State of New Mexico

Silver Consolidated School District No. 1
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT THEREON

For The Fiscal Year Ended June 30, 2008

Silver Consolidated School District No. 1

TABLE OF CONTENTS

June 30, 2008

OTHER SUPPLEMENTARY INFORMATION:

OTHER SUPPLEMENTAL DATA

ADDITIONAL REPORTING REQUIREMENTS:

Silver Consolidated School District No. 1
DIRECTORY OF OFFICIALS
June 30, 2008

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James Murdock	Associate Superintendent Of Finance

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
and
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Silver Consolidated School District No. 1 as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements of the District's primary government as listed in the table of contents. We have also audited the financial statements of each of the District's primary government nonmajor governmental funds presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenditures of the discretely presented component unit have not been presented.

In our opinion, because of the omission of the discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the discretely presented component unit of the Silver Consolidated School District No. 1 as of June 30, 2008, and the changes in financial position thereof for the year then ended.

Also, 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 Silver Consolidated School District No. 1 as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General and Title I funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Silver Consolidated School District No. 1 as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of the general fund, the nonmajor Special Revenue funds, the Debt Service fund, and the Capital Projects 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 our report dated November 12, 2008, on our consideration of Silver Consolidated School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements, and on the combining, individual fund and budgetary comparisons statements presented as other supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by *U.S. 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 basic financial statements of the District. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stone, McGee & Co CPA's

November 12, 2008

Stone, McGee & Co.
Certified Public Accountants

Management's Discussion and Analysis

Our discussion and analysis of Silver Consolidated School District No. 1's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the District's financial statements, which are listed in the table of contents.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements for governmental activities tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases and decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's student enrollment and the State's method of funding education, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we include the entire District in governmental activities, which provide the District's basic services, including education, transportation and non-instructional activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State or Federal law or bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District's governmental funds use the following accounting approach.

The District's services are presented in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between government activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds in a reconciliation presented with the fund financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for certain scholarship funds and agency funds. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

A comparison of net asset balances between 2007 and 2008 is as follows:

	June 30, 2008	June 30, 2007	Change
Cash and cash equivalents	$3,525,996	$4,868,120	($1,342,124)
Other current assets	$1,970,399	$1,682,601	$287,798
Capital Assets, net of depreciation	$31,688,825	$29,692,612	$1,996,213
Total Assets	$37,185,220	$36,243,333	$941,887
Accounts payable	$1,097,640	$1,241,254	$(143,614)
Current liabilities	$1,284,641	$1,210,349	$74,292
Long term liabilities	$12,283,822	$13,350,936	($1,067,114)
Total Liabilities	$14,666,103	$15,802,539	($1,136,436)
Invested in capital assets	$18,423,825	$16,906,518	$1,517,307
Restricted	$2,957,625	$2,623,913	$333,712
Unrestricted	$1,137,667	$910,363	$227,304
Net Assets	$22,519,117	$20,440,794	$2,078,323

The net assets increased 10% in 2008. Cash and cash equivalents decreased as did long term liabilities due to the proceeds of general obligation bonds being applied to construction and renovation within the District. Capital assets correspondingly increased yielding the increase in Net Assets.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular function reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

Governmental Activities below demonstrates the change in net assets in relation to activities and revenues.

Governmental Activities	June 30, 2008	June 30, 2007	Change
Total government activities	$31,620,129	$31,381,730	$238,399
Less charges for services	$583,844	$517,398	$66,446
Less operating grants and contributions	$6,041,364	$4,799,239	$1,242,125
Less capital grants and contributions	$550,887	$3,981,506	($3,430,619)
Net (expenses) revenues and changes in net asserts	($24,444,034)	($22,083,587)	($2,360,447)
General Revenues			
Taxes-general, debt service, capital projects	$3,229,911	$2,442,493	$787,418
State aid not restricted to specific purposes	$23,027,642	$22,446,860	$580,782
Interest and earnings on investments	$220,980	$390,449	($169,469)
Miscellaneous	$43,824	$203,896	($160,072)
Subtotal General Revenues	$26,522,357	$25,483,698	$1,038,659
Changes in Net Assets	$2,078,323	$3,400,111	($1,321,788)
Net Assets Beginning	$20,440,794	$17,040,681	$3,400,113
Net Assets Ending	$22,519,117	$20,440,792	$2,078,325

Grants and fees that are related to a specific function are identified with that function. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

THE DISTRICT'S FUNDS

The District's operational (general) fund balance increased by $224,569

The District's Debt Service Fund balance increased $652,491 based on tax revenues and interest from investments.

All other funds showed increases/decreases which are normal for operation of a school district.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Education amended the budget several times, to recognize new funding sources not anticipated in the original budget, and to reallocate resources to meet ongoing needs. These amendments were in accordance with accepted procedures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At the end of June 30, 2008, the District had $58,502,616 invested in capital assets, as shown below. This represents a net increase of $3,238,219 or 5.8%, funded primarily through District issued Bonds and state grants.

	June 30, 2008	June 30, 2007
Land and improvements	6,393,795	6,345,230
Buildings and improvements	47,724,904	44,195,958
Furniture and equipment	4,383,917	4,723,209
Total	58,502,616	55,264,397

Debt

At year-end, the District had $13,265,000 in outstanding general obligation bonds compared to $14,235,000 outstanding general obligation bonds last year.

	2008	2007
General obligation bonds payable	$ 13,265,000	$ 14,235,000

The District retired $970,000 in general obligation bonds. Other obligations of the District include accrued compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Operational revenue comes primarily from the State Equalization Guarantee (SEG) and is a product of the unit value and student enrollment. The State Department of Education increased SEG funding to the District by 2.6% for next year's budget . District enrollment is stable. The District met or exceeded all legislated budget mandates.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Associate Superintendent of Finance's Office at 2810 N. Swan, Silver City, New Mexico, 88061.

Silver Consolidated School District No. 1

STATEMENT OF NET ASSETS

June 30, 2008

	Governmental Activities
Assets	
Cash and cash equivalents	$ 3,525,996
Interest receivable	3,265
Property taxes receivable	625,917
Due from other governments	1,330,627
Inventory	10,590
Capital assets:	
Land and improvements	6,393,795
Buildings and improvements	47,724,904
Equipment	4,383,917
Less accumulated depreciation	(26,813,791)
Total capital assets, net of depreciation	$ 31,688,825
Total assets	$ 37,185,220
Liabilities	
Cash overdraft	$ 945,371
Accounts payable	150,693
Deferred revenue	1,576
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	1,065,000
Accrued interest payable	219,641
Portion due or payable after one year:	
Bonds payable	12,200,000
Compensated absences	83,822
Total liabilities	$ 14,666,103
Net Assets	
Invested in capital assets, net of related debt	$ 18,423,825
Restricted for:	
Capital projects	168,156
Debt service	2,074,309
Other purposes	715,160
Unrestricted	1,137,667
Total net assets	$ 22,519,117

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

	Expenses	Charges for Services
Functions/Programs		
Governmental activities:		
Instruction	$ 17,867,257	$ 305,815
Support services - Students	3,082,242	
Support services - Instruction	815,337	
General administration	474,328	88,614
School administration	1,612,929	
Central services	629,206	
Operation of plant	4,397,905	
Food services	1,126,691	189,415
Transportation	1,082,954	
Interest on long-term debt	531,280	
Total governmental activities	$ 31,620,129	$ 583,844
General revenues:		
Property taxes:		
Levied for general purposes		
Levied for debt service		
Levied for capital improvements		
State aid - formula grants		
Recoveries and refunds		
Unrestricted investment earnings		
Total general revenues and special items		
Change in net assets		
Net assets, beginning of year		
Net assets - end of year		

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

Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
$ 3,387,646	$ 550,887	$ (13,622,909)
573,019		(2,509,223)
136,803		(678,534)
28,439		(357,275)
59,992		(1,552,937)
		(629,206)
26,045		(4,371,860)
919,140		(18,136)
910,280		(172,674)
		(531,280)
$ 6,041,364	$ 550,887	$ (24,444,034)
		$ 127,000
		2,221,777
		881,134
		23,027,642
		43,824
		220,980
		$ 26,522,357
		$ 2,078,323
		20,440,794
		$ 22,519,117

Silver Consolidated School District No. 1
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2008

	General Fund	Title I	Debt Service
Assets			
Cash and investments	$ 1,239,620	$ -	$ 1,860,449
Interest receivable			686
Property taxes receivable	55,249		432,815
Inventory			
Due from other governments	6,076	741,544	
Interfund receivable	51,858		
Total assets	$ 1,352,803	$ 741,544	$ 2,293,950
Liabilities and Fund Balances			
Cash overdraft	$ -	$ 459,189	$ -
Accounts payable	131,314		
Interfund payable		282,355	
Deferred revenue	43,665		248,415
Total liabilities	$ 174,979	$ 741,544	$ 248,415
Fund balance:			
Reserved for inventory	$ -	$ -	$ -
Reserved for debt service			2,045,535
Reserved for capital projects			
Unreserved, reported in:			
General fund	1,177,824		
Special revenue funds			
Total fund balances	$ 1,177,824	$ -	$ 2,045,535
Total liabilities and fund balances	$ 1,352,803	$ 741,544	$ 2,293,950

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

Other Funds	Total Governmental Funds
$ 425,927	$ 3,525,996
2,579	3,265
137,853	625,917
10,590	10,590
583,007	1,330,627
282,355	334,213
$ 1,442,311	$ 5,830,608

$ 486,182	$ 945,371
19,379	150,693
51,858	334,213
65,950	358,030
$ 623,369	$ 1,788,307
$ 10,590	$ 10,590
	2,045,535
$ 168,156	168,156
	1,177,824
640,196	640,196
$ 818,942	$ 4,042,301
$ 1,442,311	$ 5,830,608

Silver Consolidated School District No. 1

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2008

Total governmental fund balances	$	4,042,301
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		31,688,825
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		356,454
Long-term liabilities, including bonds payable,compensated absences, lease-puchases payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable		(13,265,000)
Accrued interest payable		(219,641)
Compensated absences payable		(83,822)
Net Assets of Governmental Activities	$	22,519,117

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

Silver Consolidated School District No. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2008

	General Fund	Title I	Debt Service
Revenues:			
Property taxes	$ 126,379	$ -	$ 2,196,263
Fees and charges	279,203		
State aid	24,293,788		
Federal aid	63,627	945,651	
Earnings on investments	84,805		28,597
Miscellaneous	1,102,343		
Total revenues	$ 25,950,145	$ 945,651	$ 2,224,860
Expenditures:			
Current:			
Instruction	$ 14,667,895	$ 834,240	$ -
Support services - Students	2,632,036	95,732	
Support services - Instruction	692,328		
General administration	411,488	12,729	19,480
School administration	1,528,790		
Central services	616,367		
Operation of plant	3,105,368		
Food service			
Transportation	1,015,597	2,950	
Debt service:			
Principal			970,000
Interest			551,988
Capital outlay	1,103,293		
Total expenditures	$ 25,773,162	$ 945,651	$ 1,541,468
Revenues over (under) expenditures	$ 176,983	$ -	$ 683,392
Other financing sources (uses):			
Transfers in	47,586		
Transfers out			(30,901)
Net change in fund balance	$ 224,569	$ -	$ 652,491
Fund balance, July 1, 2007	953,255		1,393,044
Fund balance, June 30, 2008	$ 1,177,824	$ -	$ 2,045,535

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

Other Funds	Total Governmental Funds
$ 875,281	$ 3,197,923
276,204	555,407
836,155	25,129,943
2,406,766	3,416,044
107,578	220,980
43,824	1,146,167
$ 4,545,808	$ 33,666,464
$ 1,001,249	$ 16,503,384
346,316	3,074,084
114,465	806,793
23,646	467,343
59,992	1,588,782
	616,367
1,091,510	4,196,878
1,126,691	1,126,691
	1,018,547
	970,000
	551,988
2,585,014	3,688,307
$ 6,348,883	$ 34,609,164
$ (1,803,075)	$ (942,700)
	47,586
(16,685)	(47,586)
$ (1,819,760)	$ (942,700)
2,638,702	4,985,001
$ 818,942	$ 4,042,301

Silver Consolidated School District No. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2008

Net change in fund balances- total governmental funds	$ (942,700)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	3,688,307
Depreciation expense	(1,692,094)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:	
Property taxes subject to the 60 day availability period	31,988
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Payment of bond principal	970,000
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.	20,708
Some expense 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. This is the net change in compensated absences for the year.	2,114
Change in Net Assets of Governmental Activities	$ 2,078,323

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

Silver Consolidated School District No. 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30,2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 65,405	$ 65,405	$ 57,551	$ (7,854)
State sources	24,061,032	24,123,762	24,330,583	206,821
Local sources	254,468	263,468	361,176	97,708
Interest income	125,000	125,000	134,911	9,911
Total revenues	$ 24,505,905	$ 24,577,635	$ 24,884,221	$ 306,586
Expenditures:				
Current:				
Instruction	$ 14,790,961	$ 14,877,127	$ 14,686,435	$ 190,692
Support services - Students	2,789,791	2,722,791	2,631,592	91,199
Support services - Instructio	718,822	790,945	752,650	38,295
General administration	435,309	413,879	411,654	2,225
School administration	1,574,113	1,573,463	1,528,890	44,573
Central services	608,420	643,420	620,511	22,909
Operation of plant	3,282,035	3,250,465	3,061,417	189,048
Transportation	1,044,587	1,070,358	1,016,710	53,648
Capital outlay	20,500	20,500		20,500
Non-Operating	15,858	15,858		15,858
Total expenditures	$ 25,280,396	$ 25,378,806	$ 24,709,859	$ 668,947
Net change in fund balance	$ (774,491)	$ (801,171)	$ 174,362	$ 975,533
Fund balance, July 1, 2007	774,491	801,171	1,117,116	315,945
Fund balance, June 30, 2008	$ -	$ -	$ 1,291,478	$ 1,291,478

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - TITLE I

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 943,821	$ 1,054,897	$ 569,355	$ (485,542)
Expenditures:				
Current:				
Instruction	$ 827,288	$ 901,288	$ 837,273	$ 64,015
Support services - Instruction	100,697	135,697	95,766	39,931
General administration	12,836	14,912	12,729	2,183
Transportation	3,000	3,000	2,950	50
Total expenditures	$ 943,821	$ 1,054,897	$ 948,718	$ 106,179
Net change in fund balance	$ -	$ -	$ (379,363)	$ (379,363)
Fund balance, July 1, 2007			(362,181)	(362,181)
Fund balance, June 30, 2008	$ -	$ -	$ (741,544)	$ (741,544)

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

Silver Consolidated School District No. 1

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2008

	Private Purpose Trust Funds	Agency
Assets		
Cash and investments	$ 28,544	$ 599,776
Total assets	$ 28,544	$ 599,776
Liabilities		
Deposits held for others		$ 599,776
Total liabilities		$ 599,776
Net Assets		
Endowments held in trust for scholarships and other purposes	$ 28,544	

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

Silver Consolidated School District No. 1

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Fical Year Ended June 30, 2008

	Private Purpose Trust Funds
Additions	
Gifts and contributions	$ 7,444
Deductions	
Scholarships awarded	5,343
Change in net assets	$ 2,101
Net assets July 1, 2006	26,443
Net assets June 30, 2007	$ 28,544

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

Note 1 Summary of Significant Accounting Policies

Silver Consolidated School District No. 1, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments.* Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
  - ** A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
  - ** Financial statements prepared using full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The District implemented GASB 34 effective July 1, 2002. As a part of GASB's Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this provision.

A. REPORTING ENTITY

These financial statements present the District (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on the criterion in GASBS No. 14, the District had one component unit, Aldo Leopold High School Charter School.

Aldo Leopold High School Charter School is a high school sponsored by Silver Consolidated School District No. 1. Financial statements are not presented, because the charter school was unable to provide auditable financial information by the mandated deadline. When available separately issued financial statements can be obtained by writing to Aldo Leopold High School Charter School at 1422 E. Hwy 180, Silver City, New Mexico 88061.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds
General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in the General Fund are sub-funds; Operational, the Unrestricted District Fund; Transportation, which accounts for State source revenue used to transport students; Instructional Materials, which accounts for State Source Funds used to purchase textbooks; and Non-instructional Support, which accounts for various student extracurricular activities.

Special Revenue Funds

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

Capital Project Fund

The Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

Agency Funds account for assets held in a purely custodial capacity. Since agency funds are custodial in nature (i.e.) assets equal liabilities, they do not involve the measurements of results of operations.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized into a single column.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these finds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Title I - Fund used to account for federal resources administered by the New Mexico State Department of Education to provide assistance to educationally deprived students in low-income areas of the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Debt Service – See above description.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to described "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus is used.

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **Accrual:**

   The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. **Modified Accrual:**
   The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

   Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred revenue. Property taxes are considered fully collectible.

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 District first utilizes restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

D. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. The District has one Capital Project Fund, DCU Funding, where vendors are paid directly by the State of New Mexico. No budget statements are presented for this fund.

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

Actual expenditures may not exceed the budget on a functional category basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be

amended in two ways. If a budget transfer is necessary within a major category called a "series", this may be accomplished with only local Board of Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public Education Department.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

F. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at cost (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets.

G. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of $5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Software and library resources	3-5 years
Machinery and equipment	5-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statements. In the government-wide financial statements, fixed assets are accounted for as capital assets. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

I. COMPENSATED ABSENCES

The District's policies, regarding vacation time, permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

J. EQUITY CLASSIFICATIONS

Government-wide Statements
Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt – consists of capital assets including restricted 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.

b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Equity is classified as fund balance and displayed in two components:

a. Reserved – Consists of governmental fund balances that are not appropriable, legally segregated for specific usage, or commitments to outside third parties.
b. Unreserved – Consists of designations of amounts representing tentative management plans for governmental fund balances, but subject to change (designated), and undesignated, for which no restrictions or designations exist.

K. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the District by the County Treasurer, and are remitted to the District in the month following collection. Because the Treasurer of the County in which the District is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the District.

The District is permitted to levy taxes for general operating purposes up to $.50 per $1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the District is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill Levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2008 was $.339 per $1,000 for non-residential property and $.253 for residential property. The District's tax rate for debt service was $5.043 per $1,000 for both residential and nonresidential property. The District's tax rate for District improvements was $2.000 per $1,000 for residential and $2.000 for nonresidential property.

L. INTERFUND ACTIVITY

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Interfund activity between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

M. USE OF 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.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The District does not have a deposit policy for credit risk beyond that

disclosed in Note 1. As of June 30, 2008 $-0- of the governments bank balance of $6,992,914 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -0-
Total	$ -0-

	Bank Balance	Carrying Amount
Deposits by custodial risk category:		
Insured	$ 100,000	$ 100,000
Collateral held by the pledging bank's agent in the District's name	6,892,914	3,108,945
	$ 6,992,914	$ 3,208,945

The District does not have a risk policy beyond that required by State Statute.

Note 3 Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated:				
Land	$ 244,023	$	$	$ 244,023
Construction in progress	-0-		-0-	-0-
Total assets not being depreciated	$ 244,023	$ -0-	$ -0-	$ 244,023
Other capital assets:				
Building and improvements	$ 44,195,958	$ 3,528,946	$	$ 47,724,904
Land improvements	6,101,207	48,565		6,149,772
Furniture and equipment	4,723,209	110,796	450,088	4,383,917
Total other capital assets at historical cost	$ 55,020,374	$ 3,688,307	$ 450,088	$ 58,258,593
Less accumulated depreciation for:				
Buildings and improvements	$(19,886,991)	$ (1,113,381)	$	$(21,000,372)
Land improvements	(1,545,177)	(201,027)		(1,746,204)
Furniture and equipment	(4,139,617)	(377,686)	(450,088)	(4,067,215)

Total accumulated depreciation	$(25,571,785)	$ (1,692,094)	$ 450,088	$(26,813,791)
Total capital assets, net	$ 29,692,612	$ 1,996,213	$ -0-	$ 31,688,825

Depreciation expense was charged to the governmental activities as follows:

Instruction	$ 1,365,987
Student support	8,158
School support	8,544
Administration general	6,985
Administration school	24,147
Central services	12,839
Plant operation	201,027
Transportation	64,407
	$ 1,692,094

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
G.O. Bonds, series 1997	$ 2,680,000	$	$ 385,000	$ 2,295,000
G.O. Bonds, series 1998	2,555,000		585,000	1,970,000
G.O. Bonds, series 2005	9,000,000		-0-	9,000,000
Compensated absences payable	85,936	129,066	131,180	83,822
	$14,320,936	$ 129,066	$1,101,180	$13,348,822

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:	Principal	Interest
2009	$ 1,065,000	$ 502,355
2010	1,085,000	454,055
2011	1,115,000	405,303
2012	1,650,000	348,942
2013	1,715,000	283,451
2014-2018	6,635,000	647,313
2019-2023	-0-	-0-
	$13,265,000	$ 2,641,419

No compensated absences are considered due and payable in the next fiscal year.

GENERAL OBLIGATION BONDS

During the year ended June 30, 1997, the District was authorized by voters of the District to issue $10,600,000 in general obligation bonds to erect, remodel, make additions to and furnish school buildings.

The District issued $4,750,000 of the $10,600,000 issue on April 15, 1997. The remaining $5,850,000 was issued March 10, 1998.

During the year ended June 30, 2005, the District was authorized by voters of the District to issue $9,000,000 in general obligation bonds to erect, remodel, make additions to and furnish school buildings.

The District issued all of the $9,000,000 on April 15, 2005.

The amounts payable within one year for the 1997, 1998 and 2005 issues are $405,000, $660,000, and $-0-, respectively.

The full faith and credit of the District are pledged for the punctual payment of the principal and interest on general obligation bonds, and retirements are to be made through property tax levies.

Note 5 Pension Plan – Educational Retirement Board

Plan Description

Substantially all of the Silver Consolidated School District No. 1 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. ERA 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 ERA, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Silver Consolidated School District No. 1 are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Silver Consolidated School District No 1 contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006 were $3,227,891 $3,065,152, and $2,800,344 respectively, equal to the amount of the required contributions for each year.

Note 6 Post-Employment Benefits – State Retiree Health Care Plan

Plan Description

Silver Consolidated School District No. 1 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 on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; 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, 4308 Carlisle Blvd. N.E. Suite 104, Albuquerque, New Mexico 87107.

Funding Policy

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

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

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Silver Consolidated School District No. 1's contributions to the RHCA for the years ended

June 30, 2008, 2007 and 2006 were $339,911, $291,991, and $328.690, respectively, which equal the required contributions for each year.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. No losses exceeding insurance in the past three years.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below $250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at $2,000,000 with a $1,000,000 stop loss. The self-insured retention aggregate for liability is $3,000,000 with a $1,000,000 stop loss.

Note 8 Contingent Liabilities

Amounts received or receivable from grantor 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 which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 9 Budgetary Reconciliations

The Statements of Revenues, Expenditures and Changes in Fund Balance Budget (NON-GAAP Budgetary Basis) and Actual, General and Major Special Revenue Funds present comparisons of legally adopted budgets with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of revenues and other sources over (under) expenditures and other uses by General and Major Special Revenue Funds for the year ended June 30, 2008 is as follows:

	General	Title I
Revenues and other sources over (under) expenditures and other uses GAAP basis	$ 224,569	$ -0-
Increases (decreases):		
Revenue accruals (net)	(1,065,924)	(376,296)
Expenditure accruals (net)	1,063,303	(3,067)
Other financing sources (net)	(47,586)	
Revenues and other sources over (under) expenditures and other uses (NON-GAAP budgetary basis)	$ 174,362	$ (379,363)

Note 10 Deficit Unreserved Fund Balance

The deficit fund balances can be caused by the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received, the deficit fund balance is reduced. The District had no deficit fund balances at June 30, 2008.

Note 11 Interfund Activity

Interfund balances at June 30, 2008, consisted of the following:

	Interfund Payable		
	Title I	All Others	Total
Interfund Receivable			
General	$ -0-	$ 51,858	$ 51,858
All others	282,355	-0-	282,355
Total	$ 282,355	$ 51,858	$ 334,213

All amounts are expected to be repaid within one year. The purposes of the loans was to provide cash for operating purposes.

Interfund transfers were as follows during the year ended June 30, 2008:

Transfers To	Transfers From		
	Debt Service	All Others	Total
General	$ 30,901	$ 16,685	$ 47,586
	$ 30,901	$ 16,685	$ 47,586

Transfers were made for operating purposes.

Note 12 Restricted Net Assets

At June 30, 2008, net assets restricted for other purposes included the following balances in special revenue funds:

Medicaid	$ 287,162
Cafeteria	80,767
Athletics	23,873
PED:	
SB-9	150,670
TANF Kindergarten	441
Community Health	1,483
Technology for Education	98,651
School Improvement	51,755
Teacher mentoring	5,137
Elementary Breakfast	101
Kindergarten 3 Plus	15,120
	$ 715,160

Note 13 Endowments

The District received an endowment from the Estate of Dr. Theodore Draelos. This endowment of $22,500 is to be used for investment purposes only with the proceeds from such investments restricted to use for scholarship. The corpus is to remain intact for a twenty year period which commenced in 1988. This is in accordance with State law. Net appreciation of $6,044 is available for expenditure by the governing board. This appreciation is reported in net assets of the private purpose trust fund as a part of "held in trust for scholarships and other purposes".

Note 14 Budgetary Authority

The District exceeded budgetary authority in the following two functional categories:

Athletics:	
Instruction	$ 2,836
Debt Service:	
Interest	$ 51,772

Funds were available, and these excesses were unanticipated year-end expenditures. Control procedures are in place to prevent future occurrences.

GENERAL FUND

General Fund - To account for resources traditionally associated with governments which are not required to be accounted for in another fund. Revenues and expenditures of the operational, transportation, and auxiliary student activity accounts are accounted for in this fund.

SPECIAL REVENUE FUNDS

Cafeteria – Fund used to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the District. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (PSAB, Supplement 17).

Athletics – To account for the revenues received, and the related expenditures incurred, by the District related to athletic functions (PSAB, Supplement 3).

Entitlement – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Pre-School – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Carl Perkins – Fund used to account for federal resources for support for vocational and technical education programs that improve the academic, vocational, and technical skills of students (Carl D. Perkins Vocational and Applied Technology Education Act of 1988, P.L. 105-332).

Learn and Serve – To support the implementation, operation, or expansion of programs that advance service-learning as a teaching, learning, and youth development strategy. Authorized by the National and Community Service Act of 1990, as amended.

Partners in Education – To support the planning, development, and initial implementation of charter schools. Authorized by the Elementary and Secondary Education Act of 1965, as amended, Title V Part B, Subpart 1.20 U.S.C. 8061-8067.

Library SB301 G.O. Bonds and Library Bonds – To account for funds to upgrade libraries, books and equipment (NMPED, Laws of 2004).

Enhancing Education – Created by specific authority to support a system for the acquisition and use of technology and technology enhanced curricular for elementary and secondary schools. (Section 2411 et. Seq. of P.L. 107-110, 115 Statute 1673).

Title V – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authorized by the Elementary and Secondary Education Act of 1965, Title V, Part A, as amended, 2.0 U.S.C. 7301-7373.

English Language – Created to improve the education of limited English proficient children and youths by helping them learn English. (ESEA as amended by the No Child Left Behind Act P.L. No. 107-110).

Teacher Training – Created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified.

Drug Free Schools – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide an integrated approach in the school curriculum to aid in drug abuse education and prevention. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Rural Schools – Created to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. (Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended).

Fruits and Vegetables – To account for the resources granted to insure that children get an adequate diet of fruits and vegetables with meals. (NMPED regulations).

Competitive Title II – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

Juvenile Justice – Funds used to increase police presence and improve cooperative efforts between law enforcement agencies and members of the community. Authorized by the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

Kindergarten 3 Plus – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

TANF Kindergarten – The purpose of this grant is to assist the District to develop and implement a full day kindergarten program. (NMPED regulations).

Medicaid – To account for the federal assistance to improve primary health care and increase health education (P.L. 105-33).

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

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

Family Resources – To account for monies received to develop family interaction as an education tool. (NMPED regulations).

Teacher Mentoring – To account for the federal resources intended to improve teacher quality. (No Child Left Behind Act).

Community Health – To account for revenues received for a counselor for health counseling and sexuality education and for high risk students who do not qualify for special education services and standardized school based health assessments.

Elementary Breakfast – To account for funds to provide breakfast for elementary students (PED).

SB-9 – Created by state law to account for the District tax levy restricted solely for use in improvements to the physical plant. (NMSA 1978 22-25-1).

Education of Homeless – Fund used to account for federal resources administered by the New Mexico State Department of Education to provide comprehensive services to homeless children and youth and their families, and expedited evaluations of homeless children's needs to help facilitate enrollment, attendance, and success in school (Stewart B. McKinney Homeless Assistance Act of 1987).

DEBT SERVICE FUND

Interest and Principal - To account for the resources restricted for the payment of interest obligations on general long-term debt and for the retirement of general obligation bonds as they mature.

CAPITAL PROJECTS FUNDS

Special Capital Outlay-State – To account for the state resources to be used for specific construction projects.

Bond Building - To account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purposes of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Public School Capital Outlay 20% - To account for funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education setting, through the conduct of technical assistance, professional development, information and resource dissemination and collaboration activities. Authorization is NMSA 22-15A-1.

DCU – To account for monies paid directly to vendors for various capital projects by PSFA.

AGENCY FUNDS

Agency Fund – To account for monies held in a custodial account (assets equal liabilities) for the benefit of others. Individual accounts are identified by name in the supporting schedule section of this report.

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2008

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Preschool
Assets				
Cash and investments	$ 49,715	$ 23,953	$ -	$ -
Inventory	10,590			
Interest receivable				
Property taxes receivable				
Interfund receivable				
Due from other governments	38,029		173,877	958
Total assets	$ 98,334	$ 23,953	$ 173,877	$ 958
Liabilities and Fund Balances				
Cash overdraft	$ -	$ -	$ 173,434	$ 958
Accounts payable	17,567	80	443	
Interfund payable				
Deferred revenue				
Total liabilities	$ 17,567	$ 80	$ 173,877	$ 958
Fund balance:				
Reserved for inventory	$ 10,590	$ -	$ -	$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue	70,177	23,873		
Total fund balances	$ 80,767	$ 23,873	$ -	$ -
Total liabilities and fund balances	$ 98,334	$ 23,953	$ 173,877	$ 958

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

Special Revenue Funds					
Carl Perkins	Learn and Serve	Partners in Education	Library SB301 GO Bonds	Enhancing Education	Title V
$ -	$ -	$ -	$ -	$ -	$ -
32,345	14,636	16,725	9,602	7,137	4,054
$ 32,345	$ 14,636	$ 16,725	$ 9,602	$ 7,137	$ 4,054
$ 32,345	$ 14,636	$ 16,725	$ -	$ 7,137	$ 4,054
			9,602		
$ 32,345	$ 14,636	$ 16,725	$ 9,602	$ 7,137	$ 4,054
$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -
$ 32,345	$ 14,636	$ 16,725	$ 9,602	$ 7,137	$ 4,054

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2008

	Special Revenue Funds			
	English Language	Teacher Training	Drug Free Schools	Rural Schools
Assets				
Cash and investments	$ -	$ -	$ -	$ -
Inventory				
Interest receivable				
Property taxes receivable				
Interfund receivable				
Due from other governments	39	72,433	6,749	81,650
Total assets	$ 39	$ 72,433	$ 6,749	$ 81,650
Liabilities and Fund Balances				
Cash overdraft	$ 39	$ 72,433	$ 6,749	$ 81,650
Accounts payable				
Interfund payable				
Deferred revenue				
Total liabilities	$ 39	$ 72,433	$ 6,749	$ 81,650
Fund balance:				
Reserved for inventory	$ -	$ -	$ -	$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue				
Total fund balances	$ -	$ -	$ -	$ -
Total liabilities and fund balances	$ 39	$ 72,433	$ 6,749	$ 81,650

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

Special Revenue Funds					
Fruits and Vegetables	Competitive Title II	Juvenile Justice Federal Grant	Kindergarten 3 Plus	TANF Kindergarten	Medicaid
$ -	$ -	$ -	$ 15,120	$ 441	$ -
	1576				280,779
6,674		69,348			6,495
$ 6,674	$ 1,576	$ 69,348	$ 15,120	$ 441	$ 287,274
$ 6,674	$ -	$ 69,348	$ -	$ -	$ -
					112
	1,576				
$ 6,674	$ 1,576	$ 69,348	$ -	$ -	$ 112
$ -	$ -	$ -	$ -	$ -	$ -
			15,120	441	287,162
$ -	$ -	$ -	$ 15,120	$ 441	$ 287,162
$ 6,674	$ 1,576	$ 69,348	$ 15,120	$ 441	$ 287,274

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2008

	Special Revenue Funds			
	PED: Technology For Education	School Improvement	Library Bonds	Family Resources
Assets				
Cash and investments	$ 98,651	$ 51,755	$ -	$ -
Inventory				
Interest receivable				
Property taxes receivable				
Interfund receivable				
Due from other governments			1,944	40,312
Total assets	$ 98,651	$ 51,755	$ 1,944	$ 40,312
Liabilities and Fund Balances				
Cash overdraft	$ -	$ -	$ -	$ -
Accounts payable				
Interfund payable			1,944	40,312
Deferred revenue				
Total liabilities	$ -	$ -	$ 1,944	$ 40,312
Fund balance:				
Reserved for inventory	$ -	$ -	$ -	$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue	98,651	51,755		
Total fund balances	$ 98,651	$ 51,755	$ -	$ -
Total liabilities and fund balance	$ 98,651	$ 51,755	$ 1,944	$ 40,312

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

Special Revenue Funds				Capital Projects Fund	
Teacher Mentoring	Community Health	Elementary Breakfast	SB-9	Bond Building	Total
$ 5,137	$ 1,483	$ 101	$ 13,994	$ 165,577	$ 425,927
					10,590
				2,579	2,579
			137,853		137,853
					282,355
					583,007
	$ 1,483	$ 101	$ 151,847	$ 168,156	$ 1,442,311
$ -	$ -	$ -	$ -	$ -	$ 486,182
			1,177		19,379
					51,858
			64,374		65,950
$ -	$ -	$ -	$ 65,551	$ -	$ 623,369
$ -	$ -	$ -	$ -	$ -	$ 10,590
				168,156	168,156
5,137	1,483	101	86,296		640,196
$ 5,137	$ 1,483	$ 101	$ 86,296	$ 168,156	$ 818,942
$ 5,137	$ 1,483	$ 101	$ 151,847	$ 168,156	$ 1,442,311

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

June 30, 2008

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Preschool
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges	189,415	86,789		
State aid				
Federal aid	897,575		772,413	40,740
Earnings on investments				
Miscellaneous				
Total revenues	$ 1,086,990	$ 86,789	$ 772,413	$ 40,740
Expenditures:				
Current:				
Instruction	$ -	$ 79,124	$ 416,000	$ 26,053
Support services - Students			184,677	14,187
Support services - Instruction			104,863	
General administration			10,362	500
School administration			50,802	
Central services				
Operation of plant			5,709	
Food services	1,105,227			
Capital outlay				
Total expenditures	$ 1,105,227	$ 79,124	$ 772,413	$ 40,740
Revenues over (under) expenditures	$ (18,237)	$ 7,665	$ -	$ -
Other financing sources (uses):				
Tranfers out				
Net change in fund balance	$ (18,237)	$ 7,665	$ -	$ -
Fund balance, July 1, 2007	99,004	16,208		
Fund balance, June 30, 2008	$ 80,767	$ 23,873	$ -	$ -

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

Special Revenue Funds				
Carl Perkins	Partners in Education	Enhancing Education	Title V	Teacher Training
$ -	$ -	$ -	$ -	$ -
32,345	13,251	7,410	4,054	195,420
$ 32,345	$ 13,251	$ 7,410	$ 4,054	$ 195,420
$ 31,949	$ 11,437	$ -	$ 4,054	$ 192,798
396	178 1,636			2,622
		7,410		
$ 32,345	$ 13,251	$ 7,410	$ 4,054	$ 195,420
$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -

Silver Consolidated School District No. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBNING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)

June 30, 2008

	Special Revenue Funds			
	Drug Free Schools	Rural Schools	Juvenile Justice	Medicaid
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Fees and charges				
State aid				
Federal aid	8,485	115,753	97,620	221,700
Earnings on investments				
Miscellaneous				
Total revenues	$ 8,485	$ 115,753	$ 97,620	$ 221,700
Expenditures:				
Current:				
Instruction	$ 1,703	$ 91,751	$ 76,635	$ -
Support services - Students	6,684	22,448	649	90,729
Support services - Instruction				
General administration	98	1,554		
School administration				
Central services				
Operation of plant			20,336	
Food services				
Capital outlay				
Total expenditures	$ 8,485	$ 115,753	$ 97,620	$ 90,729
Revenues over (under) expenditures	$ -	$ -	$ -	$ 130,971
Other financing sources (uses):				
Tranfers out				
Net change in fund balance	$ -	$ -	$ -	$ 130,971
Fund balance, July 1, 2007				156,191
Fund balance, June 30, 2008	$ -	$ -	$ -	$ 287,162

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

Special Revenue Funds					
TANF Kindergarten	PED: Technology For Education	School Improvement	Family Resource	Teacher Mentoring	Community Health
$ -	$ -	$ -	$ -	$ -	$ -
	98,651	52,396	26,942	8,835	
$ -	$ 98,651	$ 52,396	$ 26,942	$ 8,835	$ -
$ -	$ -	$ 641	$ -	$ 3,698	$ -
			26,942		
$ -	$ -	$ 641	$ 26,942	$ 3,698	$ -
$ -	$ 98,651	$ 51,755	$ -	$ 5,137	$ -
$ -	$ 98,651	$ 51,755	$ -	$ 5,137	$ -
441					1,483
$ 441	$ 98,651	$ 51,755	$ -	$ 5,137	$ 1,483

Silver Consolidated School District NO. 1

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded)

June 30, 2008

	Special Revenue Funds			
	Elementary Breakfast	Kindergarten 3 Plus	Library SB301 GO Bonds	SB-9
Revenues:				
Property taxes	$ -	$ -	$ -	$ 875,281
Fees and charges				
State aid	21,565	88,080	9,602	
Federal aid				
Earnings on investments				
Miscellaneous				12,052
Total revenues	$ 21,565	$ 88,080	$ 9,602	$ 887,333
Expenditures:				
Current:				
Instruction	$ -	$ 65,406	$ -	$ -
Support services - Students				
Support services - Instruction			9,602	
General administration				7,936
School administration		7,554		
Central services				
Operation of plant				1,018,602
Food services	21,464			
Capital outlay				95,234
Total expenditures	$ 21,464	$ 72,960	$ 9,602	$ 1,121,772
Revenues over (under) expenditures	$ 101	$ 15,120	$ -	$ (234,439)
Other financing sources (uses):				
Tranfers out				
Net change in fund balance	$ 101	$ 15,120	$ -	$ (234,439)
Fund balance, July 1, 2007				320,735
Fund balance, June 30, 2008	$ 101	$ 15,120	$ -	$ 86,296

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

Capital Projects Funds			
Bond Building	Special Capital Outlay State	DCU Funding	Total
$ -	$ -	$ -	$ 875,281
			276,204
	27,885	502,199	836,155
			2,406,766
107,578			107,578
31,772			43,824
$ 139,350	$ 27,885	$ 502,199	$ 4,545,808
$ -	$ -	$ -	$ 1,001,249
			346,316
			114,465
			23,646
			59,992
			-
46,863			1,091,510
			1,126,691
1,952,286	27,885	502,199	2,585,014
$ 1,999,149	$ 27,885	$ 502,199	$ 6,348,883
$ (1,859,799)	$ -	$ -	$ (1,803,075)
(16,685)			(16,685)
$ (1,876,484)	$ -	$ -	
2,044,640			2,638,702
$ 168,156	$ -	$ -	$ 818,942

Silver Consolidated School District No. 1
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2008

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	$ 1,040,525	$ 7,572	$ 64,090
Taxes receivable	55,249		
Due from other governments	6,076		
Interfund receivable	51,858		
Total assets	$ 1,153,708	$ 7,572	$ 64,090
Liabilities and Fund Balances			
Accounts payable	$ 131,314	$ -	$ -
Deferred revenue	43,665		
Total liabilities	$ 174,979	$ -	$ -
Fund balance:			
Unreserved, reported in:			
General fund	$ 978,729	$ 7,572	$ 64,090
Total fund balances	$ 978,729	$ 7,572	$ 64,090
Total liabilities and fund balances	$ 1,153,708	$ 7,572	$ 64,090

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

Non - Instructional Support	Total
$ 127,433	$ 1,239,620
	55,249
	6,076
	51,858
$ 127,433	$ 1,352,803
$ -	$ 131,314
	43,665
$ -	$ 174,979
$ 127,433	$ 1,177,824
$ 127,433	$ 1,177,824
$ 127,433	$ 1,352,803

Silver Consolidated School District No. 1

GENERAL FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Fiscal Year Ended June 30, 2008

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	$ 126,379	$ -	$ -
Fees and charges	63,131		
State aid	23,048,445	907,330	338,013
Federal aid	63,627		
Earnings on investments	84,805		
Miscellaneous	1,102,247		96
Total revenues	$ 24,488,634	$ 907,330	$ 338,109
Expenditures:			
Current:			
Instruction	$ 14,252,672	$ -	$ 292,633
Support services - Students	2,632,036		
Support services - Instruction	669,990		22,338
General administration	411,488		
School administration	1,528,790		
Central services	616,367		
Operation of plant	3,105,368		
Transportation	111,303	904,294	
Capital outlay	1,103,293		
Total expenditures	$ 24,431,307	$ 904,294	$ 314,971
Revenues over (under) expenditures	$ 57,327	$ 3,036	$ 23,138
Other financing sources:			
Transfers in	47,586		
Net change in fund balance	$ 104,913	$ 3,036	$ 23,138
Fund balance, July 1, 2007	873,816	4,536	40,952
Fund balance, June 30, 2008	$ 978,729	$ 7,572	$ 64,090

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

Non-Instructional Support	Total
$ -	$ 126,379
216,072	279,203
	24,293,788
	63,627
	84,805
	1,102,343
$ 216,072	$ 25,950,145
$ 122,590	$ 14,667,895
	2,632,036
	692,328
	411,488
	1,528,790
	616,367
	3,105,368
	1,015,597
	1,103,293
$ 122,590	$ 25,773,162
$ 93,482	$ 176,983
	47,586
$ 93,482	$ 224,569
33,951	953,255
$ 127,433	$ 1,177,824

Silver Consolidated School District No. 1

GENERAL FUND/OPERATIONAL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30,2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 65,405	$ 65,405	$ 57,551	$ (7,854)
State sources	22,867,068	22,883,068	23,085,144	202,076
Local sources	152,913	136,913	145,104	8,191
Interest income	125,000	125,000	134,911	9,911
Total revenues	$ 23,210,386	$ 23,210,386	$ 23,422,710	$ 212,324
Expenditures:				
Current:				
Instruction	$ 14,386,751	$ 14,387,401	$ 14,271,212	$ 116,189
Support services - Students	2,789,791	2,722,791	2,631,592	91,199
Support services - Instructio	694,742	764,742	730,312	34,430
General administration	435,309	413,879	411,654	2,225
School administration	1,574,113	1,573,463	1,528,890	44,573
Central services	608,420	643,420	620,511	22,909
Operation of plant	3,282,035	3,250,465	3,061,417	189,048
Transportation	148,028	163,028	112,416	50,612
Capital outlay	20,500	20,500		20,500
Non-Operating	15,858	15,858		15,858
Total expenditures	$ 23,955,547	$ 23,955,547	$ 23,368,004	$ 587,543
Net change in fund balance	$ (745,161)	$ (745,161)	$ 54,706	$ 799,867
Fund balance, July 1, 2007	745,161	745,161	1,037,677	292,516
Fund balance, June 30, 2008	$ -	$ -	$ 1,092,383	$ 1,092,383

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ 104,913
Revenue accruals (net)	(1,065,924)
Expenditure accruals (net)	1,063,303
Other financing sources (net)	(47,586)
Net change in fund balance, NON-GAAP budgetary basis	$ 54,706

The accompanying notes are an integral part of these financial statements

Silver Consolidated School District No. 1

GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 297,405	$ 333,364	$ 338,109	$ 4,745
Expenditures:				
Current:				
Instruction	$ 295,385	$ 329,221	$ 292,633	$ 36,588
Support services - Instruction	24,080	26,203	22,338	3,865
Total expenditures	$ 319,465	$ 355,424	$ 314,971	$ 40,453
Net change in fund balance	$ (22,060)	$ (22,060)	$ 23,138	$ 45,198
Fund balance, July 1, 2007	22,060	22,060	40,952	18,892
Fund balance, June 30, 2008	$ -	$ -	$ 64,090	$ 64,090
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 23,138	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 23,138	

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

Silver Consolidated School District No. 1

GENERAL FUND/TRANSPORTATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 896,559	$ 907,330	$ 907,330	$ -
Expenditures:				
Current:				
Transportation	896,559	907,330	904,294	3,036
Net change in fund balance	$ -	$ -	$ 3,036	$ 3,036
Fund balance, July 1, 2007	-	-	4,536	4,536
Fund balance, June 30, 2008	$ -	$ -	$ 7,572	$ 7,572
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 3,036	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 3,036	

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

Silver Consolidated School District No. 1

GENERAL FUND/NON-INSTRUCTIONAL SUPPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	$ 101,555	$ 126,555	$ 216,072	$ 89,517
Expenditures:				
Current:				
Instruction	108,825	160,505	122,590	37,915
Net change in fund balance	$ (7,270)	$ (33,950)	$ 93,482	$ 127,432
Fund balance, July 1, 2007	7,270	33,950	33,951	1
Fund balance, June 30, 2008	$ -	$ -	$ 127,433	$ 127,433
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 93,482	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 93,482	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - CAFETERIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 778,000	$ 778,000	$ 839,561	$ 61,561
Local sources	226,800	226,800	189,415	(37,385)
Total revenues	$ 1,004,800	$ 1,004,800	$ 1,028,976	$ 24,176
Expenditures:				
Current:				
Food services	$ 1,041,028	$ 1,074,055	$ 1,048,517	$ 25,538
Net change in fund balance	$ (36,228)	$ (69,255)	$ (19,541)	$ 49,714
Fund balance, July 1, 2007	36,228	69,255	69,256	1
Fund balance, June 30, 2008	$ -	$ -	$ 49,715	$ 49,715
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ (18,237)	
Revenue accruals (net)			(58,014)	
Expenditure accruals (net)			56,710	
Net change in fund balance, NON-GAAP budgetary basis			$ (19,541)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - ATHLETICS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	$ 60,000	$ 60,000	$ 86,789	$ 26,789
Expenditures:				
Current:				
Instruction	75,148	76,208	79,044	(2,836)
Net change in fund balance	$ (15,148)	$ (16,208)	$ 7,745	$ 23,953
Fund balance, July 1, 2007	15,148	16,208	16,208	-
Fund balance, June 30, 2008	$ -	$ -	$ 23,953	$ 23,953
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 7,665	
Revenue accruals (net)			-	
Expenditure accruals (net)			80	
Net change in fund balance, NON-GAAP budgetary basis			$ 7,745	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - ENTITLEMENT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 808,381	$ 872,767	$ 946,194	$ 73,427
Expenditures:				
Current:				
Instruction	$ 402,950	$ 445,185	$ 415,915	$ 29,270
Support services - Students	225,451	228,451	184,895	43,556
Support services - Instruction	106,730	112,730	104,863	7,867
General administration	13,000	14,151	10,362	3,789
School administration	54,250	63,250	50,802	12,448
Operation of plant	6,000	9,000	5,455	3,545
Capital outlay	-	-		-
Total expenditures	$ 808,381	$ 872,767	$ 772,292	$ 100,475
Net change in fund balance	$ -	$ -	$ 173,902	$ 173,902
Fund balance, July 1, 2007	-	-	(347,336)	(347,336)
Fund balance, June 30, 2008	$ -	$ -	$ (173,434)	$ (173,434)

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ -
Revenue accruals (net)	173,781
Expenditure accruals (net)	121
Net change in fund balance, NON-GAAP budgetary basis	$ 173,902

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - PRESCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 23,462	$ 45,868	$ 49,528	$ 3,660
Expenditures:				
Current:				
Instruction	$ 5,062	$ 27,468	$ 26,053	$ 1,415
Support services - Students	17,900	17,900	14,187	3,713
General administration	500	500	500	-
Total expenditures	$ 23,462	$ 45,868	$ 40,740	$ 5,128
Net change in fund balance	$ -	$ -	$ 8,788	$ 8,788
Fund balance, July 1, 2007	-	-	(9,746)	(9,746)
Fund balance, June 30, 2008	$ -	$ -	$ (958)	$ (958)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			8,788	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 8,788	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - EDUCATION OF HOMELESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ 3,805	$ 3,805
Expenditures:				
Current:				
Instruction	$ -	$ -	$ -	$ -
Support services - Students				-
General administration				-
Capital outlay				-
Total expenditures	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ -	$ 3,805	$ 3,805
Fund balance, July 1, 2007	-	-	(3,805)	(3,805)
Fund balance, June 30, 2008	$ -	$ -	$ -	$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			3,805	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 3,805	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - CARL PERKINS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 44,852	$ 37,413	$ 7,251	$ (30,162)
Expenditures:				
Current:				
Instruction	$ 44,200	$ 36,761	$ 32,077	$ 4,684
General administration	652	652	396	256
Capital outlay				-
Total expenditures	$ 44,852	$ 37,413	$ 32,473	$ 4,940
Net change in fund balance	$ -	$ -	$ (25,222)	$ (25,222)
Fund balance, July 1, 2007			(7,123)	(7,123)
Fund balance, June 30, 2008	$ -	$ -	$ (32,345)	$ (32,345)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(25,094)	
Expenditure accruals (net)			(128)	
Net change in fund balance, NON-GAAP budgetary basis			$ (25,222)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - LEARN AND SERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ 58,123	$ 58,123
Expenditures:				
Current:				
Instruction	$ -	$ -	$ -	$ -
Support services - Students				-
General administration				-
Capital outlay				-
Total expenditures	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ -	$ 58,123	$ 58,123
Fund balance, July 1, 2007	-	-	(72,759)	(72,759)
Fund balance, June 30, 2008	$ -	$ -	$ (14,636)	$ (14,636)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			58,123	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 58,123	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - PARTNERS IN EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ 13,500	$ 10,895	$ (2,605)
Expenditures:				
Current:				
Instruction	$ -	$ 11,655	$ 11,437	$ 218
General administration		185	178	7
School administration		1,660	1,636	24
Total expenditures	$ -	$ 13,500	$ 13,251	$ 249
Net change in fund balance	$ -	$ -	$ (2,356)	$ (2,356)
Fund balance, July 1, 2007	-	-	(14,369)	(14,369)
Fund balance, June 30, 2008	$ -	$ -	$ (16,725)	$ (16,725)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(2,356)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (2,356)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ 7,831	$ 750	$ (7,081)
Expenditures:				
Current:				
Instruction	$ -	$ -	$ -	$ -
Operation of plant		7,831	7,410	421
Total expenditures	$ -	$ 7,831	$ 7,410	$ 421
Net change in fund balance	$ -	$ -	$ (6,660)	$ (6,660)
Fund balance, July 1, 2007	-	-	(477)	(477)
Fund balance, June 30, 2008	$ -	$ -	$ (7,137)	$ (7,137)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(6,660)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (6,660)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - TITLE V

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 4,414	$ 8,753	$ 1,307	$ (7,446)
Expenditures:				
Current:				
Instruction	$ 4,414	$ 8,753	$ 4,054	$ 4,699
Support services - Instruction				-
General administration				-
Total expenditures	$ 4,414	$ 8,753	$ 4,054	$ 4,699
Net change in fund balance	$ -	$ -	$ (2,747)	$ (2,747)
Fund balance, July 1, 2007	-	-	(1,307)	(1,307)
Fund balance, June 30, 2008	$ -	$ -	$ (4,054)	$ (4,054)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(2,747)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (2,747)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Direct instruction	$ -	$ -	$ -	$ -
Instructional support				-
Administration				-
Community service				-
Total expenditures	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, July 1, 2007	-	-	(39)	(39)
Fund balance, June 30, 2008	$ -	$ -	$ (39)	$ (39)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ -	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - TEACHER TRAINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 223,711	$ 223,711	$ 198,067	$ (25,644)
Expenditures:				
Current:				
Instruction	$ 220,211	$ 220,211	$ 192,798	$ 27,413
Support services - Students				-
General administration	3,500	3,500	2,622	878
Total expenditures	$ 223,711	$ 223,711	$ 195,420	$ 28,291
Net change in fund balance	$ -	$ -	$ 2,647	$ 2,647
Fund balance, July 1, 2007	-	-	(75,080)	(75,080)
Fund balance, June 30, 2008	$ -	$ -	$ (72,433)	$ (72,433)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			2,647	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 2,647	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - SAFE AND DRUG-FREE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 18,897	$ 23,125	$ 5,933	$ (17,192)
Expenditures:				
Current:				
Instruction	$ 14,097	$ 12,145	$ 1,703	$ 10,442
Support services - Students	4,500	10,680	6,684	3,996
General administration	300	300	98	202
Total expenditures	$ 18,897	$ 23,125	$ 8,485	$ 14,640
Net change in fund balance	$ -	$ -	$ (2,552)	$ (2,552)
Fund balance, July 1, 2007	-	-	(4,197)	(4,197)
Fund balance, June 30, 2008	$ -	$ -	$ (6,749)	$ (6,749)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(2,552)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (2,552)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - RURAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 93,957	$ 124,884	$ 106,955	$ (17,929)
Expenditures:				
Current:				
Instruction	$ 67,500	$ 98,427	$ 91,751	$ 6,676
Support services - Students	24,600	24,600	22,448	2,152
General administration	1,857	1,857	1,554	303
Central services				-
Total expenditures	$ 93,957	$ 124,884	$ 115,753	$ 9,131
Net change in fund balance	$ -	$ -	$ (8,798)	$ (8,798)
Fund balance, July 1, 2007	-	-	(72,852)	(72,852)
Fund balance, June 30, 2008	$ -	$ -	$ (81,650)	$ (81,650)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(8,798)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (8,798)	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - MEDICAID

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 141,000	$ 248,841	$ 257,181	$ 8,340
Expenditures:				
Current:				
Support services - Students	141,000	248,841	90,617	158,224
Net change in fund balance	$ -	$ -	$ 166,564	$ 166,564
Fund balance, July 1, 2007	-	-	114,215	114,215
Fund balance, June 30, 2008	$ -	$ -	$ 280,779	$ 280,779
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 130,971	
Revenue accruals (net)			35,481	
Expenditure accruals (net)			112	
Net change in fund balance, NON-GAAP budgetary basis			$ 166,564	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - DELINQUENCY PREVENTION JUVENILE JUSTICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ 149,600	$ 149,600	$ 74,651	$ (74,949)
Expenditures:				
Current:				
Instruction	$ 101,020	$ 101,020	$ 76,635	$ 24,385
Support services - Students	7,360	7,360	649	6,711
Operation of plant	41,220	41,220	20,336	20,884
Total expenditures	$ 149,600	$ 149,600	$ 97,620	$ 51,980
Net change in fund balance	$ -	$ -	$ (22,969)	$ (22,969)
Fund balance, July 1, 2007	-	-	(46,379)	(46,379)
Fund balance, June 30, 2008	$ -	$ -	$ (69,348)	$ (69,348)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(22,969)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (22,969)	

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - PED: TECHNOLOGY FOR EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ -	$ 110,288	$ 110,288
Expenditures:				
Current:				
Central services	-	-	-	-
Net change in fund balance	$ -	$ -	$ 110,288	$ 110,288
Fund balance, July 1, 2007	-	-	(11,637)	(11,637)
Fund balance, June 30, 2008	$ -	$ -	$ 98,651	$ 98,651
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 98,651	
Revenue accruals (net)			11,637	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 110,288	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - FAMILY AND YOUTH RESOURCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ 30,000	$ -	$ (30,000)
Expenditures:				
Current:				
Support services - Students	$ -	$ 30,000	$ 26,942	$ 3,058
General administration				-
Total expenditures	$ -	$ 30,000	$ 26,942	$ 3,058
Net change in fund balance	$ -	$ -	$ (26,942)	$ (26,942)
Fund balance, July 1, 2007	-	-	(13,370)	(13,370)
Fund balance, June 30, 2008	$ -	$ -	$ (40,312)	$ (40,312)

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ -
Revenue accruals (net)	(26,942)
Expenditure accruals (net)	-
Net change in fund balance, NON-GAAP budgetary basis	$ (26,942)

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - FRESH FRUIT AND VEGETABLES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ 21,236	$ 21,236
Expenditures:				
Current:				
Food services	-	-	-	-
Net change in fund balance	$ -	$ -	$ 21,236	$ 21,236
Fund balance, July 1, 2007	-	-	(27,910)	(27,910)
Fund balance, June 30, 2008	$ -	$ -	$ (6,674)	$ (6,674)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			21,236	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 21,236	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - TANF - KINDERGARTEN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Support services - Students	-	-	-	-
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, July 1, 2007	-	-	441	441
Fund balance, June 30, 2008	$ -	$ -	$ 441	$ 441
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ -	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 5,950	$ 646	$ 76,718	$ 76,072
Expenditures:				
Current:				
Instruction	$ 5,950	$ 646	$ 641	$ 5
Capital outlay				-
Total expenditures	$ 5,950	$ 646	$ 641	$ 5
Net change in fund balance	$ -	$ -	$ 76,077	$ 76,077
Fund balance, July 1, 2007	-	-	(24,322)	(24,322)
Fund balance, June 30, 2008	$ -	$ -	$ 51,755	$ 51,755

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ 51,755
Revenue accruals (net)	24,322
Expenditure accruals (net)	-
Net change in fund balance, NON-GAAP budgetary basis	$ 76,077

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - LIBRARY GO BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Support services - Instruction	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, July 1, 2007	-	-	(1,944)	(1,944)
Fund balance, June 30, 2008	$ -	$ -	$ (1,944)	$ (1,944)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ -	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - COMPETITIVE TITLE II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ 3,666	$ 3,666
Expenditures:				
Current:				
Instruction	$ -	$ -	$ -	$ -
Support services - Students				-
General administration				-
Total expenditures	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ -	$ 3,666	$ 3,666
Fund balance, July 1, 2007	-	-	(2,090)	(2,090)
Fund balance, June 30, 2008	$ -	$ -	$ 1,576	$ 1,576
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			3,666	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 3,666	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - COMMUNITY HEALTH

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Support services - Students	-	-	-	-
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, July 1, 2007	-	-	1,483	1,483
Fund balance, June 30, 2008	$ -	$ -	$ 1,483	$ 1,483
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ -	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - TEACHER MENTORING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ 9,289	$ 16,563	$ 7,274
Expenditures:				
Current:				
Instruction	-	9,289	3,698	5,591
Net change in fund balance	$ -	$ -	$ 12,865	$ 12,865
Fund balance, July 1, 2007	-	-	(7,728)	(7,728)
Fund balance, June 30, 2008	$ -	$ -	$ 5,137	$ 5,137
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 5,137	
Revenue accruals (net)			7,728	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 12,865	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - SENATE BILL 9

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 765,777	$ 53,391	$ -	$ (53,391)
Local sources		937,325	858,884	(78,441)
Total revenues	$ 765,777	$ 990,716	$ 858,884	$ (131,832)
Expenditures:				
Current:				
General administration	$ 7,658	$ 9,206	$ 7,795	$ 1,411
Operation of plant	713,254	1,101,035	1,017,566	83,469
Capital outlay	75,000	155,000	95,234	59,766
Total expenditures	$ 795,912	$ 1,265,241	$ 1,120,595	$ 144,646
Net change in fund balance	$ (30,135)	$ (274,525)	$ (261,711)	$ 12,814
Fund balance, July 1, 2007	30,135	274,525	275,705	1,180
Fund balance, June 30, 2008	$ -	$ -	$ 13,994	$ 13,994

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ (234,439)
Revenue accruals (net)	(28,449)
Expenditure accruals (net)	1,177
Net change in fund balance, NON-GAAP budgetary basis	$ (261,711)

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTRY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 21,565	$ 21,565	$ 21,565	$ -
Expenditures:				
Current:				
Food services	21,565	21,565	21,464	101
Net change in fund balance	$ -	$ -	$ 101	$ 101
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	$ -	$ -	$ 101	$ 101
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ 101	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ 101	

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - KINDERGARTEN THREE PLUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ 32,183	$ 88,079	$ 88,080	$ 1
Expenditures:				
Current:				
Instruction	$ 32,183	$ 73,129	$ 65,406	$ 7,723
School administration	-	12,790	7,554	5,236
Transportation	-	2,160		2,160
Total expenditures	$ 32,183	$ 88,079	$ 72,960	$ 15,119
Net change in fund balance	$ -	$ -	$ 15,120	$ 15,120
Fund balance, July 1, 2007	-	-		-
Fund balance, June 30, 2008	$ -	$ -	$ 15,120	$ 15,120

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ 15,120
Revenue accruals (net)	-
Expenditure accruals (net)	-
Net change in fund balance, NON-GAAP budgetary basis	$ 15,120

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - LIBRARY SB 301 GO BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ 29,062	$ -	$ (29,062)
Expenditures:				
Current:				
Support services - Instruction	-	29,062	9,602	19,460
Net change in fund balance	$ -	$ -	$ (9,602)	$ (9,602)
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	$ -	$ -	$ (9,602)	$ (9,602)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			(9,602)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ (9,602)	

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

Silver Consolidated School District No. 1

CAPITAL PROJECTS FUND - BOND BUILDING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	$ -	$ 30,510	$ 31,772	$ 1,262
Earnings on investments	9,000	86,054	99,564	13,510
Total revenues	$ 9,000	$ 116,564	$ 131,336	$ 14,772
Expenditures:				
Current:				
Operation of plant	$ 100,000	$ 100,000	$ 43,125	$ 56,875
Capital outlay	1,331,183	2,049,954	1,956,024	93,930
Total expenditures	$ 1,431,183	$ 2,149,954	$ 1,999,149	$ 150,805
Net change in fund balance	$ (1,422,183)	$ (2,033,390)	$ (1,867,813)	$ 165,577
Fund balance, July 1, 2007	1,422,183	2,033,390	2,033,390	-
Fund balance, June 30, 2008	$ -	$ -	$ 165,577	$ 165,577

Budgetary reconciliation:	
Net change in fund balance, GAAP basis	$ (1,876,484)
Revenue accruals (net)	(8,014)
Expenditure accruals (net)	-
Other financing sources (net)	16,685
Net change in fund balance, NON-GAAP budgetary basis	$ (1,867,813)

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

Silver Consolidated School District No. 1

SPECIAL REVENUE FUND - STATE SPECIAL CAPITAL OUTLAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	$ -	$ 27,885	$ 27,885	$ -
Expenditures:				
Capital outlay	-	27,885	27,885	-
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	$ -	$ -	$ -	$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			$ -	

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

Silver Consolidated School District No. 1

DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	$ 1,470,216	$ 1,470,216	$ 2,102,611	$ 632,395
Earnings on investments	-	-	-	-
Total revenues	$ 1,470,216	$ 1,470,216	$ 2,102,611	$ 632,395
Expenditures:				
Current:				
Administration	$ 14,702	$ 20,702	$ 19,481	$ 1,221
Principal	970,000	970,000	970,000	-
Interest	550,216	500,216	551,988	(51,772)
Special revenue bonds reserve	680,434	674,434	-	674,434
Total expenditures	$ 2,215,352	$ 2,165,352	$ 1,541,469	$ 623,883
Net change in fund balance	$ (745,136)	$ (695,136)	$ 561,142	$ 1,256,278
Fund balance, July 1, 2007	745,136	695,136	1,299,307	604,171
Fund balance, June 30, 2008	$ -	$ -	$ 1,860,449	$ 1,860,449

Budgetary reconciliation:

Net change in fund balance, GAAP	$ 652,491
Revenue accruals (net)	(122,250)
Expenditure accruals (net)	-
Other financinig sources (net)	30,901
Net change in fund balance, NON-GAAP budgetary basis	$ 561,142

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

Silver Consolidated School District No. 1

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Fiscal Year Ended June 30, 2008

	Balance July 1, 2006	Receipts	Disbursements	Balance June 30, 2007
Assets				
Cash and investments:				
Silver High School	$ 128,349	$ 382,008	$ 417,081	$ 93,276
La Plata Middle School	47,212	106,576	119,597	34,191
GW Stout Elementary	23,337	85,038	75,118	33,257
Harrison Schmitt Elementary	22,042	195,393	197,581	19,854
Sixth Street Elementary	16,854	15,093	16,865	15,082
Jose Barrios Elementary	31,754	24,258	24,272	31,740
Cliff Schools	117,014	110,907	103,447	124,474
Business Office	182,848	3,699,637	3,634,583	247,902
Total assets	$ 569,410	$ 4,618,910	$ 4,588,544	$ 599,776
Liabilities				
Deposits held for others:				
Silver High School	$ 128,349	$ 382,008	$ 417,081	$ 93,276
La Plata Middle School	47,212	106,576	119,597	34,191
GW Stout Elementary	23,337	85,038	75,118	33,257
Harrison Schmitt Elementary	22,042	195,393	197,581	19,854
Sixth Street Elementary	16,854	15,093	16,865	15,082
Jose Barrios Elementary	31,754	24,258	24,272	31,740
Cliff Schools	117,014	110,907	103,447	124,474
Business Office	182,848	3,699,637	3,634,583	247,902
Total liabilities	$ 569,410	$ 4,618,910	$ 4,588,544	$ 599,776

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

Silver Consolidated School District No. 1

SCHEDULE OF DEPOSITORY COLLATERAL

June 30, 2008

	Ambank	Total
Checking and CD's	$ 6,992,914	$ 6,992,914
Total on deposit	$ 6,992,914	$ 6,992,914
Less: FDIC insurance	(100,000)	(100,000)
Total uninsured public funds	$ 6,892,914	$ 6,892,914
50% collateralization requirement (Section 6-10-17 NMSA)	$ 3,446,457	$ 3,446,457
Pledged Securities:		
Grant County 387766AY4 9-1-11	$ 220,000	$ 220,000
FHLM 3128X6TF3 12-17-19	494,905	494,905
FHLM 3128X7CZ5 3-27-20	485,210	485,210
FHLM 3128X7GY4 4-15-21	480,955	480,955
Fed Farm Credit 31331YUH1 2-13-23	474,375	474,375
FHLB 3133MWEZ0 2-23-18	501,250	501,250
FHLB 3133XK6T7 3-16-12	766,170	766,170
FHLB 3133XM5F4 8-27-12	514,375	514,375
FHLB 3133XPKW3 2-20-15	491,405	491,405
FHLB 3133XQ5R9 3-17-23	481,565	481,565
FHLB 3133XQYN6 5-14-18	493,905	493,905
FNMA 3136F8W50 2-14-23	237,110	237,110
Aztec NM 054879FS5 10-1-10	250,000	250,000
Catron/Cibola NM 149321 BR1 7-15-15	50,000	50,000
Dona Anna CC 257578CQ5 8-1-11	150,000	150,000
Gadsen NM 362550JJ5 8-15-11	150,000	150,000
Grant County NM 387779AH4 8-1-12	220,000	220,000
Grants/Cibola NM 388240CC5	200,000	200,000
Grants/Cibola NM 388240CL5	165,000	165,000
Grants/Cibola NM 388240CS0	250,000	250,000
Grants/Cibola NM 388240CS9	135,000	135,000
Los Lunas NM 545562JJ0 7-15-12	200,000	200,000
Los Lunas NM 545562JL5 7-15-14	200,000	200,000
Sandoval Cty NM 80004PBH4 8-15-08	200,000	200,000
Santa Fe NM 801901GV5 8-1-10	250,000	250,000
T or C NM 898439DL5 8-1-13	100,000	100,000
Western NM Univ 958893LF4 6-15-16	50,000	50,000
Total pledged securities	$ 8,211,225	$ 8,211,225
Pledged securities over (under) requirement	$ 4,764,768	$ 4,764,768

Securities pledged for Ambank are held by the Federal Home Loan Bank in Dallas, TX.

Silver Consolidated School District NO. 1

SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS

June 30, 2008

	Type of Account	Bank Balance	Reconciled Balance
Ambank			
Operational	Checking	$ 5,247,255	$ 3,432,122
Cliff Athletics	Checking	27,127	21,926
Athletics	Checking	4,701	2,027
Federal projects	Checking	612,214	(945,371)
Food Service	Checking	120,046	49,715
Trust	Checking	645,117	628,320
Payroll	Checking	336,454	20,206
Total Cash and Investments		$ 6,992,914	$ 3,208,945

Silver Consolidated School District No. 1

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION

For The Fiscal Year Ended June 30, 2008

	Operational	Transportation	Instructional Materials	Food Services	Athletics
Total cash and investments as of July 1, 2007	$ 1,007,600	$ 4,536	$ 40,952	$ 69,256	$ 16,208
Add: Current year receipts	23,452,786	907,330	338,109	1,028,976	86,789
Voided warrants	1,351				
Refunds					
Less: Current year expenditures	(23,369,355)	(904,294)	(314,972)	(1,048,516)	(79,044)
Overdrafts					
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2008	$ 1,092,382	$ 7,572	$ 64,089	$ 49,716	$ 23,953

Silver Consolidated School District No. 1

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)

ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION

For The Fiscal Year Ended June 30, 2008

	Non Instructional Support	Federal Flowthrough	Federal Direct	State Grants	Bond Building
Total cash and investments as of July 1, 2007	$ 33,951	$ (868,106)	$ (65,329)	$ (57,075)	$ 2,033,390
Add: Current year receipts	216,072	1,983,065	331,832	313,214	131,336
Voided warrants		(65)			
Refunds					
Less: Current year expenditures	(122,589)	(2,138,533)	(188,237)	(135,307)	(1,999,149)
Overdrafts					
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2008	$ 127,434	$ (1,023,639)	$ 78,266	$ 120,832	$ 165,577

Silver Consolidated School District No. 1

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)

ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION

For The Fiscal Year Ended June 30, 2008

	Special Capital Outlay State	SB-9	Debt Service	Agency	Total
Total cash and investments as of July 1, 2007	$ -	$ 275,705	$ 1,299,307	$ 595,853	$ 4,386,248
Add: Current year receipts	27,885	858,884	2,102,611	4,626,354	36,405,243
Chargebacks					1,286
Refunds					-
Less: Current year expenditures	(27,885)	(1,120,595)	(1,541,469)	(4,593,887)	(37,583,832)
Overdrafts					-
Abatements					-
Receivables/payables					-
Transfers					-
Total cash and investments as of June 30, 2008	$ -	$ 13,994	$ 1,860,449	$ 628,320	$ 3,208,945

Silver Consolidated School District No. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	$ 945,651
Special Education-Grants to States	84.027	24.106	772,413
Special Education-Preschool Grants	84.173	24.109	40,740
Vocational Education	84.048	24.174	32,345
Partners in Education	84.282	24.129	13,251
Technology Literacy Challenge Funds	84.318	24.133	7,410
Innovative Strategies-title VI	84.298	24.150	4,054
Teacher Quality State Grants	84.367	24.154	195,420
Safe and Drug-Free Schools and Communities	84.186	24.157	8,485
Rural Education	84.358	24.160	115,753
Total U.S. Department of Education			$ 2,135,522
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Schools and Roads-Grants to States	10.665	N/A	$ 35,190
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	572,563
School Breakfast Program	10.553	N/A	272,844
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	52,168
Total U.S. Department of Agriculture			$ 932,765

Silver Consolidated School District No. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)

For The Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through N.M. Dept. of Human Services: Medical Assistance Program	93.778	25.153	$ 221,700
U.S DEPARTMENT OF JUSTICE			
Passed through N.M. Dept. of Human Services: Juvenile Justice and Deliquency Prevention	16.710	25.185	$ 97,620
Total expenditures of federal awards			$ 3,387,607

See the accompanying notes to Schedule of Expenditures of Federal Awards.

Silver Consolidated School District No. 1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 2008

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Silver Consolidated School District No. 1 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 Emergency Food Assistance Program

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 3 Insurance

The District had the following insurance coverages during the year ended June 30, 2008:

Worker's compensation	$ 1,000,000
Property damage	500,000,000
Liability	10,000,000
Vehicle	1,000,000

Silver Consolidated School District No. 1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Fiscal Year Ended June 30, 2008

Findings - Financial Statement Audit		**Disposition**
07-1	payroll forms 941 did not balance to form W-3	Resolved

Findings - Federal Awards

NONE.

Stone, McGee & Co.
Certified Public Accountants
CPA
The CPA, Never Underestimate the Value.®

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Hector H. Balderas, State Auditor
and
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Silver Consolidated School District No. 1 as of and for the year ended June 30, 2008, which collectively comprise the Silver Consolidated School District No. 1's basic financial statements for the primary government and have issued our report thereon dated November 12, 2008. We have also audited the financial statements of each of the District's nonmajor governmental funds presented as other supplementary information as of and for the year ended June 30, 2008, and have issued our report thereon dated November 12, 2008. In our report, our opinion was modified because the District's component unit was not included in the financial statement presentation. Except as indicated above, 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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Silver Consolidated School District No. 1'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 a combination of control deficiencies, that adversely affects the Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1's financial statements that is more than inconsequential will not be prevented or detected by the Silver Consolidated School District No. 1's internal control.

A material weakness is a significant deficiency, or a 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 Silver Consolidated School District No. 1's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies 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 Silver Consolidated School District No. 1'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding 08-1.

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

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the New Mexico State Auditor, the New Mexico Legislature and 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.

Stone, McGee & Co CPAS

November 12, 2008

Stone, McGee & Co.
Certified Public Accountants
CPA
The CPA, Never Underestimate the Value.®

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

Hector H. Balderas, State Auditor
and
Board of Education
Silver Consolidated School District No. 1
Silver City, New Mexico

Compliance

We have audited the compliance of the Silver Consolidated School District No. 1 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1's management. Our responsibility is to express an opinion on the Silver Consolidated School District No. 1's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements 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 Silver Consolidated School District No. 1'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 Silver Consolidated School District No. 1's compliance with those requirements.

In our opinion, Silver Consolidated School District No. 1 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Silver Consolidated School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Silver Consolidated School District No. 1's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Silver Consolidated School District No. 1's internal control over compliance.

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

This report is intended solely for the information and use of management, the Board of Education, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, and 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.

Stone, McGee & Co CPAs

November 12, 2008

Silver Consolidated School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2008

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Silver Consolidated School District No. 1.

2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of Silver Consolidated School district No. 1, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

5. The auditor's report on compliance for the major federal award programs for Silver Consolidated School District No. 1expresses and unqualified opinion on all major programs.

6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.

7. The programs tested as major programs included: Special Education-Grants to States, CFDA No.84.027 and Teacher Quality State Grants, CFDA No. 84.367.

8. The threshold for distinguishing types A and B programs was $300,000.

9. Silver Consolidated School District No. 1 qualified as a low risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

08-1 Expenditures in excess of budgetary authority

Condition—The functional line item expenditure Instruction in the Athletics fund exceeded budgetary authority by $2,836, and the functional line item expenditure Interest in the Debt Service Fund exceeded budgetary authority by $51,772.

Criteria—The New Mexico Public Education Department regulations require that expenditures be within budgeted amounts at the functional level of control for public school districts.

Effect—The controls established by the use of budgets has been compromised, and regulations have bee violated.

Cause—The District did not request additional budgetary authority at year end to provide coverage for actual expenditures. Although sufficient funds were available, budgetary authority was not requested or received.

Recommendation—We recommend that the District review each functional line item for possible over-expenditure prior to year end, and get approved budgetary authority for those over-expenditures.

Agency response—Current controls require that the functional line items be reviewed, and that budgetary authority be requested for any possible over-expenditures. The Athletic budget was an oversight, and the Debt Service budget was over-expended do to the prepayment of interest due in the next fiscal year.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PRESENTATION

The financial statements were prepared by Stone, McGee & Co., CPA'S with substantial assistance from District personnel.

EXIT CONFERENCE

The contents of this report were discussed on November 12, 2008. Present at this exit conference were:

Name	Title	Affiliation
Charlotte McGaughey	Board Member	Silver Consolidated School District #1
Dick Pool	Superintendent	Silver Consolidated School District #1
James Murdock	Associate Superintendent of Finance	Silver Consolidated School District #1
Mike Stone	Shareholder	Stone, McGee & Co., C.P.A.'s