



STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**

**ANNUAL FINANCIAL REPORT**  
June 30, 2009

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



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**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
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STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
Official Roster  
June 30, 2009

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**BOARD OF EDUCATION**

Frank Cordova	President
Freddy Rodriguez	Vice-President
Corina Rivera	Secretary
Carlos Merino	Member
Frank Gomez	Member

**SCHOOL OFFICIALS**

Dane Kennon	Superintendent
Frank Ryan	Business Manager
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 School District No. 2

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, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of 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, 2009, 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, 2009, and the respective changes in financial position and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2009, 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 November 6, 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*

November 6, 2009



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
Government-Wide Statement of Net Assets  
June 30, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 3,311,061
Taxes Receivable	768,959
Due from Grantor	66,795
Inventory	25,498
Total Current Assets	<u>4,172,313</u>
Noncurrent Assets	
Capital Assets	49,112,858
Less: Accumulated Depreciation	<u>(18,827,975)</u>
Total Noncurrent Assets	<u>30,284,883</u>
Total Assets	<u>34,457,196</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	32,632
Accrued Interest	71,480
Current Portion of Long-Term Debt	1,503,014
Deferred Revenue	211,285
Total Current Liabilities	<u>1,818,411</u>
Noncurrent Liabilities	
Bonds and Notes, Net	3,387,740
Compensated Absences	87,280
Total Noncurrent Liabilities	<u>3,475,020</u>
Total Liabilities	<u>5,293,431</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	25,394,129
Restricted for:	
Capital Projects	598,018
Debt Service	1,040,015
Unrestricted	2,131,603
Total Net Assets	<u>\$ 29,163,765</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, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 10,358,503	\$ 44,854	\$ 1,642,172	\$ 0	\$ (8,671,477)
Support Services-Students	2,263,322	0	209,876	0	(2,053,446)
Support Services-Instruction	787,052	0	135,411	0	(651,641)
General Administration	861,790	0	73,180	0	(788,610)
School Administration	1,167,419	0	79,901	0	(1,087,518)
Central Services	431,321	0	0	0	(431,321)
Operation of Plant	2,395,392	0	27,348	0	(2,368,044)
Student Transportation	960,669	0	778,425	0	(182,244)
Food Services Operations	743,869	45,666	738,355	0	40,152
Interest on Long-Term Obligations	214,963	0	0	0	(214,963)
Total Governmental Activities	<u>\$ 20,184,300</u>	<u>\$ 90,520</u>	<u>\$ 3,684,668</u>	<u>\$ 0</u>	<u>\$ (16,409,112)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes				\$	83,911
Property Taxes, Levied for Capital Projects					583,684
Property Taxes, Levied for Debt Service					2,353,419
Federal and State aid not restricted to specific purpose					
General					14,826,557
Capital					5,038,421
Interest and investment earnings					8,927
Miscellaneous					130,135
Total General Revenues and Special Items					<u>23,025,054</u>
Change in Net Assets					6,615,942
Net Assets - beginning					<u>22,547,823</u>
Net Assets - ending				\$	<u><u>29,163,765</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**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,195,640	\$ 0	\$ 65,230
Receivables			
Taxes	21,378	0	0
Due From Grantor	0	0	0
Interfund Balance	66,165		
Inventory	0	0	0
Total Assets	<u>\$ 1,283,183</u>	<u>\$ 0</u>	<u>\$ 65,230</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	23,029	0	69
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	4,027	0	0
Total Liabilities	<u>27,056</u>	<u>0</u>	<u>69</u>
<b>Fund Balances</b>			
Reserved for Inventory	0	0	0
General Fund	1,256,127	0	65,161
Special Revenue Fund	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>1,256,127</u>	<u>0</u>	<u>65,161</u>
Total Liabilities and Fund Balances	<u>\$ 1,283,183</u>	<u>\$ 0</u>	<u>\$ 65,230</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, 2009

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	IDEA Entitlement 24106	Debt Service 41000	Other Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 188,684	\$ 1,069,004	\$ 792,503
Receivables			
Taxes	0	599,997	147,584
Due From Grantor	0	0	66,795
Interfund Balance			
Inventory	0	0	25,498
Total Assets	<u>\$ 188,684</u>	<u>\$ 1,669,001</u>	<u>\$ 1,032,380</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 66,165
Accounts Payable	2,204	0	7,330
Current Portion Due			
Principal	0	470,000	0
Interest	0	52,983	0
Deferred Revenue	186,480	106,003	50,143
Total Liabilities	<u>188,684</u>	<u>628,986</u>	<u>123,638</u>
<b>Fund Balances</b>			
Reserved for Inventory	0	0	25,498
General Fund	0	0	0
Special Revenue Fund	0	0	270,261
Capital Projects	0	0	598,018
Debt Service	0	1,040,015	14,965
Total Fund Balances	<u>0</u>	<u>1,040,015</u>	<u>908,742</u>
Total Liabilities and Fund Balances	<u>\$ 188,684</u>	<u>\$ 1,669,001</u>	<u>\$ 1,032,380</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, 2009

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	<u>Total Governmental Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,311,061
Receivables	
Taxes	768,959
Due From Grantor	66,795
Interfund Balance	66,165
Inventory	25,498
Total Assets	<u>\$ 4,238,478</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Interfund Balance	\$ 66,165
Accounts Payable	32,632
Current Portion Due	
Principal	470,000
Interest	52,983
Deferred Revenue	346,653
Total Liabilities	<u>968,433</u>
Fund Balances	
Reserved for Inventory	25,498
General Fund	1,321,288
Special Revenue Fund	270,261
Capital Projects	598,018
Debt Service	1,054,980
Total Fund Balances	<u>3,270,045</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,238,478</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, 2009

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

Total Fund Balance - Governmental Funds	\$	3,270,045
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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.	135,368
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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	\$ 49,112,858	
Accumulated depreciation is	<u>(18,827,975)</u>	30,284,883

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 :

Bond payable	(4,471,920)	
Accrued interest on bonds	(18,497)	
Bond Issue Costs	74,819	
Accumulated Amortization	(23,653)	
Compensated Absences	<u>(87,280)</u>	<u>(4,526,531)</u>

Total net assets - governmental activities	\$	<u>29,163,765</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, 2009

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>Revenues</b>			
Property Taxes	\$ 83,863	\$ 0	\$ 0
Interest Income	6,295	0	0
Fees	1,125	0	0
State & Local Grants	14,635,740	714,425	170,897
Federal Grants	190,817	0	0
Miscellaneous	129,639	0	0
Total Revenues	<u>15,047,479</u>	<u>714,425</u>	<u>170,897</u>
<b>Expenditures</b>			
Current			
Instruction	7,960,681	0	138,173
Support Services-Student	1,871,061	0	0
Support Services-Instruction	366,473	0	8,035
Support Services-General Administration	720,970	0	0
Support Services-School Administration	999,727	0	0
Central Services	381,572	0	0
Operation & Maintenance of Plant	1,834,113	0	0
Student Transportation	58,690	714,425	0
Food Service Operation		0	0
Capital Outlay		0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>14,193,287</u>	<u>714,425</u>	<u>146,208</u>
Excess (Deficiency) of Revenues Over Expenditures	854,192	0	24,689
Fund Balances at Beginning of Year	<u>401,935</u>	<u>0</u>	<u>40,472</u>
Fund Balance End of Year	<u>\$ 1,256,127</u>	<u>\$ 0</u>	<u>\$ 65,161</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, 2009

	IDEA Entitlement 24106	Debt Service 41000	Other Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 2,325,283	\$ 609,914
Interest Income	0	0	2,632
Fees	0	0	187,788
State & Local Grants	0	0	810,524
Federal Grants	418,506	0	1,783,827
Miscellaneous	0	0	496
Total Revenues	<u>418,506</u>	<u>2,325,283</u>	<u>3,395,181</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	233,678	0	1,366,242
Support Services-Student	133,685	0	119,578
Support Services-Instruction	0	0	135,388
Support Services-General Administration	51,100	9,877	24,334
Support Services-School Administration	0	0	79,901
Central Services	0	0	0
Operation & Maintenance of Plant	43	0	362,893
Student Transportation	0	0	64,000
Food Service Operation	0	0	743,869
Capital Outlay	0	0	1,874,575
<b>Debt Service</b>			
Principal	0	1,420,000	31,470
Interest	0	193,145	26,455
Total Expenditures	<u>418,506</u>	<u>1,623,022</u>	<u>4,828,705</u>
Excess (Deficiency) of Revenues Over Expenditures	0	702,261	(1,433,524)
Fund Balances at Beginning of Year	<u>0</u>	<u>337,754</u>	<u>2,342,266</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1,040,015</u>	<u>\$ 908,742</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, 2009

	Total Governmental Funds
Revenues	
Property Taxes	\$ 3,019,060
Interest Income	8,927
Fees	188,913
State & Local Grants	16,331,586
Federal Grants	2,393,150
Miscellaneous	130,135
Total Revenues	<u>22,071,771</u>
Expenditures	
Current	
Instruction	9,698,774
Support Services-Student	2,124,324
Support Services-Instruction	509,896
Support Services-General Administration	806,281
Support Services-School Administration	1,079,628
Central Services	381,572
Operation & Maintenance of Plant	2,197,049
Student Transportation	837,115
Food Service Operation	743,869
Capital Outlay	1,874,575
Debt Service	
Principal	1,451,470
Interest	219,600
Total Expenditures	<u>21,924,153</u>
Excess (Deficiency) of Revenues Over Expenditures	147,618
Fund Balances at Beginning of Year	<u>3,122,427</u>
Fund Balance End of Year	<u>\$ 3,270,045</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, 2009

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Excess (Deficiency) of Revenues Over Expenditures \$ 147,618

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. 1,954

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 Acitivities.

Depreciation expense	\$ (1,544,419)	
Capital Outlays from PSFA	4,700,000	
Capital Outlays	<u>1,874,575</u>	5,030,156

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,451,470

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds. (14,964)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 19,601

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. (19,893)

Changes in Net Assets of Governmental Activities \$ 6,615,942

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

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 66,822	\$ 66,822
Interest Income	0	0	6,295	6,295
Fees	0	0	1,125	1,125
State & Local Grant	14,817,801	14,817,801	14,635,740	(182,061)
Federal Grant	0	0	190,816	190,816
Miscellaneous	0	0	129,639	129,639
Total Revenues	<u>14,817,801</u>	<u>14,817,801</u>	<u>15,030,437</u>	<u>212,636</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	6,097,984	6,017,170	5,739,350	277,820
Employee Benefits	2,119,433	1,985,485	1,854,920	130,565
Professional & Tech Services	53,000	61,208	18,562	42,646
Purchased Property Services	0	4,518	0	4,518
Other Purchased Services	147,000	159,086	124,513	34,573
Supplies	228,000	292,698	222,920	69,778
Total Instruction	<u>8,645,417</u>	<u>8,520,165</u>	<u>7,960,265</u>	<u>559,900</u>
<b>Support Services-Students</b>				
Personnel Services	1,380,204	1,406,785	1,341,878	64,907
Employee Benefits	490,261	436,953	418,691	18,262
Professional & Tech Services	106,360	130,977	99,492	31,485
Other Purchased Services	3,000	3,000	1,332	1,668
Supplies	6,000	8,110	6,602	1,508
Total Support Services-Students	<u>1,985,825</u>	<u>1,985,825</u>	<u>1,867,995</u>	<u>117,830</u>
<b>Support Services-Instruction</b>				
Personnel Services	246,774	257,269	242,677	14,592
Employee Benefits	113,997	101,354	82,857	18,497
Professional & Tech Services	3,000	3,300	33	3,267
Purchased Property Services	1,000	2,541	2,540	1
Other Purchased Services	0	1,000	39	961
Supplies	65,000	64,307	38,327	25,980
Total Support Services-Instruction	<u>\$ 429,771</u>	<u>\$ 429,771</u>	<u>\$ 366,473</u>	<u>\$ 63,298</u>

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-General Administration</b>				
Personnel Services	\$ 507,050	\$ 477,772	\$ 477,123	\$ 649
Employee Benefits	173,490	132,355	130,764	1,591
Professional & Tech Services	67,443	77,340	58,473	18,867
Purchased Property Services	1,300	1,300	1,130	170
Other Purchased Services	52,200	55,028	39,871	15,157
Supplies	26,159	27,350	23,075	4,275
Total Support Services-General Administration	827,642	771,145	730,436	40,709
<b>Support Services-School Administration</b>				
Personnel Services	730,921	797,220	741,450	55,770
Employee Benefits	280,989	258,122	221,962	36,160
Professional & Tech Services	2,000	10,522	9,922	600
Purchased Property Services	5,000	9,543	8,868	675
Other Purchased Services	2,000	2,000	489	1,511
Supplies	29,000	29,000	16,208	12,792
Total Support Services-School Administration	1,049,910	1,106,407	998,899	107,508
<b>Central Services</b>				
Personnel Services	257,854	269,779	252,865	16,914
Employee Benefits	116,271	84,031	81,853	2,178
Professional & Tech Services	14,000	34,315	33,562	753
Other Purchased Services	4,000	4,000	540	3,460
Supplies	16,000	16,000	12,128	3,872
Total Central Services	408,125	408,125	380,948	27,177
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	516,796	540,790	538,333	2,457
Employee Benefits	267,503	206,829	199,252	7,577
Professional & Tech Services	1,000	1,000	443	557
Purchased Property Services	601,000	731,858	645,146	86,712
Other Purchased Services	332,808	323,530	323,460	70
Supplies	200,000	175,100	146,288	28,812
Total Operation & Maintenance of Plant	\$ 1,919,107	\$ 1,979,107	\$ 1,852,922	\$ 126,185

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Student Transportation				
Purchased Property Services	\$ 0	\$ 33,752	\$ 27,764	\$ 5,988
Other Purchased Services	0	31,500	30,926	574
Total Student Transportation	<u>0</u>	<u>65,252</u>	<u>58,690</u>	<u>6,562</u>
 Total Expenditures	 <u>15,265,797</u>	 <u>15,265,797</u>	 <u>14,216,628</u>	 <u>1,049,169</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (447,996)	 (447,996)	 813,809	 1,261,805
 Cash Balance Beginning of Year	 <u>447,996</u>	 <u>447,996</u>	 <u>447,996</u>	 <u>0</u>
 Cash Balance End of Year	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 1,261,805</u>	 <u>\$ 1,261,805</u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 813,809	
Net Change in Taxes Receivable			17,042	
Net Change in Payables			<u>23,342</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 854,193</u>	

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

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
TRANSPORTATION-GENERAL FUND-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 715,577	\$ 782,814	\$ 714,425	\$ (68,389)
Total Revenues	<u>715,577</u>	<u>782,814</u>	<u>714,425</u>	<u>(68,389)</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Professional & Tech Services	1,300	1,300	1,025	275
Purchased Property Services	60,043	100,669	100,669	0
Other Purchased Services	645,070	671,681	612,731	58,950
Supplies	9,164	9,164	0	9,164
Total Student Transportation	<u>715,577</u>	<u>782,814</u>	<u>714,425</u>	<u>68,389</u>
Total Expenditures	<u>715,577</u>	<u>782,814</u>	<u>714,425</u>	<u>68,389</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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**  
 INSTRUCTIONAL MATERIALS-GENERAL FUND-14000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 120,284	\$ 164,127	\$ 170,897	\$ 6,770
Total Revenues	<u>120,284</u>	<u>164,127</u>	<u>170,897</u>	<u>6,770</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	153,610	196,345	138,104	58,241
Total Instruction	<u>153,610</u>	<u>196,345</u>	<u>138,104</u>	<u>58,241</u>
<b>Support Services-Instruction</b>				
Supplies	7,596	8,704	8,485	219
Total Support Services-Instruction	<u>7,596</u>	<u>8,704</u>	<u>8,485</u>	<u>219</u>
Total Expenditures	<u>161,206</u>	<u>205,049</u>	<u>146,589</u>	<u>58,460</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,922)	(40,922)	24,308	65,230
Cash Balance Beginning of Year	<u>40,922</u>	<u>40,922</u>	<u>40,922</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>65,230</u>	\$ <u>65,230</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 24,308	
Net Change in Payables			<u>381</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>24,689</u>	

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



STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 316,286	\$ 386,955	\$ 504,050	\$ 117,095
Total Revenues	<u>316,286</u>	<u>386,955</u>	<u>504,050</u>	<u>117,095</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	116,030	132,118	127,238	4,880
Employee Benefits	39,171	33,439	32,954	485
Professional & Tech Services	5,000	8,202	4,378	3,824
Other Purchased Services	40,000	32,335	31,511	824
Supplies	5,000	10,630	8,476	2,154
Supply Assets	9,000	42,547	29,972	12,575
Total Instruction	<u>214,201</u>	<u>259,271</u>	<u>234,529</u>	<u>24,742</u>
<b>Support Services-Students</b>				
Personnel Services	83,526	88,498	88,498	0
Employee Benefits	21,332	30,262	30,261	1
Professional & Tech Services	10,941	11,441	10,282	1,159
Purchased Property Services	0	75	75	0
Other Purchased Services	10,000	926	690	236
Supplies	12,000	4,591	4,268	323
Supply Assets	5,000	32,604	0	32,604
Total Support Services-Students	<u>142,799</u>	<u>168,397</u>	<u>134,074</u>	<u>34,323</u>
<b>Support Services-General Administration</b>				
Personnel Services	26,308	26,047	26,047	0
Employee Benefits	5,806	5,972	5,827	145
Professional & Tech Services	13,020	15,939	14,822	1,117
Purchased Property Services	0	1,874	0	1,874
Other Purchased Services	3,000	3,473	473	3,000
Supplies	4,000	4,000	3,737	263
Supply Assets	6,866	1,696	528	1,168
Total Support Services-General Administration	<u>59,000</u>	<u>59,001</u>	<u>51,434</u>	<u>7,567</u>
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Property Services	5,000	5,000	43	4,957
Total Operation & Maintenance of Plant	<u>5,000</u>	<u>5,000</u>	<u>43</u>	<u>4,957</u>
Total Expenditures	\$ <u>421,000</u>	\$ <u>491,669</u>	\$ <u>420,080</u>	\$ <u>71,589</u>

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,714)	\$ (104,714)	\$ 83,970	\$ 188,684
Cash Balance Beginning of Year	<u>104,714</u>	<u>104,714</u>	<u>104,714</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>188,684</u></u>	\$ <u><u>188,684</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 83,970	
Net Change in Payables			1,574	
Net Change in Deferred Revenue			<u>(85,544)</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, 2009

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 387,675
Total Assets	<u>\$ 387,675</u>
Liabilities	
Deposits Held for Others	\$ 387,675
Total Liabilities	<u>\$ 387,675</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.

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

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

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**

**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**

**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.

Investments

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

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
Notes to the Financial Statements  
June 30, 2009

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(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

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.

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 components.

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.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

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 as Instruction and Food Service 2) program-specific operating grants which include Title I, Idea B Cluster 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.

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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.
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 amendments thereto.

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.

Bank of America

<u>Name of Account</u>	<u>Balance Per Bank</u>	<u>Reconciled Balance</u>	<u>Type</u>
Operational	\$ 1,482,480	\$ 1,261,805	Checking
Cafeteria Sweep Account	71,798	61,354	Checking
Athletic Fund	25,943	20,446	Checking
Activity Fund	413,352	387,673	Checking
Federal Projects-Sweep	338,363	480,244	Checking
Bond Building-Sweep	247,346	219,854	Checking
SB9-Sweep	183,961	183,961	Checking
Debt Service	1,083,399	1,083,399	Checking
Payroll Clearing-Sweep	1,852,615	0	Checking
TOTAL Deposited	<u>5,699,257</u>	<u>\$ 3,698,736</u>	
Less: FDIC Coverage	<u>(3,005,174)</u>		
Uninsured Amount	2,694,083		
50% collateral requirement	0		
102% collateral requirement	2,747,965		
Pledged securities	<u>5,191,170</u>		
Over (Under) requirement	<u>\$ 2,443,205</u>		

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	31416JLP4	\$ 359	5/1/2036
FHLM	3128PLGV8	288,470	4/1/2019
FNMA	31416PNN3	72,199	5/1/2039
FHLM	31349UVC9	417,789	11/1/2034
FHLM	3128LC4S2	137,919	12/1/2037
FNMA	31416HV85	110,724	3/1/2039
FHLM	3128PLEW8	76,916	12/1/2022
FNMA	31416HV85	114,374	3/1/2039
FHLM	3128NHUR2	422,319	11/1/2036
FHLM	312935WK1	63,247	12/1/2037
FHLM	3128L3HK5	428,103	8/1/2037
FNMA	31302PJT2	427,443	11/1/2047
FNMA	31413EE43	426,053	9/1/2037
FNMA	31416LN44	424,436	2/1/2039
FHLM	31283H5J0	424,258	1/1/2035
FHLM	3128LU6J0	423,397	2/1/2038
FHLM	31385XAZ0	933,164	5/15/2033
		<u>\$ 5,191,170</u>	

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

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 3,005,174
Collateralized:	
Collateral held by the pledging bank in District's name	2,694,083
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 5,699,257</u>

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, 2009, none of the District's bank balance of \$5,699,257 was exposed to custodial credit risk.

Interfund Receivables, Payables, Transfers and Deferred Revenues

The composition of interfund balances is as follows:

<u>Receivable Funds</u>	<u>Payable Funds</u>	
	Non Major Funds	Total
General Fund	\$ 66,795	\$ 66,795
Totals	<u>\$ 66,795</u>	<u>\$ 66,795</u>

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:

	<u>Operational</u>	<u>Debt Service</u>	<u>Non Major Funds</u>
Property Taxes Receivable:			
Available	\$ 17,351	\$ 493,994	\$ 122,246
Unavailable	4,027	106,003	25,338
TOTAL Property Taxes Receivable	<u>\$ 21,378</u>	<u>\$ 599,997</u>	<u>\$ 147,584</u>

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

Federal Agencies	\$ 59,503
State Agencies	7,292
Total	<u>\$ 66,795</u>

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.

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June 30, 2009

	Operational	Debt Service	Non Major Funds
Property Taxes	\$ 4,027	106,003	\$ 25,338
Federal Revenues	0	0	211,285
TOTAL Deferred Revenues	<u>\$ 4,027</u>	<u>106,003</u>	<u>\$ 236,623</u>

Capital Assets

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

	Beginning of Year 6/30/08	Increases	Decreases	End of Year 6/30/09
<b>Capital Assets not being Depreciated</b>				
Land	\$ 747,139	\$ 0	\$ 0	\$ 747,139
Construction in Progress	461,663	6,105,509 *	6,567,172	0
Total Capital Assets not being Depreciated	<u>1,208,802</u>	<u>6,105,509</u>	<u>6,567,172</u>	<u>747,139</u>
<b>Capital Assets, being Depreciated</b>				
Buildings	37,481,394	6,567,172	0	44,048,566
Equipment	3,848,087	469,066	0	4,317,153
Total Capital Assets	<u>\$ 42,538,283</u>	<u>\$ 13,141,747</u>	<u>\$ 6,567,172</u>	<u>\$ 49,112,858</u>
<b>Capital Assets, being Depreciated</b>				
Buildings & Improvement	\$ 14,305,582	\$ 1,399,643	\$ 0	\$ 15,705,225
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,977,975</u>	<u>144,775</u>	<u>0</u>	<u>3,122,750</u>
Total Capital Assets being Depreciated	<u>17,283,557</u>	<u>1,544,418</u>	<u>0</u>	<u>18,827,975</u>
Total Capital Assets	<u>\$ 25,254,726</u>	<u>\$ 14,686,165</u>	<u>\$ 6,567,172</u>	<u>\$ 30,284,883</u>

\* Of this amount, \$4,700,000 was paid by the Public School Finance Authority.

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 633,211
Support Services-Students	138,998
Support Services-Instruction	277,995
General Administration	49,421
School Administration	74,132
Central Services	46,333
Operation of Plant	200,774
Student Transportation	123,554
Total depreciation expenses	<u>\$ 1,544,418</u>

Commitments

The District has completed the remaining construction projects.

Long Term Debt

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

STATE OF NEW MEXICO  
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Notes to the Financial Statements  
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	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 5,885,000	\$ 0	\$ 1,230,000	\$ 4,655,000	\$ 1,470,000
Total Bonds	<u>5,885,000</u>	<u>0</u>	<u>1,230,000</u>	<u>4,655,000</u>	<u>1,470,000</u>
Other Liabilities					
Compensated					
Absences	67,388	97,385	77,493	87,280	0
Total Other	<u>67,388</u>	<u>97,385</u>	<u>77,493</u>	<u>87,280</u>	<u>0</u>
Liabilities					
Long-Term	<u>\$ 5,952,388</u>	<u>\$ 97,385</u>	<u>\$ 1,307,493</u>	<u>\$ 4,742,280</u>	<u>\$ 1,470,000</u>

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	Interest Rates	Maturity Date
2/15/1997	\$ 5,000,000	\$ 0	5%-6.5%	8/15/2009
2/15/1998	3,600,000	1,700,000	4.25%-5.75%	8/15/2010
9/15/2007	2,800,000	2,520,000	3.45%-3.63%	9/15/2013
2/15/2008	435,000	435,000	3.287%	2/15/2013
		<u>\$ 4,655,000</u>		

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

	Principal	Interest	Total
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>\$ 4,655,000</u>	<u>\$ 286,010</u>	<u>\$ 4,941,010</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	\$ 4,655,000
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STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
Notes to the Financial Statements  
June 30, 2009

Energy Efficiency Lease below	286,921
Net Issue Costs/Premium/Discounts on Bond Issues	(51,167)
Statement of Net Assets	<u>\$ 4,890,754</u>
Long-Term Per Government Wide Financial Statements	\$ 3,387,740
Current Portion	1,503,014
Statement of Net Assets	<u>\$ 4,890,754</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	\$ 1,230,000
Amount of lease below	31,470
Current Amount Due on the Balance Sheet this year	470,000
Less Current Amount Due on the Balance Sheet last year	<u>(280,000)</u>
Amount of principal paid on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 1,451,470</u>

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:

	<u>Balance 6/30/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/09</u>	<u>Amounts Due Within One Year</u>
NMB&T	\$ 318,391	\$ 0	\$ 31,470	\$ 286,921	\$ 33,014
Schedule of Payments			2010	\$ 46,068	
			2011	46,068	
			2012	46,068	
			2013	46,068	
			2014	46,068	
			2015-2017	<u>138,204</u>	
		Total Lease Payments		368,544	
		Less Imputed Interest		<u>(81,623)</u>	
				<u>\$ 286,921</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](http://www.nmerb.org).

Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$1,897,295, \$1,051,627 and \$933,431 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](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 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, 2009, 2008 and 2007 were \$127,697, \$125,437 and \$119,5953, respectively, which equal the required contributions for each year.

#### Construction Commitments

There are no construction commitments for the year ending June 30, 2009.

#### 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

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 770,470	\$ 770,470	\$ 1,839,474	\$ 1,069,004
Total Revenues	<u>770,470</u>	<u>770,470</u>	<u>1,839,474</u>	<u>1,069,004</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>9,877</u>	<u>9,877</u>	<u>9,877</u>	<u>0</u>
Total Support Services-General Administration	<u>9,877</u>	<u>9,877</u>	<u>9,877</u>	<u>0</u>
Debt Service				
Principal	1,230,000	1,230,000	1,230,000	0
Interest	<u>190,134</u>	<u>190,134</u>	<u>190,134</u>	<u>0</u>
Total Debt Service	<u>1,420,134</u>	<u>1,420,134</u>	<u>1,420,134</u>	<u>0</u>
Total Expenditures	<u>1,430,011</u>	<u>1,430,011</u>	<u>1,430,011</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(659,541)	(659,541)	409,463	1,069,004
Cash Balance Beginning of Year	<u>659,541</u>	<u>659,541</u>	<u>659,541</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,069,004</u>	<u>\$ 1,069,004</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 409,463	
Net Change in Taxes Receivable			486,858	
Net Change in Principal			(190,000)	
Net Change in Interest			(3,011)	
Net Change in Deferred Revenue			(1,049)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 702,261</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).

**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 Part B, Discretionary (24107).** 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.

**IDEA Part B, Preschool (24109).** To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

**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).

**NONMAJOR FUNDS**

**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.

**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.

**Title I School Improvement (24162).** To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

**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.

**Title I Stimulus (24201).** To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

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

**Wallace Foundation (26125).** To account for funds used to strengthen educational leadership, after school learning opportunities readily available, making the arts a part of students lives to build present and future arts audiences

**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.

**NONMAJOR FUNDS**

**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).

**Family & Youth (27140).** To account for revenues and expenditures from Family Education Rights & Privacy Act (FERPA) to provide a social worker with a classroom, computers and other supplies in order to help students and there parents with counseling services. The fund was created by State Grant provisions

**Pre K Initiative (27149).** To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

**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.

**21st Century Learning Center (27167)** To account for revenues and expenditures to provide services for students after school hours. The fund was created by state grant provisions.

**Pre Kindergarten Special (27169)** To account for revenues and expenditures fram a state grant to provide services to prekindergarten 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

**School Library Material (27549).** To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

**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**

**Bond Building (31100)**

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



**NONMAJOR FUNDS**

**Special Capital Outlay State (31400)**

To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings.

**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.

**ED Tech Equipment (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.

**Ed Tech Debt Service (43000)**

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.

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 61,354	\$ 20,446	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	25,498	0	0
Total Assets	<u>86,852</u>	<u>20,446</u>	<u>0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	276	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>276</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	25,498	0	0
Unreserved, Undesignated			
Special Revenue	61,078	20,446	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>86,576</u>	<u>20,446</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 86,852</u>	<u>\$ 20,446</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, 2009

	Special Revenue Funds		
	IDEA, Part B Discretionary 24107	IDEA, Part B Preschool 24109	Title V 24150
	<u>24107</u>	<u>24109</u>	<u>24150</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 21,676	\$ 81
Receivables			
Taxes	0	0	0
Due From Grantor	1,321	0	0
Inventory	0	0	0
Total Assets	<u>1,321</u>	<u>21,676</u>	<u>81</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	1,321	0	0
Accounts Payable	0	309	0
Deferred Revenue	0	21,367	81
Total Liabilities	<u>1,321</u>	<u>21,676</u>	<u>81</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,321</u>	<u>\$ 21,676</u>	<u>\$ 81</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, 2009

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	Special Revenue Funds		
	English Language Acquisition 24153	Teacher Principal Training 24154	Safe & Drug Free School 24157
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	5,307	0	0
Inventory	0	0	0
Total Assets	5,307	0	0
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	5,307	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	5,307	0	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 5,307	\$ 0	\$ 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, 2009

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	Special Revenue Funds		
	21st Century 24159	Rural & Low- Income Schools 24160	Title I School Improvements 24162
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 2,000	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	46,458	0	0
Inventory	0	0	0
Total Assets	<u>46,458</u>	<u>2,000</u>	<u>0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	46,458	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	2,000	0
Total Liabilities	<u>46,458</u>	<u>2,000</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 46,458</u>	<u>\$ 2,000</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, 2009

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	Special Revenue Funds		
	Carl Perkins 24174	Title I Federal Stimulus 24201	Title XIX- Medicaid 3/21 Years 25153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 50,815
Receivables			
Taxes	0	0	0
Due From Grantor	5,787	630	0
Inventory	0	0	0
Total Assets	5,787	630	50,815
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	5,787	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	630	0
Total Liabilities	5,787	630	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	50,815
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	50,815
Total Liabilities and Fund Balance	\$ 5,787	\$ 630	\$ 50,815

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, 2009

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	Special Revenue Funds		
	TANF/GRADS HSD 25162	Wallace Foundation 26125	Technology for Education PED 27117
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 727	\$ 0	\$ 27,069
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	727	0	27,069
<b>LIABILITIES AND FUND BALANCE</b>			
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	27,069
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	27,069
Total Liabilities and Fund Balance	\$ 727	\$ 0	\$ 27,069

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, 2009

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	Special Revenue Funds		
	Incentives for School Improvement 27138	Family & Youth Resource Pro PED 27140	Pre K Initiative 27149
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 34,219	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	34,219	0	0
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	6,745	0	0
Deferred Revenue	0	0	0
Total Liabilities	6,745	0	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	27,474	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	27,474	0	0
Total Liabilities and Fund Balance	\$ 34,219	\$ 0	\$ 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, 2009

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	Special Revenue Funds		
	Beginning Teacher Mentoring 27154	Schools in Need of Improvement 27163	State 21st Century Learning Center 27167
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,656	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	294	0
Inventory	0	0	0
Total Assets	11,656	294	0
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	294	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	294	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	11,656	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	11,656	0	0
Total Liabilities and Fund Balance	\$ 11,656	\$ 294	\$ 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, 2009

	Special Revenue Funds		
	Pre Kindergarten <u>27169</u>	Libraries <u>27170</u>	Library Book <u>27549</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 23
Receivables			
Taxes	0	0	0
Due From Grantor	0	6,998	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>0</u></u>	<u><u>6,998</u></u>	<u><u>23</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	6,998	0
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>0</u></u>	<u><u>6,998</u></u>	<u><u>0</u></u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	23
Capital Projects	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>23</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 0</u></u>	<u><u>\$ 6,998</u></u>	<u><u>\$ 23</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**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue		
	Funds	Capital Project Funds	
	School Based Health Clinic 29130	Bond Building 31100	Special Capital Outlay-State 31400
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 71,700	\$ 161,380	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>71,700</u>	<u>161,380</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	71,700	0	0
Capital Projects	0	161,380	0
Debt Service	0	0	0
Total Fund Balance	<u>71,700</u>	<u>161,380</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 71,700</u>	<u>\$ 161,380</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, 2009

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	Capital Project Funds		
	Capital Improvements SB-9 31700	Energy Efficiency 31800	Ed Tech Equipment 31900
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 238,440	\$ 18,048	\$ 58,474
Receivables			
Taxes	147,014	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	385,454	18,048	58,474
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	25,338	0	0
Total Liabilities	25,338	0	0
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Capital Projects	360,116	18,048	58,474
Debt Service	0	0	0
Total Fund Balance	360,116	18,048	58,474
Total Liabilities and Fund Balance	\$ 385,454	\$ 18,048	\$ 58,474

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, 2009

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	Ed Tech Debt Service 43000	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 14,395	\$ 792,503
Receivables		
Taxes	570	147,584
Due From Grantor	0	66,795
Inventory	0	25,498
Total Assets	<u>14,965</u>	<u>1,032,380</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Interfund Balance	0	66,165
Accounts Payable	0	7,330
Deferred Revenue	0	50,143
Total Liabilities	<u>0</u>	<u>123,638</u>
Fund Balance		
Reserved for Inventory	0	25,498
Unreserved, Undesignated		
Special Revenue	0	270,261
Capital Projects	0	598,018
Debt Service	14,965	14,965
Total Fund Balance	<u>14,965</u>	<u>908,742</u>
Total Liabilities and Fund Balance	<u>\$ 14,965</u>	<u>\$ 1,032,380</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, 2009

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	69	0	0
Fees	45,666	43,729	0
State & Local Grants	0	0	0
Federal Grants	738,355	0	671,965
Miscellaneous	0	496	0
<b>Total Revenues</b>	<b>784,090</b>	<b>44,225</b>	<b>671,965</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	29,853	501,610
Support Services-Students	0	0	0
Support Services-Instruction	0	0	78,546
Support Services-General Administration	0	0	12,249
Support Services-School Administration	0	0	79,560
Operation of Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	743,869	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
<b>Total Expenditures</b>	<b>743,869</b>	<b>29,853</b>	<b>671,965</b>
Excess (Deficiency) of Revenues Over Expenditures	40,221	14,372	0
Fund Balances at Beginning of Year	46,355	6,074	0
Fund Balance End of Year	\$ 86,576	\$ 20,446	\$ 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 Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	IDEA, Part B Discretionary 24107	IDEA, Part B Preschool 24109	Title V 24150
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	1,321	13,953	0
Miscellaneous	0	0	0
Total Revenues	<u>1,321</u>	<u>13,953</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	12,979	0
Support Services-Students	0	630	0
Support Services-Instruction	0	0	0
Support Services-General Administration	1,321	344	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Student Transportation	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>1,321</u>	<u>13,953</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	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. 2**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	English Language Acquisition 24153	Teacher Principal Training 24154	Safe & Drug Free School 24157
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	627	144,150	5,821
Miscellaneous	0	0	0
Total Revenues	<u>627</u>	<u>144,150</u>	<u>5,821</u>
<b>Expenditures</b>			
Current			
Instruction	613	139,642	5,602
Support Services-Students	0	681	0
Support Services-Instruction	0	398	0
Support Services-General Administration	14	3,429	219
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Student Transportation	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>627</u>	<u>144,150</u>	<u>5,821</u>
Excess (Deficiency) of Revenues Over Expenditures	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. 2**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	21st Century 24159	Rural & Low- Income Schools 24160	Title I School Improvements 24162
	<u>24159</u>	<u>24160</u>	<u>24162</u>
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	44,755	34,634	87,309
Miscellaneous	0	0	0
Total Revenues	<u>44,755</u>	<u>34,634</u>	<u>87,309</u>
<b>Expenditures</b>			
Current			
Instruction	43,911	7,329	75,938
Support Services-Students	0	0	9,000
Support Services-Instruction	0	0	0
Support Services-General Administration	844	0	2,030
Support Services-School Administration	0	0	341
Operation of Maintenance of Plant	0	27,305	0
Student Transportation	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>44,755</u>	<u>34,634</u>	<u>87,309</u>
Excess (Deficiency) of Revenues Over Expenditures	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. 2**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Carl Perkins 24174	Title I Federal Stimulus 24201	Title XIX- Medicaid 3/21 Years 25153
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	98,393
State & Local Grants	0	0	0
Federal Grants	21,588	19,349	0
Miscellaneous	0	0	0
Total Revenues	<u>21,588</u>	<u>19,349</u>	<u>98,393</u>
<b>Expenditures</b>			
Current			
Instruction	21,074	12,139	169,130
Support Services-Students	0	0	0
Support Services-Instruction	0	6,774	0
Support Services-General Administration	514	436	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Student Transportation	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>21,588</u>	<u>19,349</u>	<u>169,130</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(70,737)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>121,552</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,815</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, 2009

	Special Revenue Funds		
	TANF/GRADS HSD 25162	Wallace Foundation 26125	Technology for Education PED 27117
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	38,486	25,059
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>38,486</u>	<u>25,059</u>
Expenditures			
Current			
Instruction	0	0	48,192
Support Services-Students	0	0	0
Support Services-Instruction	0	38,336	0
Support Services-General Administration	0	150	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Student Transportation	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>38,486</u>	<u>48,192</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(23,133)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>50,202</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,069</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, 2009

	Special Revenue Funds		
	Incentives for School Improvement 27138	Family & Youth Resource Pro PED 27140	Pre K Initiative 27149
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	30,000	221,338
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>30,000</u>	<u>221,338</u>
<b>Expenditures</b>			
Current			
Instruction	5,431	0	157,338
Support Services-Students	0	30,000	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
Student Transportation	0	0	64,000
Food Service Operations	0	0	0
Capital Outlay	6,746	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>12,177</u>	<u>30,000</u>	<u>221,338</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,177)	0	0
Fund Balances at Beginning of Year	<u>39,651</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 27,474</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 Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Beginning Teacher Mentoring <u>27154</u>	Schools in Need of Improvement <u>27163</u>	State 21st Century Learning Center <u>27167</u>
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	12,037	35,000	58,933
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>12,037</u>	<u>35,000</u>	<u>58,933</u>
Expenditures			
Current			
Instruction	11,528	35,000	58,933
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
Student Transportation	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>11,528</u>	<u>35,000</u>	<u>58,933</u>
Excess (Deficiency) of Revenues Over Expenditures	509	0	0
Fund Balances at Beginning of Year	<u>11,147</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 11,656</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 Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Pre Kindergarten	Libraries	Library Book
	27169	27170	27549
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	30,000	6,998	4,359
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>30,000</u>	<u>6,998</u>	<u>4,359</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	30,000	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	6,998	4,336
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
<b>Total Expenditures</b>	<u>30,000</u>	<u>6,998</u>	<u>4,336</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	23
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>\$ 23</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, 2009

	Special Revenue		
	Funds	Capital Project Funds	
	School Based Health Clinic 29130	Bond Building 31100	Special Capital Outlay-State 31400
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	2,275	0
Fees	0	0	0
State & Local Grants	59,800	0	66,199
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>59,800</u>	<u>2,275</u>	<u>66,199</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	79,267	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
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	53,583	1,125,540	66,199
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>132,850</u>	<u>1,125,540</u>	<u>66,199</u>
Excess (Deficiency) of Revenues Over Expenditures	(73,050)	(1,123,265)	0
Fund Balances at Beginning of Year	<u>144,750</u>	<u>1,284,645</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 71,700</u>	<u>\$ 161,380</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 Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Capital Project Funds		
	Capital		
	Improvements SB-9 31700	Energy Efficiency 31800	Ed Tech Equipment 31900
Revenues			
Taxes	\$ 582,827	\$ 0	\$ 0
Interest Income	288	0	0
Fees	0	0	0
State & Local Grants	173,422	48,893	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>756,537</u>	<u>48,893</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	2,519	0	0
Support Services-School Administration	0	0	0
Operation of Maintenance of Plant	335,588	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	283,165	0	339,342
Debt Service			
Principal	0	31,470	0
Interest	0	14,598	0
Bond Issue Cost	0	0	0
Total Expenditures	<u>621,272</u>	<u>46,068</u>	<u>339,342</u>
Excess (Deficiency) of Revenues Over Expenditures	135,265	2,825	(339,342)
Fund Balances at Beginning of Year	<u>224,851</u>	<u>15,223</u>	<u>397,816</u>
Fund Balance End of Year	<u>\$ 360,116</u>	<u>\$ 18,048</u>	<u>\$ 58,474</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, 2009

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	Ed Tech Debt Service 43000	Total
	<u>43000</u>	<u>Total</u>
<b>Revenues</b>		
Taxes	\$ 27,087	\$ 609,914
Interest Income	0	2,632
Fees	0	187,788
State & Local Grants	0	810,524
Federal Grants	0	1,783,827
Miscellaneous	0	496
Total Revenues	<u>27,087</u>	<u>3,395,181</u>
<b>Expenditures</b>		
Current		
Instruction	0	1,366,242
Support Services-Students	0	119,578
Support Services-Instruction	0	135,388
Support Services-General Administration	265	24,334
Support Services-School Administration	0	79,901
Operation of Maintenance of Plant	0	362,893
Student Transportation	0	64,000
Food Service Operations	0	743,869
Capital Outlay	0	1,874,575
Debt Service		0
Principal	0	31,470
Interest	11,857	26,455
Bond Issue Cost	0	0
Total Expenditures	<u>12,122</u>	<u>4,828,705</u>
Excess (Deficiency) of Revenues Over Expenditures	14,965	(1,433,524)
Fund Balances at Beginning of Year	<u>0</u>	<u>2,342,266</u>
Fund Balance End of Year	<u>\$ 14,965</u>	<u>\$ 908,742</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 0	\$ 0	\$ 69	\$ 69
Fees	0	0	45,666	45,666
Federal Grants	752,013	752,013	693,970	(58,043)
Total Revenues	<u>752,013</u>	<u>752,013</u>	<u>739,705</u>	<u>(12,308)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Personnel Services	237,103	239,754	216,901	22,853
Employee Benefits	136,254	128,083	117,859	10,224
Professional & Tech Services	4,000	9,520	9,227	293
Other Purchased Services	1,000	1,000	199	801
Supplies	399,101	399,101	359,610	39,491
Total Food Service Operations	<u>777,458</u>	<u>777,458</u>	<u>703,796</u>	<u>73,662</u>
Total Expenditures	<u>777,458</u>	<u>777,458</u>	<u>703,796</u>	<u>73,662</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,445)	(25,445)	35,909	61,354
Cash Balance Beginning of Year	<u>25,445</u>	<u>25,445</u>	<u>25,445</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 61,354</u>	<u>\$ 61,354</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 35,909	
Net Change in Inventory			3,392	
Net Change in Payables			920	
Net Change in Fund Balance			<u>\$ 40,221</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 36,334	\$ 36,334	43,729	\$ 7,395
Miscellaneous	0	0	496	496
Total Revenues	<u>36,334</u>	<u>36,334</u>	<u>44,225</u>	<u>7,891</u>
Expenditures				
Instruction				
Other Purchased Services	42,408	42,408	29,853	12,555
Total Instruction	<u>42,408</u>	<u>42,408</u>	<u>29,853</u>	<u>12,555</u>
Total Expenditures	<u>42,408</u>	<u>42,408</u>	<u>29,853</u>	<u>12,555</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,074)	(6,074)	14,372	20,446
Cash Balance Beginning of Year	<u>6,074</u>	<u>6,074</u>	<u>6,074</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,446</u>	<u>\$ 20,446</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 14,372</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,372</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 I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 871,721	\$ 871,721	\$ 868,286	\$ (3,435)
Total Revenues	<u>871,721</u>	<u>871,721</u>	<u>868,286</u>	<u>(3,435)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	278,031	246,311	246,311	0
Employee Benefits	91,969	85,574	85,574	0
Professional & Tech Services	93,094	96,793	93,941	2,852
Supplies	56,885	75,077	75,077	0
Supply Assets	10,000	1,482	1,482	0
Total Instruction	<u>529,979</u>	<u>505,237</u>	<u>502,385</u>	<u>2,852</u>
<b>Support Services-Instruction</b>				
Supplies	48,158	69,666	69,084	582
Supply Assets	0	10,928	10,928	0
Total Support Services-Instruction	<u>48,158</u>	<u>80,594</u>	<u>80,012</u>	<u>582</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	15,753	12,249	12,249	0
Total Support Services-General Administration	<u>15,753</u>	<u>12,249</u>	<u>12,249</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Personnel Services	61,137	58,892	58,891	1
Employee Benefits	22,613	20,197	20,197	0
Other Purchased Services	0	120	120	0
Supplies	0	351	351	0
Total Support Services-School Administration	<u>83,750</u>	<u>79,560</u>	<u>79,559</u>	<u>1</u>
Total Expenditures	<u>677,640</u>	<u>677,640</u>	<u>674,205</u>	<u>3,435</u>
Excess (Deficiency) of Revenues Over Expenditures	194,081	194,081	194,081	0
Cash Balance Beginning of Year	<u>(194,081)</u>	<u>(194,081)</u>	<u>(194,081)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 194,081	
Net Change in Due from Grantor			(196,321)	
Net Change in Payables			2,240	
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-DISCRETIONARY-24107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 14,279	\$ 0	\$ (14,279)
Total Revenues	<u>0</u>	<u>14,279</u>	<u>0</u>	<u>(14,279)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	12,879	0	12,879
Total Instruction	<u>0</u>	<u>12,879</u>	<u>0</u>	<u>12,879</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	1,400	1,321	79
Total Support Services-General Administration	<u>0</u>	<u>1,400</u>	<u>1,321</u>	<u>79</u>
Total Expenditures	<u>0</u>	<u>14,279</u>	<u>1,321</u>	<u>12,958</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,321)	(1,321)
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>\$ (1,321)</u>	<u>\$ (1,321)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,321)	
Net Change in Due from Grantor			<u>1,321</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 0	\$ 14,781	\$ 14,781
Total Revenues	<u>0</u>	<u>0</u>	<u>14,781</u>	<u>14,781</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	500	1,000	1,000	0
Employee Benefits	0	393	372	21
Other Purchased Services	2,000	475	122	353
Supplies	4,500	3,164	3,153	11
Supply Assets	0	9,268	8,771	497
Total Instruction	<u>7,000</u>	<u>14,300</u>	<u>13,418</u>	<u>882</u>
<b>Support Services-Students</b>				
Professional & Tech Services	5,000	1,000	967	33
Supplies	3,417	117	52	65
Total Support Services-Students	<u>8,417</u>	<u>1,117</u>	<u>1,019</u>	<u>98</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	376	376	344	32
Total Support Services-General Administration	<u>376</u>	<u>376</u>	<u>344</u>	<u>32</u>
Total Expenditures	<u>15,793</u>	<u>15,793</u>	<u>14,781</u>	<u>1,012</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,793)	(15,793)	0	15,793
Cash Balance Beginning of Year	<u>21,676</u>	<u>21,676</u>	<u>21,676</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,883</u>	<u>\$ 5,883</u>	<u>\$ 21,676</u>	<u>\$ 15,793</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Payables			828	
Net Change in Deferred Revenue			(828)	
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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 81	\$ 81
Total Revenues	<u>0</u>	<u>0</u>	<u>81</u>	<u>81</u>
Expenditures				
Instruction	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-General Administration				
Total Support Services-General Administration	<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	81	81
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>\$ 81</u>	<u>\$ 81</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 81	
Net Change in Deferred Revenue			<u>(81)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 35,844	\$ 35,844	\$ 4,500	\$ (31,344)
Total Revenues	<u>35,844</u>	<u>35,844</u>	<u>4,500</u>	<u>(31,344)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	12,516	12,516	0	12,516
Employee Benefits	2,484	2,484	0	2,484
Professional & Tech Services	2,102	1,902	300	1,602
Other Purchased Services	5,000	5,200	188	5,012
Supplies	4,029	4,029	124	3,905
Total Instruction	<u>26,131</u>	<u>26,131</u>	<u>612</u>	<u>25,519</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	533	533	15	518
Total Support Services-General Administration	<u>533</u>	<u>533</u>	<u>15</u>	<u>518</u>
Total Expenditures	<u>26,664</u>	<u>26,664</u>	<u>627</u>	<u>26,037</u>
Excess (Deficiency) of Revenues Over Expenditures	9,180	9,180	3,873	(5,307)
Cash Balance Beginning of Year	<u>(9,180)</u>	<u>(9,180)</u>	<u>(9,180)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,307)</u>	<u>\$ (5,307)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,873	
Net Change in Due From Grantor			<u>(3,873)</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 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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 186,167	\$ 185,837	\$ 178,986	\$ (6,851)
Total Revenues	<u>186,167</u>	<u>185,837</u>	<u>178,986</u>	<u>(6,851)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	95,329	78,073	78,073	0
Employee Benefits	30,922	27,518	23,785	3,733
Other Purchased Services	21,439	38,494	36,483	2,011
Supplies	0	2,301	1,301	1,000
Total Instruction	<u>147,690</u>	<u>146,386</u>	<u>139,642</u>	<u>6,744</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	681	681	0
Total Support Services-Students	<u>0</u>	<u>681</u>	<u>681</u>	<u>0</u>
<b>Support Services-Instruction</b>				
Professional & Tech Services	0	398	398	0
Total Support Services-Instruction	<u>0</u>	<u>398</u>	<u>398</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	3,601	3,536	3,429	107
Total Support Services-General Administration	<u>3,601</u>	<u>3,536</u>	<u>3,429</u>	<u>107</u>
Total Expenditures	<u>151,291</u>	<u>150,320</u>	<u>144,150</u>	<u>6,851</u>
Excess (Deficiency) of Revenues Over Expenditures	34,876	35,517	34,836	(681)
Cash Balance Beginning of Year	<u>(34,836)</u>	<u>(34,836)</u>	<u>(34,836)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>40</u>	\$ <u>681</u>	\$ <u>0</u>	\$ <u>(681)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 34,836	
Net Change in Due from Grantor			<u>(34,836)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 11,929	\$ 11,930	\$ 11,868	\$ (62)
Total Revenues	<u>11,929</u>	<u>11,930</u>	<u>11,868</u>	<u>(62)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>9,072</u>	<u>9,202</u>	<u>9,202</u>	<u>0</u>
Total Instruction	<u>9,072</u>	<u>9,202</u>	<u>9,202</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>410</u>	<u>281</u>	<u>219</u>	<u>62</u>
Total Support Services-General Administration	<u>410</u>	<u>281</u>	<u>219</u>	<u>62</u>
Total Expenditures	<u>9,482</u>	<u>9,483</u>	<u>9,421</u>	<u>62</u>
Excess (Deficiency) of Revenues Over Expenditures	2,447	2,447	2,447	0
Cash Balance Beginning of Year	<u>(2,447)</u>	<u>(2,447)</u>	<u>(2,447)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,447	
Net Change in Due from Grantor			(6,047)	
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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 66,027	\$ 110,782	\$ 64,324	\$ (46,458)
Total Revenues	<u>66,027</u>	<u>110,782</u>	<u>64,324</u>	<u>(46,458)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	225	225	0
Supplies	<u>0</u>	<u>43,686</u>	<u>43,686</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>43,911</u>	<u>43,911</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>844</u>	<u>844</u>	<u>0</u>
Total Support Services-General Administration	<u>0</u>	<u>844</u>	<u>844</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>44,755</u>	<u>44,755</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	66,027	66,027	19,569	(46,458)
Cash Balance Beginning of Year	<u>(66,027)</u>	<u>(66,027)</u>	<u>(66,027)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (46,458)</u>	<u>\$ (46,458)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 19,569	
Net Change in Due from Grantor			<u>(19,569)</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-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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 48,198	\$ 32,634	\$ 34,634	\$ 2,000
Total Revenues	<u>48,198</u>	<u>32,634</u>	<u>34,634</u>	<u>2,000</u>
Expenditures				
Instruction				
Personnel Services	41,884	6,140	6,140	0
Employee Benefits	8,314	1,189	1,189	0
Total Instruction	<u>50,198</u>	<u>7,329</u>	<u>7,329</u>	<u>0</u>
Operation & Maintenance of Plant				
Personnel Services	0	13,389	13,389	0
Employee Benefits	0	13,916	13,916	0
Total Operation & Maintenance of Plant	<u>0</u>	<u>27,305</u>	<u>27,305</u>	<u>0</u>
Total Expenditures	<u>50,198</u>	<u>34,634</u>	<u>34,634</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	0	2,000
Cash Balance Beginning of Year	<u>2,000</u>	<u>2,000</u>	<u>2,000</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			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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 I SCHOOL IMPROVEMENT-24162  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 100,000	\$ 87,309	\$ (12,691)
Total Revenues	<u>0</u>	<u>100,000</u>	<u>87,309</u>	<u>(12,691)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	40,320	40,320	0
Employee Benefits	0	6,740	6,740	0
Professional & Tech Services	0	11,330	5,219	6,111
Supplies	0	24,589	18,695	5,894
Supply Assets	0	5,000	4,964	36
Total Instruction	<u>0</u>	<u>87,979</u>	<u>75,938</u>	<u>12,041</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	9,000	9,000	0
Total Support Services-Students	<u>0</u>	<u>9,000</u>	<u>9,000</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	2,671	2,030	641
Total Support Services-General Administration	<u>0</u>	<u>2,671</u>	<u>2,030</u>	<u>641</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	350	341	9
Total Support Services-School Administration	<u>0</u>	<u>350</u>	<u>341</u>	<u>9</u>
Total Expenditures	<u>0</u>	<u>100,000</u>	<u>87,309</u>	<u>12,691</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 3,982	\$ 25,570	\$ 19,783	\$ (5,787)
Total Revenues	<u>3,982</u>	<u>25,570</u>	<u>19,783</u>	<u>(5,787)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	62	62	0
Supplies	0	1,501	1,501	0
Supply Assets	0	19,511	19,511	0
Total Instruction	<u>0</u>	<u>21,074</u>	<u>21,074</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	514	514	0
Total Support Services-General Administration	<u>0</u>	<u>514</u>	<u>514</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>21,588</u>	<u>21,588</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,982	3,982	(1,805)	(5,787)
Cash Balance Beginning of Year	<u>(3,982)</u>	<u>(3,982)</u>	<u>(3,982)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,787)</u>	<u>\$ (5,787)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,805)	
Net Change in Due from Grantor			<u>1,805</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 I-FEDERAL STIMULUS-24201  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 209,314	\$ 18,719	\$ (190,595)
Total Revenues	0	209,314	18,719	(190,595)
<b>Expenditures</b>				
<b>Instruction</b>				
Employee Benefits	0	7,686	0	7,686
Professional & Tech Services	0	42,000	70	41,930
Other Purchased Services	0	37,314	0	37,314
Supplies	0	78,554	2,904	75,650
Supply Assets	0	26,185	8,536	17,649
Total Instruction	0	191,739	11,510	180,229
<b>Support Services-Students</b>				
Professional & Tech Services	0	2,093	0	2,093
Total Support Services-Students	0	2,093	0	2,093
<b>Support Services-Instruction</b>				
Supply Assets	0	7,000	6,774	226
Total Support Services-Instruction	0	7,000	6,774	226
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	4,982	435	4,547
Total Support Services-General Administration	0	4,982	435	4,547
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	3,500	0	3,500
Total Support Services-School Administration	0	3,500	0	3,500
Total Expenditures	0	209,314	18,719	190,595
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ 0	\$ 0	\$ 0	\$ 0

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
SPECIAL REVENUE FUND-TITLE I-FEDERAL STIMULUS-24201  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

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Reconciliation of Budgetary Basis to GAAP Basis	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ 0
Net Change in Due from Grantor	630
Net Change in Payables	<u>(630)</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**  
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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 0	\$ 51,036	\$ 98,393	\$ 47,357
Total Revenues	<u>0</u>	<u>51,036</u>	<u>98,393</u>	<u>47,357</u>
Expenditures				
Instruction				
Personnel Services	16,000	123,563	123,562	1
Employee Benefits	10,686	42,558	41,953	605
Other Purchased Services	<u>65,159</u>	<u>6,467</u>	<u>3,615</u>	<u>2,852</u>
Total Instruction	<u>91,845</u>	<u>172,588</u>	<u>169,130</u>	<u>3,458</u>
Total Expenditures	<u>91,845</u>	<u>172,588</u>	<u>169,130</u>	<u>3,458</u>
Excess (Deficiency) of Revenues Over Expenditures	(91,845)	(121,552)	(70,737)	50,815
Cash Balance Beginning of Year	<u>121,552</u>	<u>121,552</u>	<u>121,552</u>	<u>0</u>
Cash Balance End of Year	\$ <u>29,707</u>	\$ <u>0</u>	\$ <u>50,815</u>	\$ <u>50,815</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(70,737)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(70,737)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 7,273	\$ 0	\$ 0	\$ 0
Total Revenues	<u>7,273</u>	<u>0</u>	<u>0</u>	<u>0</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	0	0	0
Cash Balance Beginning of Year	<u>727</u>	<u>727</u>	<u>727</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,000</u>	<u>\$ 727</u>	<u>\$ 727</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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-WALLACE FOUNDATION-26125  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 48,680	\$ 38,486	\$ (10,194)
Total Revenues	<u>0</u>	<u>48,680</u>	<u>38,486</u>	<u>(10,194)</u>
<b>Expenditures</b>				
<b>Support Services-Instruction</b>				
Personnel Services	0	30,000	30,000	0
Employee Benefits	0	6,032	5,535	497
Professional & Tech Services	0	9,798	1,962	7,836
Supplies	0	2,350	839	1,511
Total Support Services-Instruction	<u>0</u>	<u>48,180</u>	<u>38,336</u>	<u>9,844</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	500	150	350
Total Support Services-General Administration	<u>0</u>	<u>500</u>	<u>150</u>	<u>350</u>
Total Expenditures	<u>0</u>	<u>48,680</u>	<u>38,486</u>	<u>10,194</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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-TECH FOR EDUCATION PED-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 0	\$ 25,059	\$ 25,059
Total Revenues	<u>0</u>	<u>0</u>	<u>25,059</u>	<u>25,059</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Purchased Services	0	10,000	10,000	0
Supplies	0	29,902	28,891	1,011
Supply Assets	0	9,301	9,301	0
Total Instruction	<u>0</u>	<u>49,203</u>	<u>48,192</u>	<u>1,011</u>
Total Expenditures	<u>0</u>	<u>49,203</u>	<u>48,192</u>	<u>1,011</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(49,203)	(23,133)	26,070
Cash Balance Beginning of Year	<u>50,202</u>	<u>50,202</u>	<u>50,202</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 50,202</u>	<u>\$ 999</u>	<u>\$ 27,069</u>	<u>\$ 26,070</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (23,133)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (23,133)</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-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	16,722	2,410	14,312
Supply Assets	0	18,748	3,021	15,727
Total Instruction	<u>0</u>	<u>35,470</u>	<u>5,431</u>	<u>30,039</u>
<b>Supply Services-School Administration</b>				
Fixed Assets	0	7,968	6,746	1,222
Total Supply Services-School Administration	<u>0</u>	<u>7,968</u>	<u>6,746</u>	<u>1,222</u>
Total Expenditures	<u>0</u>	<u>43,438</u>	<u>12,177</u>	<u>30,039</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(43,438)	(12,177)	31,261
Cash Balance Beginning of Year	<u>46,396</u>	<u>46,396</u>	<u>46,396</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 46,396</u>	<u>\$ 2,958</u>	<u>\$ 34,219</u>	<u>\$ 31,261</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,177)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,177)</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-FAMILY & YOUTH RESOURCE PRO PED-27140  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	25,439	25,439	0
Employee Benefits	0	2,405	2,405	0
Professional & Tech Services	<u>0</u>	<u>2,156</u>	<u>2,156</u>	<u>0</u>
Total Support Services-Students	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>30,000</u>	<u>30,000</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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-PRE K INITIATIVE-27149  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 238,060	\$ 221,338	\$ (16,722)
Total Revenues	<u>0</u>	<u>238,060</u>	<u>221,338</u>	<u>(16,722)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	114,881	105,094	9,787
Employee Benefits	0	54,271	47,676	6,595
Professional & Tech Services	0	520	499	21
Other Purchased Services	0	201	190	11
Supplies	0	4,187	3,879	308
Total Instruction	<u>0</u>	<u>174,060</u>	<u>157,338</u>	<u>16,722</u>
<b>Student Transportation</b>				
Other Purchased Services	0	58,000	58,000	0
Supply Assets	0	6,000	6,000	0
Total Student Transportation	<u>0</u>	<u>64,000</u>	<u>64,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>238,060</u>	<u>221,338</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 12,037	\$ 12,037	\$ 0
Total Revenues	<u>0</u>	<u>12,037</u>	<u>12,037</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	8,790	8,760	30
Employee Benefits	0	2,768	2,768	0
Professional & Tech Services	0	2,787	0	2,787
Supplies	0	1,114	0	1,114
Total Instruction	<u>0</u>	<u>15,459</u>	<u>11,528</u>	<u>3,931</u>
Total Expenditures	<u>0</u>	<u>15,459</u>	<u>11,528</u>	<u>3,931</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,422)	509	3,931
Cash Balance Beginning of Year	<u>11,147</u>	<u>11,147</u>	<u>11,147</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,147</u>	<u>\$ 7,725</u>	<u>\$ 11,656</u>	<u>\$ 3,931</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 509	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 509</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 52,250	\$ 87,250	\$ 86,956	\$ (294)
Total Revenues	<u>52,250</u>	<u>87,250</u>	<u>86,956</u>	<u>(294)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	25,154	25,154	0
Employee Benefits	0	2,753	2,753	0
Professional & Tech Services	0	7,093	7,093	0
Total Instruction	<u>0</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	52,250	52,250	51,956	(294)
Cash Balance Beginning of Year	<u>(52,250)</u>	<u>(52,250)</u>	<u>(52,250)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (294)</u>	<u>\$ (294)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 51,956	
Net Change in Due From Grantor			<u>(51,956)</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 LEARNING CENTER-27167  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 58,933	\$ 58,933	\$ 0
Total Revenues	<u>0</u>	<u>58,933</u>	<u>58,933</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	40,758	40,758	0
Employee Benefits	0	9,289	9,289	0
Professional & Tech Services	0	450	450	0
Other Purchased Services	0	8,210	8,210	0
Supplies	0	226	226	0
Total Instruction	<u>0</u>	<u>58,933</u>	<u>58,933</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>58,933</u>	<u>58,933</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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-PRE-KINDERGARTEN-27169  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	9,302	9,302	0
Supply Assets	<u>0</u>	<u>20,698</u>	<u>20,698</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>30,000</u>	<u>30,000</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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**  
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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grant	\$ 6,783	\$ 20,761	\$ 6,783	\$ (13,978)
Total Revenues	<u>6,783</u>	<u>20,761</u>	<u>6,783</u>	<u>(13,978)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	13,978	6,998	6,980
Total Support Services-Instruction	<u>0</u>	<u>13,978</u>	<u>6,998</u>	<u>6,980</u>
Total Expenditures	<u>0</u>	<u>13,978</u>	<u>6,998</u>	<u>6,980</u>
Excess (Deficiency) of Revenues Over Expenditures	6,783	6,783	(215)	(6,998)
Cash Balance Beginning of Year	<u>(6,783)</u>	<u>(6,783)</u>	<u>(6,783)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,998)</u>	<u>\$ (6,998)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (215)	
Net Change in Due From Grantor			<u>215</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-LIBRARY BOOK FUND-27549  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grant	\$ 0	\$ 4,359	\$ 4,359	\$ 0
Total Revenues	<u>0</u>	<u>4,359</u>	<u>4,359</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	4,359	4,336	23
Total Support Services-Instruction	<u>0</u>	<u>4,359</u>	<u>4,336</u>	<u>23</u>
Total Expenditures	<u>0</u>	<u>4,359</u>	<u>4,336</u>	<u>23</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	23	23
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>\$ 23</u>	<u>\$ 23</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 23	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 23</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 60,000	\$ 59,800	\$ (200)
Total Revenues	<u>0</u>	<u>60,000</u>	<u>59,800</u>	<u>(200)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Other Purchased Services	0	60,000	59,800	200
Supplies	48,000	29,106	4,205	24,901
Supply Assets	<u>0</u>	<u>18,894</u>	<u>18,512</u>	<u>382</u>
Total Support Services-Students	<u>48,000</u>	<u>108,000</u>	<u>82,517</u>	<u>25,483</u>
<b>Capital Outlay</b>				
Building Improvements	<u>100,000</u>	<u>100,000</u>	<u>53,583</u>	<u>46,417</u>
Total Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>53,583</u>	<u>46,417</u>
Total Expenditures	<u>148,000</u>	<u>208,000</u>	<u>136,100</u>	<u>71,900</u>
Excess (Deficiency) of Revenues Over Expenditures	(148,000)	(148,000)	(76,300)	71,700
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 71,700</u>	<u>\$ 71,700</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (76,300)	
Net Change in Payables			<u>3,250</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (73,050)</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-BOND BUILDING-31100  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 278,343	\$ 278,343	\$ 2,275	\$ (276,068)
Total Revenues	<u>278,343</u>	<u>278,343</u>	<u>2,275</u>	<u>(276,068)</u>
Expenditures				
Capital Outlay				
Building Improvements	<u>1,562,988</u>	<u>1,562,988</u>	<u>1,125,540</u>	<u>437,448</u>
Total Capital Outlay	<u>1,562,988</u>	<u>1,562,988</u>	<u>1,125,540</u>	<u>437,448</u>
Total Expenditures	<u>1,562,988</u>	<u>1,562,988</u>	<u>1,125,540</u>	<u>437,448</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,284,645)	(1,284,645)	(1,123,265)	161,380
Cash Balance Beginning of Year	<u>1,284,645</u>	<u>1,284,645</u>	<u>1,284,645</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 161,380</u>	<u>\$ 161,380</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,123,265)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,123,265)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grant	250,000	66,199	66,199	0
Total Revenues	250,000	66,199	66,199	0
Expenditures				
Capital Outlay				
Building Improvements	0	25,649	25,649	0
Fixed Assets	0	40,550	40,550	0
Total Capital Outlay	0	66,199	66,199	0
Total Expenditures	0	66,199	66,199	0
Excess (Deficiency) of Revenues Over Expenditures	250,000	0	0	0
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ 250,000	\$ 0	\$ 0	\$ 0
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 516,655	\$ 516,655	\$ 463,261	\$ (53,394)
Interest Income	0	0	288	288
State & Local Grant	0	0	173,422	173,422
Miscellaneous	0	0	0	0
Total Revenues	<u>516,655</u>	<u>516,655</u>	<u>636,971</u>	<u>120,316</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>1,658</u>	<u>2,793</u>	<u>2,519</u>	<u>274</u>
Total Support Services-General Administration	<u>1,658</u>	<u>2,793</u>	<u>2,519</u>	<u>274</u>
<b>Operation &amp; Maintenance of Plant</b>				
Maintenance & Repair	50,000	168,675	142,825	25,850
Supplies	95,318	77,246	58,713	18,533
Supply Assets	<u>100,000</u>	<u>143,096</u>	<u>141,630</u>	<u>1,466</u>
Total Operation & Maintenance of Plant	<u>245,318</u>	<u>389,017</u>	<u>343,168</u>	<u>45,849</u>
<b>Capital Outlay</b>				
Building Improvements	300,000	272,738	200,737	72,001
Fixed Assets	<u>200,000</u>	<u>82,428</u>	<u>82,428</u>	<u>0</u>
Total Capital Outlay	<u>500,000</u>	<u>355,166</u>	<u>283,165</u>	<u>72,001</u>
Total Expenditures	<u>746,976</u>	<u>746,976</u>	<u>628,852</u>	<u>118,124</u>
Excess (Deficiency) of Revenues Over Expenditures	(230,321)	(230,321)	8,119	238,440
Cash Balance Beginning of Year	<u>230,321</u>	<u>230,321</u>	<u>230,321</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 238,440</u>	<u>\$ 238,440</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,119	
Net Change in Taxes Receivables			120,423	
Net Change in Payables			7,580	
Net Change in Deferred Revenue			(857)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 135,265</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 30,845	\$ 30,845	\$ 48,893	\$ 18,048
Total Revenues	<u>30,845</u>	<u>30,845</u>	<u>48,893</u>	<u>18,048</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Principal	31,470	31,470	31,470	0
Interest	14,598	14,598	14,598	0
Total Capital Outlay	<u>46,068</u>	<u>46,068</u>	<u>46,068</u>	<u>0</u>
Total Expenditures	<u>46,068</u>	<u>46,068</u>	<u>46,068</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,223)	(15,223)	2,825	18,048
Cash Balance Beginning of Year	<u>15,223</u>	<u>15,223</u>	<u>15,223</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,048</u>	<u>\$ 18,048</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 2,825</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,825</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Bond Proceeds	\$ 435,000	\$ 435,000	\$ 0	\$ (435,000)
Total Revenues	<u>435,000</u>	<u>435,000</u>	<u>0</u>	<u>(435,000)</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Bond Issue Cost	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Capital Outlay</b>				
Fixed Assets	<u>415,520</u>	<u>415,520</u>	<u>339,342</u>	<u>76,178</u>
Total Capital Outlay	<u>415,520</u>	<u>415,520</u>	<u>339,342</u>	<u>76,178</u>
Total Expenditures	<u>415,520</u>	<u>415,520</u>	<u>339,342</u>	<u>76,178</u>
Excess (Deficiency) of Revenues Over Expenditures	19,480	19,480	(339,342)	(358,822)
Cash Balance Beginning of Year	<u>397,816</u>	<u>397,816</u>	<u>397,816</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 417,296</u>	<u>\$ 417,296</u>	<u>\$ 58,474</u>	<u>\$ (358,822)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (339,342)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (339,342)</u>	

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

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
ED TECH DEBT SERVICE-43000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 21,857	\$ 21,857	\$ 26,517	\$ 4,660
Total Revenues	<u>21,857</u>	<u>21,857</u>	<u>26,517</u>	<u>4,660</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	10,000	10,000	265	9,735
Total Support Services-General Administration	<u>10,000</u>	<u>10,000</u>	<u>265</u>	<u>9,735</u>
Debt Service				
Principle	0	0	0	0
Interest	11,857	11,857	11,857	0
Total Debt Service	<u>11,857</u>	<u>11,857</u>	<u>11,857</u>	<u>0</u>
Total Expenditures	<u>21,857</u>	<u>21,857</u>	<u>12,122</u>	<u>9,735</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	14,395	14,395
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>\$ 14,395</u>	<u>\$ 14,395</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,395	
Net Change in Taxes Receivables			<u>570</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,965</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  
 Schedule of Changes in Net Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2009

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ASSETS	Balance 6/30/2008	Receipts	Expenditures	Balance 6/30/2009
Cobre High School	\$ 73,423	195,194	195,523	\$ 73,094
Snell Middle School	26,014	51,744	46,102	31,656
Bayard Elementary School	3,510	24,714	29,382	(1,158)
Central Elementary School	29,613	27,963	23,047	34,529
Hurley Elementary School	11,633	5,195	6,912	9,916
San Lorenzo Elementary	9,055	5,421	2,460	12,016
All Students	176,103	92,096	40,577	227,622
Total Assets	<u>\$ 329,351</u>	<u>402,327</u>	<u>344,003</u>	<u>\$ 387,675</u>
LIABILITIES				
Deposits Held for Others	\$ 329,351	402,327	344,003	\$ 387,675
Total Liabilities	<u>\$ 329,351</u>	<u>402,327</u>	<u>344,003</u>	<u>\$ 387,675</u>

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, 2009

		Beginning Cash Balance	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance
Operations	11000	\$ 447,996	\$ 15,030,438	\$ 14,216,629	\$ 0	\$ 1,261,805
Transportation	13000	0	714,425	714,425	0	0
Instructional Materials	14000	40,923	170,897	146,590	0	65,230
Food Services	21000	25,445	739,704	703,795	0	61,354
Athletics	22000	6,074	44,225	29,853	0	20,446
Activities	23000	329,351	402,326	344,004	0	387,673
Federal Flowthrough	24000	(182,163)	1,807,321	1,471,590	0	153,568
Federal Direct	25000	122,279	98,393	169,130	0	51,542
Local Grants	26000	0	38,486	38,486	0	0
State Flowthrough	27000	48,713	475,465	458,502	0	65,676
Local/State	29000	148,000	0	136,100	59,800	71,700
Bond Building	31100	1,284,645	2,275	1,125,539	0	161,381
Special Capital Outlay State	31400	0	66,199	66,199	0	0
SB-9	31700	230,321	636,972	628,853	0	238,440
Energy Efficiency	31800	15,223	48,893	46,068	0	18,048
Public School Capital Outlay	31900	397,816	0	339,342	0	58,474
Debt Service	41000	659,541	1,839,474	1,430,011	0	1,069,004
Ed Tech Debt Service	43000	0	26,517	12,122	0	14,395
Total		<u>\$ 3,574,164</u>	<u>\$ 22,142,010</u>	<u>\$ 22,077,238</u>	<u>\$ 59,800</u>	<u>\$ 3,698,736</u>

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, 2009

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	\$ 693,970
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000	(1) 44,385
Direct Program			
Forest Reserve	10.670	11000	<u>190,817</u>
Total U. S. Department of Agriculture			<u>929,172</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	418,506
IDEA, Part B, Discretionary	84.027	24107	1,321
IDEA Preschool		24109	<u>13,953</u>
Total Special Education Cluster			<u>433,780</u>
Title I Basic Education Grant	84.010		778,623
Title III English Language	84.365	24153	627
Title II Improving Teacher Quality	84.332	24154	144,150
Title IV Safe and Drug Free Schools	84.186	24157	5,821
21st Century	84.287	24159	44,755
Rural & Low Income Schools	84.358B	24160	34,634
Carl Perkins	84.048	24174	<u>21,588</u>
Total U. S. Department of Education			<u>1,463,978</u>
Total Federal Assistance			<u>\$ 2,393,150</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

(575) 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 School District No. 2

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 SCHOOL DISTRICT NO. 2, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 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 responses as items 07-2, 08-3, 08-5, 09-1 and 09-2.

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*

November 6, 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 School District No. 2

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2, (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, 2009. 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, 2009.

### 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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 insignificant 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.

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, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby CPA PC*

November 6, 2009

STATE OF NEW MEXICO  
**COBRE CONSOLIDATED SCHOOL DISTRICT NO. 2**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2009

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

\* Material Weakness(es) identified?  yes  no

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

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

\* Material Weakness(es) identified?  yes  no

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.555	USDA National School Lunch Program

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

Auditee qualified as low risk auditee  yes  no



**Federal Award Findings**

**Prior Year Audit Findings**

		<u>Status</u>
08-1	Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse	Resolved

**Current Year Audit Findings**

None

**Financial Statement Audit Findings**

**Prior Year Audit Findings**

		<u>Status</u>
07-2	Employee Documentation	Repeated & Modified
08-2	Late Audit Report	Repeated & Modified
08-3	Timely deposits of activity receipts	Repeated & Modified
08-4	Employee was not paid overtime correctly	Resolved
08-5	Purchase of Wal-Mart gift cards	Repeated & Modified

**Current Year Audit Findings**

**07-2 Employee Documentation Condition**

The auditor discovered that out of a random sample of twenty-five personnel files, one file was missing an employment contract. There were 7 missing or incomplete I-9s.

**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 and 2008 audits. 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.

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**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.

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

**Condition**

The audit revealed that, out of a sample of twenty five activity receipts, no activity receipts were 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 District or activity fund.

**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

**08-5 Purchase of Wal-Mart gift cards**

**Condition**

A random sample of two-hundred thirty three purchase orders revealed that one purchase order, designated for the purchase of supplies and incentives for students, was used to purchase Wal-Mart gift cards of various monetary demonization's. The total of the purchase was \$2,802.09. The purchase order was for supplies no greater than \$300.00.

**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 teaches 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.

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**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.

**09-1 Procurement**

**Condition**

Of the two hundred thirty three expenditures sampled, one purchase had no supporting documentation for a total of \$1,000.

**Criteria**

Section 13-1-97 of NMSA 1978 requires that purchases be made through a central purchasing office which properly approves the purchase prior to contracting for the goods or services.

**Effect**

Budgetary controls are compromised, outstanding encumbrances are incomplete and New Mexico statutes have been violated.

**Cause**

Obligations were incurred by District personnel with obtaining a purchase order or providing supporting documentation for the expenditure.

**Recommendation**

We recommend the District comply with its documented purchasing procedures.

**Response**

We will be sure no expenditures are made without documentation.

**09-2 Overdrawn Activity Funds**

**Condition**

Of the one hundred ninety two activity accounts, three were overdrawn \$1,160.04 on June 30, 2009 of a total balance of \$387,673.47.

**Criteria**

Per NMAC 6.20.2.14, Districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirement of the office of management and budget (OMB) circular A-102, an applicable state and federal laws and regulations.

**Effect**

The District may have to fund the overdrawn accounts with Operational money taking away available funds from the education of all students.

**Cause**

The documented procurement process was not followed allowing the accounts to become overdrawn.

**Recommendation**

We recommend the District comply with its documented purchasing procedures and not allow spending of activity funds without having receipts to cover the expenditures.

**Response**

We are providing more training and enforcing existing policies and procedures to eliminate the problem.

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**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 November 6, 2009. Those present were Freddy Rodriguez, Member, Dane Kennon, Superintendent, Frank Ryan Director of Finance, Teresa Holguin, Financial Controller and De'Aun Willoughby, CPA.