services-General Administration	<u>0</u>	<u>1,487</u>	<u>260</u>	<u>1,227</u>
Total Expenditures	<u>0</u>	<u>21,980</u>	<u>14,606</u>	<u>5,493</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1	(3,982)	(3,983)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ (3,982)</u>	<u>\$ (3,983)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,982)	
Net Change in Due from Grantor			<u>3,982</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-MENTAL HEALTH-25139
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 3,079	\$ 28,451	\$ 28,451	\$ 0
Total Revenues	<u>3,079</u>	<u>28,451</u>	<u>28,451</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	0	4,077	4,077	0
Professional & Tech Services	0	5,551	5,551	0
Other Purchased Services	0	5,495	5,495	0
Supplies	0	7,695	7,695	0
Supply Assets	0	2,554	2,554	0
Total Support Services- Students	<u>0</u>	<u>25,372</u>	<u>25,372</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>25,372</u>	<u>25,372</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,079	3,079	3,079	0
Cash Balance Beginning of Year	<u>(3,079)</u>	<u>(3,079)</u>	<u>(3,079)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,079	
Net Change in Due from Grantor			<u>(3,079)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-GRADS CHILD CARE CYFD-25149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Instruction	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,000)	(8,000)	(8,000)	0
Cash Balance Beginning of Year	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,000)	
Net Change in Deferred Revenue			<u>8,000</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-TITLE XIX-MEDICAID 3/21 YEARS-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 0	\$ 0	\$ 101,229	\$ 101,229
Total Revenues	<u>0</u>	<u>0</u>	<u>101,229</u>	<u>101,229</u>
Expenditures				
Instruction				
Personnel Services	0	15,285	15,284	1
Employee Benefits	0	11,322	10,246	1,076
Other Purchased Services	<u>0</u>	<u>30,656</u>	<u>11,410</u>	<u>19,246</u>
Total Instruction	<u>0</u>	<u>57,263</u>	<u>36,940</u>	<u>20,323</u>
Total Expenditures	<u>0</u>	<u>57,263</u>	<u>36,940</u>	<u>20,323</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(57,263)	64,289	121,552
Cash Balance Beginning of Year	<u>57,263</u>	<u>57,263</u>	<u>57,263</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 57,263</u>	<u>\$ 0</u>	<u>\$ 121,552</u>	<u>\$ 121,552</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>64,289</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>64,289</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-TANF/GRADS HSD-25162
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 7,273	\$ 7,273	\$ 8,000	\$ 727
Total Revenues	<u>7,273</u>	<u>7,273</u>	<u>8,000</u>	<u>727</u>
Expenditures				
Support Services-Students				
Supplies	0	0	0	0
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	7,273	7,273	8,000	727
Cash Balance Beginning of Year	<u>(7,273)</u>	<u>(7,273)</u>	<u>(7,273)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>727</u>	\$ <u>727</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,000	
Net Change in Due from Grantor			<u>(7,273)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>727</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-NM COMMUNITY FOUNDATION-26176
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	0	10,000	10,000	0
Total Support Services- Students	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(10,000)	(10,000)	0
Cash Balance Beginning of Year	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,000)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (10,000)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 50,202	\$ 50,202
Total Revenues	<u>0</u>	<u>0</u>	<u>50,202</u>	<u>50,202</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services- Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	50,202	50,202
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,202</u>	<u>\$ 50,202</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 50,202	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 50,202</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-PHYSICAL EDUCATION CLASSES-27121
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 20,030	\$ 20,030	\$ 20,030	\$ 0
Total Revenues	<u>20,030</u>	<u>20,030</u>	<u>20,030</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	20,030	20,030	20,030	0
Cash Balance Beginning of Year	<u>(20,030)</u>	<u>(20,030)</u>	<u>(20,030)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,030	
Net Change in Due from Grantor			<u>(20,030)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT ACT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 33,180	\$ 33,180
Total Revenues	<u>0</u>	<u>0</u>	<u>33,180</u>	<u>33,180</u>
Expenditures				
Instruction				
Supplies	0	4,152	0	4,152
Supply Assets	0	6,990	4,928	2,062
Fixed Assets	0	7,002	0	7,002
Total Instruction	<u>0</u>	<u>18,144</u>	<u>4,928</u>	<u>13,216</u>
Total Expenditures	<u>0</u>	<u>18,144</u>	<u>4,928</u>	<u>13,216</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(18,144)	28,252	46,396
Cash Balance Beginning of Year	<u>18,144</u>	<u>18,144</u>	<u>18,144</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,144</u>	<u>\$ 0</u>	<u>\$ 46,396</u>	<u>\$ 46,396</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 28,252	
Net Change in Payables			(6,745)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 21,507</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 3,751	\$ 3,751	\$ 3,751	\$ 0
Total Revenues	<u>3,751</u>	<u>3,751</u>	<u>3,751</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services- Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,751	3,751	3,751	0
Cash Balance Beginning of Year	<u>(3,751)</u>	<u>(3,751)</u>	<u>(3,751)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,751	
Net Change in Due from Grantor			<u>(3,751)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 11,147	\$ 11,147
Total Revenues	<u>0</u>	<u>0</u>	<u>11,147</u>	<u>11,147</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	11,147	11,147
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,147</u>	<u>\$ 11,147</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>11,147</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>11,147</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-SCHOOL IN NEED OF IMPROVEMENT-27163
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 61,470	\$ 0	\$ (61,470)
Total Revenues	<u>0</u>	<u>61,470</u>	<u>0</u>	<u>(61,470)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	48,000	39,000	9,000
Supplies	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>60,000</u>	<u>51,000</u>	<u>9,000</u>
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>1,470</u>	<u>1,250</u>	<u>220</u>
Total Support Services-General Administration	<u>0</u>	<u>1,470</u>	<u>1,250</u>	<u>220</u>
Total Expenditures	<u>0</u>	<u>61,470</u>	<u>52,250</u>	<u>9,220</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(52,250)	(52,250)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (52,250)</u>	<u>\$ (52,250)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (52,250)	
Net Change in Due From Grantor			<u>52,250</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 20,258	\$ 0	\$ (20,258)
Total Revenues	<u>0</u>	<u>20,258</u>	<u>0</u>	<u>(20,258)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	20,258	6,783	13,475
Total Support Services- Instruction	<u>0</u>	<u>20,258</u>	<u>6,783</u>	<u>13,475</u>
Total Expenditures	<u>0</u>	<u>20,258</u>	<u>6,783</u>	<u>13,475</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,783)	(6,783)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,783)</u>	<u>\$ (6,783)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,783)	
Net Change in Due From Grantor			<u>6,783</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
SPECIAL REVENUE FUND-SCHOOL BASED HEALTH CLINIC-29130
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 12,000	\$ 60,000	\$ 48,000
Total Revenues	<u>0</u>	<u>12,000</u>	<u>60,000</u>	<u>48,000</u>
Expenditures				
Support Services-Students				
Other Purchased Services	0	60,000	60,000	0
Supply Assets	0	21,000	0	21,000
Fixed Assets	<u>0</u>	<u>19,000</u>	<u>0</u>	<u>19,000</u>
Total Support Services- Students	<u>0</u>	<u>100,000</u>	<u>60,000</u>	<u>40,000</u>
Capital Outlay				
Building Improvements	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>60,000</u>
Total Capital Outlay	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>60,000</u>
Total Expenditures	<u>0</u>	<u>160,000</u>	<u>60,000</u>	<u>100,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(148,000)	0	148,000
Cash Balance Beginning of Year	<u>148,000</u>	<u>148,000</u>	<u>148,000</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 148,000</u>	<u>\$ 0</u>	<u>\$ 148,000</u>	<u>\$ 148,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Payables			<u>(3,250)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,250)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
CAPITAL PROJECTS FUND-CAPITAL IMPROVEMENTS SB-9-31700
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 310,369	\$ 310,369	\$ 168,193	\$ (142,176)
Interest Income	15,000	15,000	7,646	(7,354)
State & Local Grants	0	117,809	253,193	135,384
Miscellaneous	0	0	1,778	1,778
Total Revenues	<u>325,369</u>	<u>443,178</u>	<u>430,810</u>	<u>(12,368)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	2,000	2,000	738	1,262
Total Support Services-General Administration	<u>2,000</u>	<u>2,000</u>	<u>738</u>	<u>1,262</u>
Operation & Maintenance of Plant				
Maintenance & Repair	338,646	393,818	346,879	46,939
Supplies	233,000	190,104	170,683	19,421
Supply Assets	81,000	126,603	81,725	44,878
Total Operation & Maintenance of Plant	<u>652,646</u>	<u>710,525</u>	<u>599,287</u>	<u>111,238</u>
Capital Outlay				
Building Improvements	107,934	227,152	169,792	57,360
Fixed Assets	175,000	115,712	42,883	72,829
Total Capital Outlay	<u>282,934</u>	<u>342,864</u>	<u>212,675</u>	<u>130,189</u>
Total Expenditures	<u>937,580</u>	<u>1,055,389</u>	<u>812,700</u>	<u>242,689</u>
Excess (Deficiency) of Revenues Over Expenditures	(612,211)	(612,211)	(381,890)	(230,321)
Cash Balance Beginning of Year	<u>612,211</u>	<u>612,211</u>	<u>612,211</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 230,321</u>	<u>\$ (230,321)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (381,890)	
Net Change in Taxes Receivable			(3,405)	
Net Change in Payables			(4,661)	
Net Change in Deferred Revenue			123	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (389,833)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 CAPITAL PROJECT FUND-ENERGY EFFICIENCY-31800
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 48,893	\$ 48,893	\$ 48,893	\$ 0
Total Revenues	<u>48,893</u>	<u>48,893</u>	<u>48,893</u>	<u>0</u>
Expenditures				
Capital Outlay				
Principal	27,491	27,491	27,491	0
Interest	<u>16,027</u>	<u>16,027</u>	<u>16,027</u>	<u>0</u>
Total Capital Outlay	<u>43,518</u>	<u>43,518</u>	<u>43,518</u>	<u>0</u>
Total Expenditures	<u>43,518</u>	<u>43,518</u>	<u>43,518</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	5,375	5,375	5,375	0
Cash Balance Beginning of Year	<u>9,848</u>	<u>9,848</u>	<u>9,848</u>	<u>0</u>
	0			
Cash Balance End of Year	<u>\$ 15,223</u>	<u>\$ 15,223</u>	<u>\$ 15,223</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,375	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,375</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 CAPITAL PROJECTS FUND-ED TECH EQUIPMENT-31900
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Debt Service				
Bond Issue Cost	0	37,184	37,184	0
Total Debt Service	<u>0</u>	<u>37,184</u>	<u>37,184</u>	<u>0</u>
Capital Outlay				
Fixed Assets	435,000	397,816	0	397,816
Total Capital Outlay	<u>435,000</u>	<u>397,816</u>	<u>0</u>	<u>397,816</u>
Total Expenditures	<u>435,000</u>	<u>435,000</u>	<u>37,184</u>	<u>397,816</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(435,000)</u>	<u>(435,000)</u>	<u>(37,184)</u>	<u>(397,816)</u>
Other Financing Sources (Uses)				
Bond Proceeds	435,000	435,000	435,000	0
Total Other Sources (Uses)	<u>435,000</u>	<u>435,000</u>	<u>435,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	397,816	(397,816)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>397,816</u>	\$ <u>(397,816)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Fund Balance			\$ <u>397,816</u>	
Cash Balance End of Year			\$ <u>397,816</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 AGENCY FUNDS - ACTIVITY
 Statement of Changes in Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2008

ASSETS	Restated Balance 6/30/07	Additions	Deductions	Balance 6/30/08
Cobre High School	\$ 57,399	\$ 217,785	\$ 201,760	\$ 73,424
Snell Middle School	32,040	51,911	57,937	26,014
Bayard Elementary School	5,803	19,995	22,288	3,510
Central Elementary School	24,741	12,971	8,099	29,613
Hurley Elementary School	8,144	16,208	12,720	11,632
San Lorenzo Elementary	4,617	7,529	3,092	9,054
All Students	148,969	75,667	48,534	176,102
Total Assets	<u>\$ 281,713</u>	<u>\$ 402,066</u>	<u>\$ 354,430</u>	<u>\$ 329,349</u>
LIABILITIES				
Deposits Held for Others	\$ 281,713	\$ 402,066	\$ 354,430	\$ 329,349
Total Liabilities	<u>\$ 281,713</u>	<u>\$ 402,066</u>	<u>\$ 354,430</u>	<u>\$ 329,349</u>

The receipts and expenditures by account were not available.

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2

Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

		Beginning Cash Balance	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance
Operations	11000	\$ 10,973	\$ 13,910,418	\$ 13,473,395	\$ 0	\$ 447,996
Transportation	13000	0	721,515	721,515	0	0
Instructional Materials	14000	18,288	150,410	127,776	0	40,922
Food Services	21000	63,443	691,088	729,086	0	25,445
Athletics	22000	4,606	34,185	32,717	0	6,074
Activities	23000	281,715	402,066	354,430	0	329,351
Federal Flowthrough	24000	115,414	1,136,578	1,434,155	0	(182,163)
Federal Direct	25000	54,910	137,680	70,312	0	122,278
Local Grants	26000	10,000	0	10,000	0	0
State Flowthrough	27000	(5,638)	118,311	63,961	0	48,712
Local/State	29000	148,000	60,000	60,000	0	148,000
Bond Building	31100	8,207	2,836,256	1,559,819	0	1,284,644
Special Capital Outlay State	31400	(75,000)	145,358	70,358	0	0
SB-9	31700	612,211	430,811	812,700	0	230,322
Energy Efficiency	31800	9,848	48,893	43,518	0	15,223
Public School Capital Outlay	31900	0	435,000	37,184	0	397,816
Debt Service	41000	1,126,066	664,821	1,131,347	0	659,540
Agency Funds		0	0	0	0	0
Total		\$ 2,383,043	\$ 21,923,390	\$ 20,732,273	\$ 0	\$ 3,574,160

The notes to the financial statements are an integral part of this statement.

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through Public Education Department:			
USDA National School Lunch Program	10.555	21000	\$ 360,345
USDA National School Breakfast Program	10.553	21000	225,066
Pass-through State Department of Human Services-CYFD			
USDA National School Lunch Program	10.555	21000	10,074
Total Child Nutrition Cluster			<u>595,485</u>
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000	(1) 44,302
Direct Program			
Forest Reserve	10.670	11000	15,545
Total U. S. Department of Agriculture			<u>655,332</u>
	(1) Non-cash assistance		
<u>U. S. Department of Education</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
Special Education Cluster			
IDEA, Part B, Entitlement	84.027	24106	416,926
IDEA, Part B, Competitive	84.027	24107	1,829
IDEA, Part B, Preschool	84.027	24109	16,187
			<u>434,942</u>
Title I Basic Education Grant	84.010	24101	620,731
Enhancing Education Thru Technology	84.318X	24133	1,541
Title V	84.298	24150	1,929
Title III English Language	84.365	24153	11,164
Title II Improving Teacher Quality	84.367	24154	146,767
Title IV Safe and Drug Free Schools	84.186	24157	10,904
21st Century	84.287	24159	151,789
Rural & Low Income Schools	84.358	24160	46,428
Carl Perkins	84.048	24174	14,606
Total Pass-Through Programs			<u>1,440,801</u>
Direct Program			
Grads Childcare	93.590	25149	8,000
Grants to Improve the Mental Health of Children	84.215M	25139	25,370
Total U. S. Department of Education			1,474,171
Total Federal Assistance			\$ <u>2,129,503</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Cobre Consolidated Schools

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of COBRE CONSOLIDATED SCHOOLS, (District), as of and for the year ended June 30, 2008, and have issued our report thereon dated October 8, 2009. 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 the District'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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District'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 District's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 responsequestioned costs as items 07-2, 08-2, 08-3, 08-4 and 08-5.

The District'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 District's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

October 8, 2009

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Cobre Consolidated Schools

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of COBRE CONSOLIDATED SCHOLS (District), 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. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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-Profits Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 the District's compliance with those requirements.

In our opinion, the District 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. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-1.

Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District'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 of the effectiveness of the District's internal control over compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

October 8, 2009

STATE OF NEW MEXICO
COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

* Material Weakness(es) identified? yes X no

* Reportable condition(s) identified that are not considered to be material weaknesses? X yes no

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

* Material Weakness(es) identified? yes X no

* Reportable condition(s) identified that are not considered to be material weaknesses? yes X no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.555	Child Nutrition Cluster
84.010	Title I Basic Education Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low risk auditee yes X no

Federal Award Findings

Prior Year Audit Findings

There were no audit findings for the prior year.

Current Year Audit Findings

08-1 Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse

Condition

The audit report was filed after the due date. The State Auditors Office received the audit report on October 9, 2009.

Criteria

As required by OMB Circular A-133.320, the reporting package is due nine months after the fiscal year end.

Effect

Late report filing is an instance of noncompliance with the District's internal controls related to financial reporting.

Cause

The audit could not be completed timely because the District did not contract with an auditor until after the due date of the audit.

Recommendation

Care should be taken to ensure that the the data collection form and reporting package are completed in a timely fashion.

Response

Management is currently undertaking to prepare past year's audits.

Financial Statement Audit Findings

Prior Year Audit Findings

	<u>Status</u>
07-1 Procurement	Resolved
07-2 Employee Documentaton	Repeated & Modified
07-3 Indirect Cost Reimbursements	Resolved

Current Year Audit Findings

07-2 Employee Documentation

Condition

The auditor discovered that out of a random sample of twenty-five personnel files, two files were missing employment contracts. When this oversight was discovered, the Human Resources Employee recreated the missing contracts while the auditor was present conducting fieldwork. Of these recreated employee contracts, one was signed by the employee but did not include the superintendent's signature and the other included a computer generated past superintendent's signature.

Criteria

Both state and federal law requires employers to maintain a record for each employee that contains, at a minimum the following documents: (1) an I-9; (2) W-4, with adequate proof of identification attached; and (3) employee contracts. See IRC §3402(f)(2)(A) & 6109; NMSA 1978, §22-10A-21. Furthermore, the Immigration Reform and Control Act of 1986 (IRCA) requires employers to verify the citizenship or immigration status of all employees. See Immigration Reform and Control Act of 1986, 8 USC 1324a. In addition federal and state law requires that all employees who have access to children undergo a background check. NMSA 1978, §22-10A-5.

Effect

The District has failed to comply with the requirements of the IRCA, the Department of Labor, and the New Mexico Public Education Department. This lack of internal control over employee personnel files exhibits a serious flaw with the District's management and control system.

Cause

The District lacks sufficient internal control systems to monitor and ensure compliance with the requirements of both federal and state statutes.

Recommendation

As noted above, this is a repeated finding from the 2007 audit. This should cause serious concern on the part of the District and evidence a serious disconnect between District policy and implementation. The District should undertake a review of the District's policies related to personnel records to ensure total compliance with both federal and state regulations. In addition, due to the demonstrated lack of comprehension and understanding by current Human Resources Employees, the District should consider assigning these duties to another Human Resources Employee and provide such employee with adequate training and supervision to ensure compliance with the District's policies.

Response

The District Management Office has created a checklist for all Human Resources Employees to follow to ensure proper compliance with federal and state regulations and will undertake to monitor the same to ensure compliance therewith. It appears that this situation will be corrected beginning with the 2009-10 school year.

08-2 Late Audit Report

Condition

The audit report was filed after the due date. The report was submitted on October 9, 2009 to the State Auditor's Office.

Criteria

According to the State Auditor Rule 2.2.2.9(d), the audit report due date for the District is November 15, 2008.

Effect

Legislators, creditors, bondholders, state and federal grantors and other individuals who rely on the District's audit report, are not supplied with up to date financial information. As a result, the District's state and federal funding could be impacted.

Cause

The District did not contract with the auditor until after the due date of the audit report.

Recommendation

The District should make every effort to hire an auditor and complete their audit report timely.

Response

District staff will continue working with their external auditor to ensure that audits are completed in a timely manner.

08-3 Timely deposits of activity receipts**Condition**

The audit revealed that, out of a sample of twenty five activity receipts, only one activity receipt was deposited within twenty-four hours. In addition various receipt books were used by the same secretary rather than one single receipt book, and the receipts were used out of numerical order. Finally, the audit revealed that the receipts were issued to the specific organization rather than the

Criteria

All funds shall be deposited within twenty-four hours, or one banking day, of receipt. NMAC 6-20-2-14(B).

Effect

Activity funds pose a high risk of fraud making the implementation of a strong internal control system very important. Without a strong working control system, activity funds could easily be misappropriated.

Cause

Individuals responsible for the system lack the training and supervision necessary to ensure compliance with internal control systems.

Recommendation

The District should undertake to provide the personnel responsible for handling activity receipts with sufficient training and supervision to ensure compliance with internal control systems.

Response

The District will implement procedures in order for all schools to comply with State regulations regarding receipting and depositing of activity funds

08-4 Employee was not paid overtime correctly**Condition**

The audit revealed that one employee of a random sample of twenty-five was not correctly compensated for overtime hours worked. Specifically, the employee received overtime based on sick leave and was paid straight time rather than overtime for hours worked. As a result, the employee was underpaid \$102.00 and the employee's sick leave was docked 7.5 hours.

Criteria

In accordance with NMSA 1978, § 50-4-24, employees shall be paid time and a half for each overtime hour worked.

Effect

Employees are not correctly compensated for the time that they work.

Cause

District employees responsible for calculating overtime pay were not correctly informed of the provisions of NMSA 1978, § 50-4-24.

Recommendation

The District should undertake to provide the personnel responsible for payroll with sufficient training and supervision to ensure compliance with internal control systems.

Response

Payroll staff will attend training seminars regarding payroll law, and payroll regulations will be studied to ensure compliance with Federal and State labor laws.

08-5 Purchase of Walmart gift cards**Condition**

A random sample of two-hundred thirty purchase orders revealed that one check for two purchase orders, designated for the purchase of supplies and incentives for students, was used to purchase 25 Wal-Mart gift cards of various monetary denominations for a total amount of \$620.00.

Criteria

NMAC 6.20.2.17(B), requires school districts to conduct their purchasing by utilizing purchase orders which "clearly identifies the price agreement relied upon," and states with specificity the items to be purchased.

Effect

Purchase orders are used to control spending and inform financial officers of the items that are purchased with District funds. To fulfill this function, the actual purchases must agree with the designation on the purchase orders.

Cause

Although teachers properly followed the requirements of the purchasing system by utilizing a purchase requisition form and receiving authority from management prior to making specified purchases through the issuance of a purchase order, the requisite items were not purchased.

Recommendation

The items purchased must agree with the purchase order to adequately control spending.

Response

The District's management has halted this practice and will no longer allow the purchase of items not listed on the purchase order.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA however they are the responsibility of management.

Exit Conference

An exit conference was held on October 8, 2009. Those present were Frank Cordova, Member, Dane Kennon, Superintendent, Frank Ryan Director of Finance, Teresa Holguin, Financial Controller and De'Aun Willoughby, CPA.