

State of New Mexico

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

For The Fiscal Year Ended June 30, 2010

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Silver Consolidated School District No. 1
DIRECTORY OF OFFICIALS
June 30, 2010

BOARD OF EDUCATION

Charlotte McGaughey

President

Eddie Flores

Vice-President

Pete Holguin

Secretary

Patty Reed

Member

Barry Rimmel

Member

SCHOOL OFFICIALS

Dick Pool

Superintendent

James Murdock

Associated Superintendent
of Finance

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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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, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the Silver Consolidated School District No. 1 (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's non-major governmental funds and the budgetary comparisons for the components of the general fund, the non-major special revenue funds, the capital projects funds, and the Debt Service fund presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Silver Consolidated School District No. 1 as of June 30, 2010, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Entitlement, and State Equalization Stimulus 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 non-major governmental fund of Silver Consolidated School District No. 1 as of June 30,

2010, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of the General Fund, the non-major special revenue funds, the capital projects funds, and the Debt Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2010, 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.

Silver Consolidated School District No. 1 has not presented Management's Discussion and Analysis that is required by accounting principles generally accepted in the United States of America to supplement, although not required to be a part of, the basic financial statements.

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 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 CPAs

October 29, 2010

Silver Consolidated School District No. 1
STATEMENT OF NET ASSETS
June 30, 2010

	Governmental Activities	Component Unit
Assets		
Cash and cash equivalents	\$ 2,710,005	\$ 86,896
Property taxes receivable	536,880	
Due from other governments	1,124,480	31,677
Inventory	31,211	
Capital assets:		
Land and improvements	4,429,087	
Buildings and improvements	48,179,781	
Equipment	6,287,719	96,411
Less accumulated depreciation	(30,086,335)	(12,381)
Total capital assets, net of depreciation	\$ 28,810,252	\$ 84,030
Total assets	\$ 33,212,828	\$ 202,603
Liabilities		
Cash overdraft	\$ 384	\$ -
Accounts payable	55,354	1,976
Deferred revenue	3,134	
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable	1,115,000	
Accrued interest payable	179,142	
Portion due or payable after one year:		
Bonds payable	10,000,000	
Compensated absences	62,488	20,756
Total liabilities	\$ 11,415,502	\$ 22,732
Net Assets		
Invested in capital assets, net of related debt	\$ 17,695,252	\$ 84,030
Restricted for:		
Capital projects	24,935	
Debt service	1,585,927	
Other purposes	1,228,170	
Unrestricted	1,263,042	95,841
Total net assets	\$ 21,797,326	\$ 179,871

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, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program</u> Charges for Services
Governmental activities:		
Instruction	\$ 18,128,881	\$ 308,595
Support services - Students	3,375,983	
Support services - Instruction	1,118,481	
General administration	564,672	
School administration	1,774,045	
Central services	774,266	
Operation of plant	4,312,284	
Food services	1,229,517	160,847
Transportation	1,123,865	
Community services	714	
Interest on long-term debt	433,909	
	<u>\$ 32,836,617</u>	<u>\$ 469,442</u>
 Total governmental activities		
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.

Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
\$ 4,434,709	\$ 34,617	\$ (13,350,960)	\$ (487,220)
720,647		(2,655,336)	(83,997)
372,011		(746,470)	(995)
60,730		(503,942)	(33,009)
112,238		(1,661,807)	(202,437)
		(774,266)	(80,069)
25,149		(4,287,135)	(60,007)
1,102,722		34,052	
928,270		(195,595)	
		(714)	(328)
		(433,909)	
<u>\$ 7,756,476</u>	<u>\$ 34,617</u>	<u>\$ (24,576,082)</u>	<u>\$ (948,062)</u>
		\$ 146,295	\$ -
		1,387,835	
		985,881	
		21,063,170	927,271
		152,345	3,957
		10,603	478
		<u>\$ 23,746,129</u>	<u>\$ 931,706</u>
		\$ (829,953)	\$ (16,356)
		<u>22,627,279</u>	<u>196,227</u>
		<u><u>\$ 21,797,326</u></u>	<u><u>\$ 179,871</u></u>

Silver Consolidated School District No. 1
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2010

	General Fund	Entitlement	State Equalization Stimulus
Assets			
Cash and investments	\$ 244,225	\$ -	\$ -
Property taxes receivable	56,252		
Inventory			
Due from other governments	14,850	187,206	321,549
Interfund receivable	1,060,539		
Total assets	\$ 1,375,866	\$ 187,206	\$ 321,549
 Liabilities and Fund Balances			
Cash overdraft	\$ -	\$ -	\$ -
Accounts payable	50,336	27	
Interfund payable		187,179	321,549
Deferred revenue	50,460		
Total liabilities	\$ 100,796	\$ 187,206	\$ 321,549
 Fund balance:			
Reserved for inventory	\$ -	\$ -	\$ -
Reserved for debt service			
Reserved for capital projects			
Unreserved, reported in:			
General fund	1,275,070		
Special revenue funds			
Total fund balances	\$ 1,275,070	\$ -	\$ -
Total liabilities and fund balances	\$ 1,375,866	\$ 187,206	\$ 321,549

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

<u>Debt Service Funds</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 1,434,795	\$ 1,030,985	\$ 2,710,005
330,274	150,354	536,880
	31,211	31,211
	600,875	1,124,480
		1,060,539
<u>\$ 1,765,069</u>	<u>\$ 1,813,425</u>	<u>\$ 5,463,115</u>
\$ -	\$ 384	\$ 384
	4,991	55,354
	551,811	1,060,539
270,581	112,104	433,145
<u>\$ 270,581</u>	<u>\$ 669,290</u>	<u>\$ 1,549,422</u>
\$ -	\$ 31,211	\$ 31,211
1,494,488		1,494,488
	24,935	24,935
		1,275,070
	1,087,989	1,087,989
<u>\$ 1,494,488</u>	<u>\$ 1,144,135</u>	<u>\$ 3,913,693</u>
<u>\$ 1,765,069</u>	<u>\$ 1,813,425</u>	<u>\$ 5,463,115</u>

Silver Consolidated School District No. 1
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2010

Total governmental fund balances	\$	3,913,693
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		28,810,252
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		430,011
Long-term liabilities, including bonds payable, compensated absences, lease- purchases payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable		(11,115,000)
Accrued interest payable		(179,142)
Compensated absences payable		(62,488)
		(11,356,630)
<i>Net Assets of Governmental Activities</i>	\$	21,797,326

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, 2010

	<u>General Fund</u>	<u>Entitlement</u>	<u>State Equalization Stimulus</u>
Revenues:			
Property taxes	\$ 142,401	\$ -	\$ -
Fees and charges	240,935		
State aid	22,105,472		
Federal aid	490,802	798,490	1,861,573
Earnings on investments	10,603		
Miscellaneous	71,602		
	<u>\$ 23,061,815</u>	<u>\$ 798,490</u>	<u>\$ 1,861,573</u>
 Total revenues			
Expenditures:			
Current:			
Instruction	\$ 13,188,963	\$ 594,604	\$ 1,535,310
Support services - Students	2,549,126	82,558	224,869
Support services - Instruction	798,865	107,832	
General administration	450,434	10,409	
School administration	1,558,280		101,394
Central services	729,083		
Operation of plant	3,266,677	3,087	
Food service	238		
Transportation	1,033,250		
Community services	714		
Debt service:			
Principal			
Interest			
Capital outlay	46,490		
	<u>\$ 23,622,120</u>	<u>\$ 798,490</u>	<u>\$ 1,861,573</u>
 Total expenditures			
Revenues over (under) expenditures	\$ (560,305)	\$ -	\$ -
Other financing sources (uses):			
Transfers in			
Transfers out			
	<u>\$ (560,305)</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance			
Fund balance, July 1, 2009	1,835,375		
	<u>\$ 1,275,070</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, June 30, 2010			

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

<u>Debt Service</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 1,358,074	\$ 959,898	\$ 2,460,373
	228,507	469,442
	255,027	22,360,499
	3,342,899	6,493,764
		10,603
	80,743	152,345
<hr/>	<hr/>	<hr/>
\$ 1,358,074	\$ 4,867,074	\$ 31,947,026
\$ -	\$ 1,769,291	\$ 17,088,168
	322,421	3,178,974
	146,514	1,053,211
12,097	58,780	531,720
	10,844	1,670,518
		729,083
	790,871	4,060,635
	1,157,529	1,157,767
	25,030	1,058,280
		714
1,085,000		1,085,000
453,755		453,755
<hr/>	463,189	509,679
<hr/>	<hr/>	<hr/>
\$ 1,550,852	\$ 4,744,469	\$ 32,577,504
\$ (192,778)	\$ 122,605	\$ (630,478)
		-
<hr/>	<hr/>	<hr/>
\$ (192,778)	\$ 122,605	\$ (630,478)
1,687,266	1,021,530	4,544,171
<hr/>	<hr/>	<hr/>
<u>\$ 1,494,488</u>	<u>\$ 1,144,135</u>	<u>\$ 3,913,693</u>

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, 2010

Net change in fund balances- total governmental funds \$ (630,478)

*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	509,679
Depreciation expense	(1,891,926)

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	59,638
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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	1,085,000
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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.

19,846

Some expense reported in the Statement of Activities, such as compensated
absences, do not require the use of current financial resources and there-
fore are not reported as expenditures in governmental funds. This is the
net change in compensated absences for the year.

18,288

Change in Net Assets of Governmental Activities

\$ (829,953)

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 30,2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 432,629	\$ 432,629	\$ 475,947	\$ 43,318
State sources	23,030,081	22,562,307	22,130,680	(431,627)
Local sources	136,315	136,315	203,230	66,915
Interest income	100,000	100,000	12,956	(87,044)
Total revenues	\$ 23,699,025	\$ 23,231,251	\$ 22,822,813	\$ (408,438)
Expenditures:				
Current:				
Instruction	\$ 14,230,766	\$ 13,481,866	\$ 13,047,199	\$ 434,667
Support services - Students	2,654,900	2,591,110	2,549,126	41,984
Support services - Instructi	886,085	901,052	799,688	101,364
General administration	521,270	525,270	457,200	68,070
School administration	1,603,880	1,594,480	1,558,485	35,995
Central services	632,150	770,650	730,031	40,619
Operation of plant	3,434,416	3,580,116	3,290,780	289,336
Transportation	1,029,503	1,082,652	1,033,447	49,205
Community services	14,641	12,641	238	12,403
Food services	5,000	5,000	713	4,287
Capital outlay	25,000	25,000	15,244	9,756
Total expenditures	\$ 25,037,611	\$ 24,569,837	\$ 23,482,151	\$ 1,087,686
Net change in fund balance	\$ (1,338,586)	\$ (1,338,586)	\$ (659,338)	\$ 679,248
Fund balance, July 1, 2008	1,338,586	1,338,586	1,740,863	402,277
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,081,525	\$ 1,081,525

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 637,412	\$ 882,727	\$ 870,639	\$ (12,088)
Expenditures:				
Current:				
Instruction	\$ 374,877	\$ 617,687	\$ 594,852	\$ 22,835
Support services - Students	123,215	99,715	83,090	16,625
Support services - Instruction	109,320	130,892	107,832	23,060
General administration	15,000	19,433	10,409	9,024
School administration				-
Operation of plant	15,000	15,000	3,381	11,619
Capital outlay				-
Total expenditures	\$ 637,412	\$ 882,727	\$ 799,564	\$ 83,163
Net change in fund balance	\$ -	\$ -	\$ 71,075	\$ 71,075
Fund balance, July 1, 2009	-	-	(258,254)	(258,254)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (187,179)	\$ (187,179)

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - STATE EQUALIZATION STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,632,073	\$ 2,079,222	\$ 1,540,024	\$ (539,198)
Expenditures:				
Current:				
Instruction	\$ 1,255,493	\$ 1,702,642	\$ 1,535,310	\$ 167,332
Support services - Students	261,850	269,400	224,869	44,531
Support services - Instruction				-
General administration				-
School administration	114,730	107,180	101,394	5,786
Operation of plant				-
Capital outlay				-
Total expenditures	\$ 1,632,073	\$ 2,079,222	\$ 1,861,573	\$ 217,649
Net change in fund balance	\$ -	\$ -	\$ (321,549)	\$ (321,549)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (321,549)	\$ (321,549)

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

Silver Consolidated School District No. 1
STATEMENT OF FIDUCIARY
NET ASSETS
June 30, 2010

	Primary Government		
	Private Purpose Trust Funds	Agency	Component Unit Agency
Assets			
Cash and investments	\$ 30,466	\$ 578,466	\$ 2,157
Total assets	\$ 30,466	\$ 578,466	\$ 2,157
 Liabilities			
Deposits held for others		\$ 578,466	\$ 2,157
Total liabilities		\$ 578,466	\$ 2,157
 Net Assets			
Endowments held in trust for scholarships and other purposes	\$ 30,466		

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, 2010

	<u>Private Purpose Trust Funds</u>
Additions	
Gifts and contributions	\$ 4,702
Deductions	
Scholarships awarded	<u>3,600</u>
Change in net assets	\$ 1,102
Net assets July 1, 2009	<u>29,364</u>
Net assets June 30, 2010	<u><u>\$ 30,466</u></u>

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

Silver Consolidated School District No. 1
NOTES TO FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2010

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 Statements 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 relations 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 presented discretely. A separately issued financial statement can be obtained by writing to Aldo Leopold High School Charter School at 1422 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. Non-major 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 funds are not incorporated in to the government-wide statements.

Major Fund Descriptions

General – See above description.

Entitlement Fund

Entitlement funds are 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).

State Equalization Stimulus - to support and restore funding for the District programs and services in states and local education agencies, and is a Special Revenue Fund.

Debt Service – See above description.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “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 fully 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 generally 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, PSFA 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, 2010 was \$.339 per \$1,000 for non-residential property and \$.265 for residential property. The District's tax rate for debt service was \$2.81 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

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payable 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 inter-fund transactions are treated as transfers. Inter-fund 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, 2010 \$1,656,346 of the governments bank balance of \$7,271,346 was exposed to custodial credit risk as follows:

Uninsured and collateralized	<u>\$ 1,656,346</u>
Total	<u>\$ 1,656,346</u>

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank's agent		
In the District's name	5,365,000	3,068,553
Uninsured and collateralized	<u>1,656,346</u>	<u>-0-</u>
	<u>\$ 7,271,346</u>	<u>\$ 3,318,553</u>

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, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 270,563	\$ -0-	\$ -0-	\$ 270,563
Construction progress	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets not being Depreciated	<u>\$ 270,563</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 270,563</u>
Other capital assets:				
Building & improvements	\$ 47,942,175	\$ 237,606	\$	\$ 48,179,781
Land improvements	4,137,617	20,907		4,158,524
Furniture and equipment	<u>6,228,648</u>	<u>251,166</u>	<u>192,095</u>	<u>6,287,719</u>
Total other capital assets at historical cost	<u>\$ 58,308,440</u>	<u>\$ 509,679</u>	<u>\$ 192,095</u>	<u>\$ 58,626,024</u>

Less accumulated depreciation for:				
Building & improvement	\$ (22,206,456)	\$ (1,211,695)	\$	\$ (23,418,151)
Land improvements	(1,951,082)	(198,562)		(2,149,644)
Furniture & equipment	<u>(4,228,966)</u>	<u>(481,669)</u>	<u>192,095</u>	<u>(4,518,540)</u>
Total accumulated depreciation	<u>\$ (28,386,504)</u>	<u>\$ (1,891,926)</u>	<u>\$ 192,095</u>	<u>\$ (30,086,335)</u>
Total capital assets, net	<u>\$ 30,192,499</u>	<u>\$ (1,382,247)</u>	<u>\$ -0-</u>	<u>\$ 28,810,252</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 1,059,001
Student support	197,009
School support	65,270
Administration general	32,952
Administration school	103,527
Central services	45,183
Plant operation	251,649
Transportation	65,585
Food	<u>71,750</u>
	<u>\$ 1,891,926</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2010:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>	<u>Due In One Year</u>
G.O. Bonds, series 1997	\$ 1,890,000	\$	\$ 430,000	\$ 1,460,000	\$ 460,000
G.O. Bonds, series 1998	1,310,000		655,000	655,000	655,000
G.O. Bonds, series 2005	<u>9,000,000</u>		<u>-0-</u>	<u>9,000,000</u>	<u>-0-</u>
	\$ 12,200,000	\$	\$ 1,085,000	\$ 11,115,000	\$ 1,115,000
Compensated absences payable	<u>80,776</u>	<u>139,522</u>	<u>139,065</u>	<u>81,233</u>	<u>-0-</u>
	<u>\$12,280,776</u>	<u>\$ 139,522</u>	<u>\$ 1,224,065</u>	<u>\$11,196,233</u>	<u>\$ 1,115,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,115,000	\$ 405,303
2012	1,650,000	348,941
2013	1,715,000	283,451
2014	1,240,000	226,435
2015	1,280,000	179,825
2016-2019	<u>4,115,000</u>	<u>241,052</u>
	<u>\$ 11,115,000</u>	<u>\$ 1,685,007</u>

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, with interest rates from 4.375% to 5.15%, maturing serially, with final maturity August 1, 2012. The remaining \$5,850,000 was issued March 10, 1998, with interest rates from 4.2% to 6.2%, maturing serially, with final maturity August 1, 2010.

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, with interest rates from 3.625% to 3.9% maturing serially with final maturity August 1, 2017.

The amounts payable within one year for the 1997, 1998 and 2005 issues were \$430,000, \$655,000, 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. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The Silver Consolidated School District No. 1 was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. 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's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008 were \$3,640,181, \$3,533,257, and \$3,227,891 respectively, which equal the amount of the requirement contributions for each fiscal year.

Note 6 Post-Employment Benefits – State Retire 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 plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; 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.

(1) The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the Statute required 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. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.934%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/1998 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, 2010, 2009, and 2008 were \$353,598, \$353,688, and \$339,911, 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 Statement 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, 2010 is as follows:

	<u>General</u>	<u>Entitlement</u>	<u>State Equalization Stimulus</u>
Revenues and other sources over (under) expenditures and other uses GAAP basis	\$ (560,305)	\$ -0-	\$ -0-
Increases (decreases):			
Revenue accruals (net)	(239,002)	72,149	(321,549)
Expenditure accruals (net)	139,969	(1,074)	-0-
Other financing sources (net)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Revenues and other sources over (under) expenditures and other uses (NON-GAAP budgetary basis)	<u>\$ (659,338)</u>	<u>\$ 71,075</u>	<u>\$ (321,549)</u>

Note 10 Inter-Fund Activity

Inter-fund balances of June 30, 2010, consisted of the following:

<u>Inter-fund Receivable</u>	<u>Inter-Fund Payable</u>			
	State			
	<u>Equalization</u>	<u>Entitlement</u>	<u>All Others</u>	<u>Total</u>
General	\$ 321,549	\$ 187,179	\$ 551,811	\$ 1,060,539
All others	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 321,549</u>	<u>\$ 187,179</u>	<u>\$ 551,811</u>	<u>\$ 1,060,539</u>

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

There were no inter-fund transfers during the year ended June 30, 2010.

Note 11 Restricted Net Assets

At June 30, 2010, net assets restricted for other purposes included the following balances in special revenue funds:

Medicaid	\$ 489,067
Cafeteria	267,299
Athletics	40,660
PED:	
SB-9	410,695
TANF Kindergarten	441
Community Health	1,483
Technology for Education	11,816
Teacher mentoring	6,428
Elementary Breakfast	148
2008 Library Book	<u>133</u>
	<u>\$ 1,228,170</u>

The District reported \$2,839,032 in restricted assets, of which \$1,996,622 is restricted by enabling legislation.

Note 12 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 \$7,966 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 13 Budgetary Authority

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

REC Operating:	
Instruction	\$ 2,725
Support Services	<u>19,300</u>
	<u>\$ 22,025</u>

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

Notes Related to the Component Unit of Silver Consolidated Schools

Note A **Summary of Significant Accounting Policies**

Aldo Leopold High School Charter School, 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 School'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 School 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 School'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 School implemented GASB 34 effective July 1, 2006. 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 School does not own any infrastructure assets and therefore is unaffected by this provision.

A. REPORTING ENTITY

These financial statements present the School (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the School's reporting entity because of the significance of their operating or financial

relationships with the School. Based on the criterion in GASBS No. 14, the School had no component units.

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 School 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.

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.

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 School 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. Non-major funds are summarized into a single column.

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

Major Fund Descriptions

General – See above description

Youth Conservation – to account for the federal resources to help youth acquire educational and occupational skills. Authority for creation of this fund is P.L. 105-220, and is reported as a special revenue fund.

Entitlement – to account for federal resources administered by NMSDE to provide assistance to educationally deprived students in low-income areas of the District. Authorization (P.L. 103-352).

2008 Library and G.O. Bonds – to account for funds to upgrade libraries, books and equipment (NMPED laws of 2004).

Public School Capital Outlay – 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.

State Equalization Stimulus – to support and restore funding for the District programs and services in states and local education agencies.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “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 operation 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:

on the accrual basis of accounting. Revenues are recognized when earned and The government-wide financial statements and the fiduciary fund financial statements are presented 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 are reported as advances by the provider and deferred revenue by the recipient.

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 School's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The School 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 School's functions. The functions are also supported by general government revenues (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 (intergovernmental revenues, interest income, etc.).

The School does not allocate indirect costs.

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

C. BUDGETS

Budgets for the General and Special Revenue Funds are prepared by management and approved by the local governing council and the Public Education Department.

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. Budgets may be amended in two ways. If a budget transfer is necessary within a function, this may be accomplished with only local governing council approval. If a transfer between functions 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.

Line item expenditures presented in budgetary comparison statements include sub-functions for presentation purposes. Although some sub-functions may be over-expended, no functions as a whole were over-expended.

D. 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%.

E. 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.

F. 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	03-05 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, capital assets are accounted for as capital assets. In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES

The School'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. The School had no significant liability for compensated absences at June 30, 2009.

H. 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 borrowing 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.

I. INTERFUND ACTIVITY

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund 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 inter-fund transactions are treated as transfers. Inter-fund activity between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. 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 B Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the School's deposits may not be returned to it. The School does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2010 \$-0- of the School's bank balance of \$226,097 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>-0-</u>
Total	\$ <u><u>-0-</u></u>

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 226,097	\$ 89,053
Collateral held by the pledging bank's agent in the School's name	<u>-0-</u>	<u>-0-</u>
	<u>\$ 226,097</u>	<u>\$ 89,053</u>

Note C Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Other capital assets:				
Furniture/equipment	\$ <u>14,422</u>	\$ <u>81,989</u>	\$ <u>-0-</u>	\$ <u>96,411</u>
Total other capital assets at historical cost	\$ <u>14,422</u>	\$ <u>81,989</u>	\$ <u>-0-</u>	\$ <u>96,411</u>
Less accumulated depreciation for:				
Furniture/equipment	\$ <u>(6,600)</u>	\$ <u>(5,781)</u>	\$ <u>-0-</u>	\$ <u>(12,381)</u>

Total accumulation depreciation	\$ (6,600)	\$ (5,781)	\$ -0-	\$ (12,381)
Total capital assets, net	\$ 7,822	\$ 76,208	\$ -0-	\$ 84,030

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 5,781
Total	\$ 5,781

Note D Pension Plan – Educational Retirement Board

Plan Description

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

Funding Policy

Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The Aldo Leopold High School Charter School was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the Aldo Leopold High School Charter School are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Aldo Leopold High School Charter School’s contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$123,497, \$119,043, and \$113,995.

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

Plan Description

Aldo Leopold High School Charter School 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 retire 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 Retiree Health Care Act plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; 4) former governing authority members who served at least four years.

The Retiree Health Care Authority 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. Ste. 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.

(1) The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY2011	1.666%	.833%
FY2012	1.834%	.917%
FY2013	2.000%	1.000%

Also, employers joining the program after 1/01/1998 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Aldo Leopold High School Charter School's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$12,193, \$12,552 and \$11,764, respectively, which equal the required contributions for each year.

Note F Risk Management

The School 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.

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 G 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 H 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, 2010 is as follows:

	2008							
	General	Library Bonds	Entitlement	PSCOC	Youth Conser- vation	State Equali- zation	Library GO Bonds	
Revenues and other sources over (under) expenditures and other uses GAAP basis	\$ (71,537)	\$ (271)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Increases (decreases):								
Revenue accruals (net)	(18,543)	-0-	-0-	14,662	5,303	-0-	(3,137)	
Expenditure accruals (net)	<u>15,022</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Revenues and other sources over (under) expenditures and other uses (NON-GAAP budgetary basis)	<u>\$ (75,058)</u>	<u>\$ (271)</u>	<u>\$ -0-</u>	<u>\$ 14,662</u>	<u>\$ 5,303</u>	<u>\$ -0-</u>	<u>\$ (3,137)</u>	

Note I Inter-fund Activity

Inter-fund balances at June 30, 2010, consisted of the following:

Inter-fund Payable

Library
G.O. Youth
Bonds Conservation Total

Inter-fund Receivable

General Fund	\$ <u>3,137</u>	\$ <u>28,540</u>	\$ <u>31,677</u>
Total	\$ <u>3,137</u>	\$ <u>28,540</u>	\$ <u>31,677</u>

The purpose of these loans was to fund ongoing operations until cost-reimbursements are received. All balances are expected to be repaid within one year.

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).

Title I/Stimulus – 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).

Pre-School/Discretionary/Stimulus – 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).

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).

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, Library Bonds, and REC Operating – to account for funds to upgrade libraries, books and equipment (NMPED), Laws of 2004).

Safe Routes to School – to account for the federal resources to develop safe routes to school for students within the District. Authorization SAFETEA-LU (P.L. 109-59).

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, 20 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).

IDEA B Risk Pool – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476, 20 U.S.C. 1401-1419, Public Law 105-17.

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 accounts 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/School Improvement Framework/Schools in Need of 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).

NMEMNRD – To account for the federal grant from the Department of Energy to implement and monitor energy efficiency in school buildings. (Title V, subtitle E of Energy Independence and Security Act, P.L. 110-140).

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.

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, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Title I	Preschool
Assets				
Cash and investments	\$ 207,994	\$ 40,660	\$ -	\$ -
Inventory	31,211			
Property taxes receivable				
Interfund receivable				
Due from other governments	28,261		96,249	17,736
Total assets	\$ 267,466	\$ 40,660	\$ 96,249	\$ 17,736
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ 384	\$ -
Accounts payable	167			
Interfund payable			95,865	17,736
Deferred revenue				
Total liabilities	\$ 167	\$ -	\$ 96,249	\$ 17,736
Fund balance:				
Reserved for inventory	\$ 31,211	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue	236,088	40,660		
Total fund balances	\$ 267,299	\$ 40,660	\$ -	\$ -
Total liabilities and fund balances	\$ 267,466	\$ 40,660	\$ 96,249	\$ 17,736

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

Special Revenue Funds

<u>Discretionary</u>	<u>Learn and Serve</u>	<u>Partners in Education</u>	<u>Entitlement Stimulus</u>	<u>Fruits and Vegetables</u>	<u>Competitive Title II</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,576
<u>1,742</u>	<u>14,636</u>	<u>3,474</u>	<u>60,414</u>	<u>7,091</u>	<u></u>
<u>\$ 1,742</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 60,414</u>	<u>\$ 7,091</u>	<u>\$ 1,576</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,742	14,636	3,474	595 59,819	7,091	1,576
<u>\$ 1,742</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 60,414</u>	<u>\$ 7,091</u>	<u>\$ 1,576</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 1,742</u>	<u>\$ 14,636</u>	<u>\$ 3,474</u>	<u>\$ 60,414</u>	<u>\$ 7,091</u>	<u>\$ 1,576</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Special Revenue Funds			
	Preschool Stimulus	Safe and Drug Free	Rural Schools	English Language
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	2,361	24,761	22,667	39
Total assets	\$ 2,361	\$ 24,761	\$ 22,667	\$ 39
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable				
Interfund payable	2,361	24,761	22,667	39
Deferred revenue				
Total liabilities	\$ 2,361	\$ 24,761	\$ 22,667	\$ 39
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 2,361	\$ 24,761	\$ 22,667	\$ 39

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

Special Revenue Funds

<u>Teacher Training</u>	<u>Idea B Risk Pool</u>	<u>Education of Homeless</u>	<u>Title I Stimulus</u>	<u>TANF Kindergarten</u>	<u>Safe Routes</u>
\$ -	\$ -	\$ -	\$ -	\$ 441	\$ 1,558
<u>87,893</u>	<u>8,538</u>	<u>110</u>	<u>28,467</u>		
<u>\$ 87,893</u>	<u>\$ 8,538</u>	<u>\$ 110</u>	<u>\$ 28,467</u>	<u>\$ 441</u>	<u>\$ 1,558</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>87,893</u>	<u>8,538</u>	<u>110</u>	<u>28,467</u>		<u>1,558</u>
<u>\$ 87,893</u>	<u>\$ 8,538</u>	<u>\$ 110</u>	<u>\$ 28,467</u>	<u>\$ -</u>	<u>\$ 1,558</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				<u>441</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441</u>	<u>\$ -</u>
<u>\$ 87,893</u>	<u>\$ 8,538</u>	<u>\$ 110</u>	<u>\$ 28,467</u>	<u>\$ 441</u>	<u>\$ 1,558</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Special Revenue Funds			
	Medicaid	PED Tech for Education	Community Health	Elementary Breakfast
Assets				
Cash and investments	\$ 469,511	\$ 11,816	\$ 1,483	\$ 148
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	19,824			
Total assets	\$ 489,335	\$ 11,816	\$ 1,483	\$ 148
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	268			
Interfund payable				
Deferred revenue				
Total liabilities	\$ 268	\$ -	\$ -	\$ -
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved reported in:				
Special revenue	489,067	11,816	1,483	148
Total fund balances	\$ 489,067	\$ 11,816	\$ 1,483	\$ 148
Total liabilities and fund balance:	\$ 489,335	\$ 11,816	\$ 1,483	\$ 148

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

Special Revenue Funds

<u>Family/Youth Resource</u>	<u>Teacher Mentoring</u>	<u>School Improvement</u>	<u>Library Bonds</u>	<u>REC Operating</u>	<u>2008 Library Book</u>
\$ -	\$ 6,428	\$ -	\$ -	\$ -	\$ 191
<u>18,833</u>		<u>24,637</u>	<u>1,944</u>	<u>11,190</u>	
<u>\$ 18,833</u>	<u>\$ 6,428</u>	<u>\$ 24,637</u>	<u>\$ 1,944</u>	<u>\$ 11,190</u>	<u>\$ 191</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>18,833</u>		<u>24,637</u>	<u>1,944</u>	<u>11,190</u>	<u>58</u>
<u>\$ 18,833</u>	<u>\$ -</u>	<u>\$ 24,637</u>	<u>\$ 1,944</u>	<u>\$ 11,190</u>	<u>\$ 58</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>6,428</u>				<u>133</u>
<u>\$ -</u>	<u>\$ 6,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133</u>
<u>\$ 18,833</u>	<u>\$ 6,428</u>	<u>\$ 24,637</u>	<u>\$ 1,944</u>	<u>\$ 11,190</u>	<u>\$ 191</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2010

	Special Revenue Funds			
	School in Need of Improvement	Kindergarten 3+	Library SB301 Bonds	NMEMNRD
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments	8,946	1,789	15,443	93,830
Total assets	\$ 8,946	\$ 1,789	\$ 15,443	\$ 93,830
Liabilities and Fund Balances				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable				
Interfund payable	8,946	1,789	15,443	93,830
Deferred revenue				
Total liabilities	\$ 8,946	\$ 1,789	\$ 15,443	\$ 93,830
Fund balance:				
Reserved for inventory	\$ -	\$ -	\$ -	
Reserved for capital projects				
Unreserved reported in:				
Special revenue				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 8,946	\$ 1,789	\$ 15,443	\$ 93,830

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

Special Revenue Fund	Capital Projects Fund	
SB-9	Capital Outlay State	Total
\$ 264,244	\$ 24,935	\$ 1,030,985
		31,211
150,354		150,354
		-
		600,875
<u>\$ 414,598</u>	<u>\$ 24,935</u>	<u>\$ 1,813,425</u>
\$ -	\$ -	\$ 384
3,903		4,991
108,970		551,811
		112,104
<u>\$ 112,873</u>	<u>\$ -</u>	<u>\$ 669,290</u>
\$ -	\$ -	\$ 31,211
	24,935	24,935
301,725		1,087,989
<u>\$ 301,725</u>	<u>\$ 24,935</u>	<u>\$ 1,144,135</u>
<u>\$ 414,598</u>	<u>\$ 24,935</u>	<u>\$ 1,813,425</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

June 30, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Title I	Preschool
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges	160,847	67,660		
State aid				
Federal aid	1,071,790		841,230	36,692
Miscellaneous				
Total revenues	\$ 1,232,637	\$ 67,660	\$ 841,230	\$ 36,692
Expenditures:				
Current:				
Instruction	\$ -	\$ 60,363	\$ 738,961	\$ 36,443
Support services - Students				60
Support services - Instruction			90,950	
General administration			11,319	189
School administration				
Central services				
Operation of plant				
Food services	1,126,610			
Transportation				
Capital outlay				
Total expenditures	\$ 1,126,610	\$ 60,363	\$ 841,230	\$ 36,692
Revenues over (under) expenditures	\$ 106,027	\$ 7,297	\$ -	\$ -
Other financing sources (uses):				
Transfers out	-	-	-	
Net change in fund balance	\$ 106,027	\$ 7,297	\$ -	\$ -
Fund balance, July 1, 2009	161,272	33,363		
Fund balance, June 30, 2010	\$ 267,299	\$ 40,660	\$ -	\$ -

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

Special Revenue Funds					
<u>Discretionary</u>	<u>Entitlement Stimulus</u>	<u>Fruits and Vegetables</u>	<u>Preschool Stimulus</u>	<u>Safe and Drug Free</u>	<u>Rural Schools</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,742	401,821	6,950	14,112	33,008	62,435
<u>\$ 1,742</u>	<u>\$ 401,821</u>	<u>\$ 6,950</u>	<u>\$ 14,112</u>	<u>\$ 33,008</u>	<u>\$ 62,435</u>
\$ 232 1,510	\$ 265,797 117,316 8,713	\$ -	\$ 13,806 306	\$ 13,405 718 18,885	\$ 22,950 18,230 19,899 1,356
	9,995	6,950			
<u>\$ 1,742</u>	<u>\$ 401,821</u>	<u>\$ 6,950</u>	<u>\$ 14,112</u>	<u>\$ 33,008</u>	<u>\$ 62,435</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Silver Consolidated School District No. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)

June 30, 2010

	Special Revenue Funds			
	Teacher Training	Idea B Risk Pool	Education of Homeless	Title I Stimulus
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges				
State aid				
Federal aid	237,830	8,538	417	261,846
Miscellaneous				
Total revenues	\$ 237,830	\$ 8,538	\$ 417	\$ 261,846
Expenditures:				
Current:				
Instruction	\$ 233,830	\$ 8,353	\$ -	\$ 253,828
Support services - Students			417	
Support services - Instruction				
General administration	4,000	185		5,368
School administration				
Central services				
Operation of plant				
Food services				
Transportation				2,650
Capital outlay				
Total expenditures	\$ 237,830	\$ 8,538	\$ 417	\$ 261,846
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Tranfers out				
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009				
Fund balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -

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

Special Revenue Funds					
<u>Homeless Stimulus</u>	<u>Safe Routes</u>	<u>Medicaid</u>	<u>PED Tech for Education</u>	<u>Elementary Breakfast</u>	<u>Family/Youth Resource</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,499	8,500	256,659	22,062	23,982	18,310
<u>\$ 5,499</u>	<u>\$ 8,500</u>	<u>\$ 256,659</u>	<u>\$ 22,062</u>	<u>\$ 23,982</u>	<u>\$ 18,310</u>
\$ 5,499	\$ -	\$ -	\$ -	\$ -	\$ -
		165,860			18,310
			45,089		
	8,500			23,969	
<u>\$ 5,499</u>	<u>\$ 8,500</u>	<u>\$ 165,860</u>	<u>\$ 45,089</u>	<u>\$ 23,969</u>	<u>\$ 18,310</u>
\$ -	\$ -	\$ 90,799	\$ (23,027)	\$ 13	\$ -
\$ -	\$ -	\$ 90,799	\$ (23,027)	\$ 13	\$ -
		398,268	34,843	135	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,067</u>	<u>\$ 11,816</u>	<u>\$ 148</u>	<u>\$ -</u>

Silver Consolidated School District NO. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)

June 30, 2010

	Special Revenue Funds			
	Teacher Mentoring	School Improvement	REC Operating	2008 Library Book
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges				
State aid	7,475	8,677	22,025	9,381
Federal aid				
Miscellaneous				
Total revenues	\$ 7,475	\$ 8,677	\$ 22,025	\$ 9,381
Expenditures:				
Current:				
Instruction	\$ 6,235	\$ 8,677	\$ 2,725	\$ -
Support services - Students				
Support services - Instruction			19,300	9,248
General administration				
School administration				
Central services				
Operation of plant				
Food services				
Transportation				
Capital outlay				
Total expenditures	\$ 6,235	\$ 8,677	\$ 22,025	\$ 9,248
Revenues over (under) expenditures	\$ 1,240	\$ -	\$ -	\$ 133
Other financing sources (uses):				
Tranfers out				
Net change in fund balance	\$ 1,240	\$ -	\$ -	\$ 133
Fund balance, July 1, 2009	5,188			
Fund balance, June 30, 2010	\$ 6,428	\$ -	\$ -	\$ 133

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

Special Revenue Funds					
School in Need of Improvement	Kindergarten 3+	Library SB301 Bonds	NMEMNRD	SB-9	Community Health
\$ -	\$ -	\$ -	\$ -	\$ 959,898	\$ -
53,957	71,033	5,038	93,830	29,150	
<u>\$ 53,957</u>	<u>\$ 71,033</u>	<u>\$ 5,038</u>	<u>\$ 93,830</u>	<u>\$ 989,048</u>	<u>\$ -</u>
\$ 41,923	\$ 56,264	\$ -	\$ -	\$ -	\$ -
	2,079	5,038		8,459	
	10,844			745,782	
12,034	1,846		93,830	257,482	
<u>\$ 53,957</u>	<u>\$ 71,033</u>	<u>\$ 5,038</u>	<u>\$ 93,830</u>	<u>\$ 1,011,723</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ (22,675)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (22,675)	\$ -
				324,400	1,483
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,725</u>	<u>\$ 1,483</u>

Silver Consolidated School District NO. 1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)

June 30, 2010

	Special Revenue Fund	Capital Projects Funds		Total
	TANF	Bond	Capital Outlay	
	Kindergarten	Building	State	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 959,898
Fees and charges				228,507
State aid			13,087	255,027
Federal aid				3,342,899
Miscellaneous			51,593	80,743
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,680</u>	<u>\$ 4,867,074</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ 1,769,291
Support services - Students				322,421
Support services - Instruction				146,514
General administration				58,780
School administration				10,844
Central services				-
Operation of plant				790,871
Food services				1,157,529
Transportation				25,030
Capital outlay		62,137	39,745	463,189
Total expenditures	<u>\$ -</u>	<u>\$ 62,137</u>	<u>\$ 39,745</u>	<u>\$ 4,744,469</u>
Revenues over (under) expenditures	\$ -	\$ (62,137)	\$ 24,935	\$ 122,605
Other financing sources (uses):				
Tranfers out				-
Net change in fund balance	\$ -	\$ (62,137)	\$ 24,935	
Fund balance, July 1, 2009	441	62,137		1,021,530
Fund balance, June 30, 2010	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ 24,935</u>	<u>\$ 1,144,135</u>

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

Silver Consolidated School District No. 1
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2010

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ -	\$ 454	\$ 20,532
Taxes receivable	56,252		
Due from other governments	14,850		
Interfund receivable	1,017,911		42,628
 Total assets	 \$ 1,089,013	 \$ 454	 \$ 63,160
 Liabilities and Fund Balances			
Accounts payable	\$ 50,336	\$ -	\$ -
Deferred revenue	50,460		
 Total liabilities	 \$ 100,796	 \$ -	 \$ -
 Fund balance:			
Unreserved, reported in:			
General fund	\$ 988,217	\$ 454	\$ 63,160
 Total fund balances	 \$ 988,217	 \$ 454	 \$ 63,160
 Total liabilities and fund balances	 \$ 1,089,013	 \$ 454	 \$ 63,160

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

<u>Non - Instructional Support</u>	<u>Total</u>
\$ 223,239	\$ 244,225 56,252 14,850 <u>1,060,539</u>
<u>\$ 223,239</u>	<u>\$ 1,375,866</u>
\$ -	\$ 50,336 <u>50,460</u>
<u>\$ -</u>	<u>\$ 100,796</u>
<u>\$ 223,239</u>	<u>\$ 1,275,070</u>
<u>\$ 223,239</u>	<u>\$ 1,275,070</u>
<u><u>\$ 223,239</u></u>	<u><u>\$ 1,375,866</u></u>

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, 2010

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 142,401	\$ -	\$ -
Fees and charges	18,544		
State aid	21,084,700	903,240	117,532
Federal aid	490,802		
Earnings on investments	10,603		
Miscellaneous	46,394	25,000	208
Total revenues	\$ 21,793,444	\$ 928,240	\$ 117,740
Expenditures:			
Current:			
Instruction	\$ 12,849,760	\$ -	\$ 163,099
Support services - Students	2,549,126		
Support services - Instruction	798,865		
General administration	450,434		
School administration	1,558,280		
Central services	729,083		
Operation of plant	3,266,677		
Food services	238		
Transportation	104,092	929,158	
Community services	714		
Capital outlay	46,490		
Total expenditures	\$ 22,353,759	\$ 929,158	\$ 163,099
Revenues over (under) expenditures	\$ (560,315)	\$ (918)	\$ (45,359)
Other financing sources:			
Transfers in			
Net change in fund balance	\$ (560,315)	\$ (918)	\$ (45,359)
Fund balance, July 1, 2009	1,548,532	1,372	108,519
Fund balance, June 30, 2010	\$ 988,217	\$ 454	\$ 63,160

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

<u>Non-Instructional Support</u>	<u>Total</u>
\$ -	\$ 142,401
222,391	240,935
	22,105,472
	490,802
	10,603
	<u>71,602</u>
<u>\$ 222,391</u>	<u>\$ 23,061,815</u>
\$ 176,104	\$ 13,188,963
	2,549,126
	798,865
	450,434
	1,558,280
	729,083
	3,266,677
	238
	1,033,250
	714
	<u>46,490</u>
<u>\$ 176,104</u>	<u>\$ 23,622,120</u>
\$ 46,287	\$ (560,305)
	-
<u>\$ 46,287</u>	<u>\$ (560,305)</u>
176,952	1,835,375
<u>\$ 223,239</u>	<u>\$ 1,275,070</u>

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 30,2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 432,629	\$ 432,629	\$ 475,947	\$ 43,318
State sources	22,036,996	21,451,674	21,084,700	(366,974)
Local sources	136,315	136,315	203,230	66,915
Interest income	100,000	100,000	12,956	(87,044)
 Total revenues	 \$ 22,705,940	 \$ 22,120,618	 \$ 21,776,833	 \$ (343,785)
 Expenditures:				
Current:				
Instruction	\$ 14,070,025	\$ 13,256,726	\$ 12,884,100	\$ 372,626
Support services - Students	2,654,900	2,591,110	2,549,126	41,984
Support services - Instructio	886,085	901,052	799,688	101,364
General administration	521,270	525,270	457,200	68,070
School administration	1,603,880	1,594,480	1,558,485	35,995
Central services	632,150	770,650	730,031	40,619
Operation of plant	3,434,416	3,580,116	3,290,780	289,336
Transportation	153,040	153,040	104,289	48,751
Community services	14,641	12,641	238	12,403
Food services	5,000	5,000	713	4,287
Capital outlay	25,000	25,000	15,244	9,756
 Total expenditures	 \$ 24,000,407	 \$ 23,415,085	 \$ 22,389,894	 \$ 1,025,191
 Net change in fund balance	 \$ (1,294,467)	 \$ (1,294,467)	 \$ (613,061)	 \$ 681,406
Fund balance, July 1, 2009	1,294,467	1,294,467	1,630,972	336,505
Fund balance, June 30, 2010	\$ -	\$ -	\$ 1,017,911	\$ 1,017,911
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (560,315)	
Revenue accruals (net)			(16,610)	
Expenditure accruals (net)			(36,136)	
Other financing sources (net)				
 Net change in fund balance, NON-GAAP budgetary basis			 \$ (613,061)	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	<u>\$ 116,622</u>	<u>\$ 181,021</u>	<u>\$ 117,740</u>	<u>\$ (63,281)</u>
Expenditures:				
Current:				
Instruction	<u>\$ 160,741</u>	<u>\$ 225,140</u>	<u>\$ 163,099</u>	<u>\$ 62,041</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 160,741</u>	<u>\$ 225,140</u>	<u>\$ 163,099</u>	<u>\$ 62,041</u>
Net change in fund balance	<u>\$ (44,119)</u>	<u>\$ (44,119)</u>	<u>\$ (45,359)</u>	<u>\$ (1,240)</u>
Fund balance, July 1, 2009	<u>44,119</u>	<u>44,119</u>	<u>108,519</u>	<u>64,400</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,160</u>	<u>\$ 63,160</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			<u>\$ (45,359)</u>	
Revenue accruals (net)			<u>-</u>	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (45,359)</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 876,463	\$ 929,612	\$ 928,240	\$ (1,372)
 Expenditures:				
Current:				
Transportation	<u>876,463</u>	<u>929,612</u>	<u>929,158</u>	<u>454</u>
Net change in fund balance	\$ -	\$ -	\$ (918)	\$ (918)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>1,372</u>	<u>1,372</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 454</u></u>	<u><u>\$ 454</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (918)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (918)</u></u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 900,000	\$ 952,740	\$ 1,005,487	\$ 52,747
Local sources	174,000	174,000	160,847	(13,153)
Total revenues	\$ 1,074,000	\$ 1,126,740	\$ 1,166,334	\$ 39,594
Expenditures:				
Current:				
Food services	\$ 1,138,891	\$ 1,191,631	\$ 1,075,971	\$ 115,660
Net change in fund balance	\$ (64,891)	\$ (64,891)	\$ 90,363	\$ 155,254
Fund balance, July 1, 2009	64,891	64,891	117,631	52,740
Fund balance, June 30, 2010	\$ -	\$ -	\$ 207,994	\$ 207,994
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 106,027	
Revenue accruals (net)			(66,303)	
Expenditure accruals (net)			50,639	
Net change in fund balance, NON-GAAP budgetary basis			\$ 90,363	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 57,000	\$ 62,559	\$ 67,660	\$ 5,101
Expenditures:				
Current:				
Instruction	<u>84,803</u>	<u>90,362</u>	<u>60,363</u>	<u>29,999</u>
Net change in fund balance	\$ (27,803)	\$ (27,803)	\$ 7,297	\$ 35,100
Fund balance, July 1, 2009	<u>27,803</u>	<u>27,803</u>	<u>33,363</u>	<u>5,560</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,660</u>	<u>\$ 40,660</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 7,297	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 7,297</u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 936,570	\$ 912,832	\$ 850,674	\$ (62,158)
Expenditures:				
Current:				
Instruction	\$ 817,200	\$ 787,379	\$ 739,560	\$ 47,819
Support services - Instruction	93,930	103,573	90,999	12,574
General administration	20,440	19,880	11,319	8,561
Transportation	5,000	2,000	-	2,000
Total expenditures	\$ 936,570	\$ 912,832	\$ 841,878	\$ 70,954
Net change in fund balance	\$ -	\$ -	\$ 8,796	\$ 8,796
Fund balance, July 1, 2009	-	-	(105,045)	(105,045)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (96,249)	\$ (96,249)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			9,444	
Expenditure accruals (net)			(648)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 8,796	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 22,937	\$ 50,801	\$ 19,111	\$ (31,690)
Expenditures:				
Current:				
Instruction	\$ 22,000	\$ 46,864	\$ 36,443	\$ 10,421
Support services - Students	-	2,500	60	2,440
General administration	937	1,437	189	1,248
Total expenditures	\$ 22,937	\$ 50,801	\$ 36,692	\$ 14,109
Net change in fund balance	\$ -	\$ -	\$ (17,581)	\$ (17,581)
Fund balance, July 1, 2009	-	-	(155)	(155)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (17,736)	\$ (17,736)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(17,581)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (17,581)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PRESCHOOL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 16,608	\$ 16,608	\$ 11,751	\$ (4,857)
Expenditures:				
Current:				
Instruction	\$ 16,000	\$ 16,000	\$ 13,806	\$ 2,194
Support services - Students				-
General administration	608	608	306	302
Total expenditures	\$ 16,608	\$ 16,608	\$ 14,112	\$ 2,496
Net change in fund balance	\$ -	\$ -	\$ (2,361)	\$ (2,361)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (2,361)	\$ (2,361)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,361)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,361)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 4,100	\$ 4,100
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 4,100	\$ 4,100
Fund balance, July 1, 2009	-	-	(4,100)	(4,100)
Fund balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			4,100	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 4,100	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(14,636)</u>	<u>(14,636)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,636)</u></u>	<u><u>\$ (14,636)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
School administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	(3,474)	(3,474)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (3,474)	\$ (3,474)
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 - IDEA B DISCRETIONARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Current:				
Instruction	\$ -	\$ 2,889	\$ 232	\$ 2,657
Support services - Students		2,000	1,510	490
General administration		111		111
Total expenditures	\$ -	\$ 5,000	\$ 1,742	\$ 3,258
Net change in fund balance	\$ -	\$ -	\$ (1,742)	\$ (1,742)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (1,742)	\$ (1,742)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,742)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,742)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 8,761	\$ 1,095	\$ (7,666)
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,456	\$ 463	\$ 6,993
Support services - Instruction		750		750
General administration		555		555
Total expenditures	\$ -	\$ 8,761	\$ 463	\$ 8,298
Net change in fund balance	\$ -	\$ -	\$ 632	\$ 632
Fund balance, July 1, 2009	-	-	(742)	(742)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (110)	\$ (110)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			678	
Expenditure accruals (net)			(46)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 632	

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, 2010

	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, 2009	-	-	(39)	(39)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 225,799	\$ 250,611	\$ 224,705	\$ (25,906)
Expenditures:				
Current:				
Instruction	\$ 221,799	\$ 246,611	\$ 233,830	\$ 12,781
Support services - Students				-
General administration	4,000	4,000	4,000	-
Total expenditures	\$ 225,799	\$ 250,611	\$ 237,830	\$ 12,781
Net change in fund balance	\$ -	\$ -	\$ (13,125)	\$ (13,125)
Fund balance, July 1, 2009	-	-	(74,768)	(74,768)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (87,893)	\$ (87,893)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(13,125)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (13,125)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 14,816	\$ 38,509	\$ 13,188	\$ (25,321)
Expenditures:				
Current:				
Instruction	\$ 5,000	\$ -	\$ -	\$ -
Support services - Students	9,316	14,316	13,438	878
General administration	500	4,193	718	3,475
Central services	-	20,000	18,885	1,115
Total expenditures	\$ 14,816	\$ 38,509	\$ 33,041	\$ 5,468
Net change in fund balance	\$ -	\$ -	\$ (19,853)	\$ (19,853)
Fund balance, July 1, 2009	-	-	(4,908)	(4,908)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (24,761)	\$ (24,761)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(19,820)	
Expenditure accruals (net)			(33)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (19,853)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 103,380	\$ 42,972	\$ (60,408)
Expenditures:				
Current:				
Instruction	\$ -	\$ 40,180	\$ 22,950	\$ 17,230
Support services - Students		33,800	18,230	15,570
Support services - Instruction		26,400	19,899	6,501
General administration		3,000	1,356	1,644
Total expenditures	\$ -	\$ 103,380	\$ 62,435	\$ 40,945
Net change in fund balance	\$ -	\$ -	\$ (19,463)	\$ (19,463)
Fund balance, July 1, 2009	-	-	(3,204)	(3,204)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (22,667)	\$ (22,667)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(19,463)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (19,463)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 217,992	\$ 217,992	\$ 251,083	\$ 33,091
Expenditures:				
Current:				
Support services - Students	217,992	217,992	169,109	48,883
Net change in fund balance	\$ -	\$ -	\$ 81,974	\$ 81,974
Fund balance, July 1, 2009	-	-	387,537	387,537
Fund balance, June 30, 2010	\$ -	\$ -	\$ 469,511	\$ 469,511
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 90,799	
Revenue accruals (net)			(5,576)	
Expenditure accruals (net)			(3,249)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 81,974	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 75,698	\$ 75,698
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
Operation of plant				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 75,698	\$ 75,698
Fund balance, July 1, 2009	-	-	(75,698)	(75,698)
Fund balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			75,698	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 75,698	

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - PED: TECH 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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 56,214	\$ 22,062	\$ (34,152)
Expenditures:				
Current:				
Operation of plant	\$ -	\$ 56,214	\$ 45,328	\$ 10,886
Capital outlay				-
Total expenditures	\$ -	\$ 56,214	\$ 45,328	\$ 10,886
Net change in fund balance	\$ -	\$ -	\$ (23,266)	\$ (23,266)
Fund balance, July 1, 2009	-	-	35,082	35,082
Fund balance, June 30, 2010	\$ -	\$ -	\$ 11,816	\$ 11,816
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (23,027)	
Revenue accruals (net)			(239)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (23,266)	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 19,210	\$ 22,924	\$ 3,714
Expenditures:				
Current:				
Support services - Students	\$ -	\$ 19,210	\$ 18,310	\$ 900
General administration				-
Total expenditures	<u>\$ -</u>	<u>\$ 19,210</u>	<u>\$ 18,310</u>	<u>\$ 900</u>
Net change in fund balance	\$ -	\$ -	\$ 4,614	\$ 4,614
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(23,447)</u>	<u>(23,447)</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,833)</u>	<u>\$ (18,833)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			4,614	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 4,614</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 6,950	\$ 7,544	\$ 594
Expenditures:				
Current:				
Food services	<u>-</u>	<u>6,950</u>	<u>6,950</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 594	\$ 594
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(7,685)</u>	<u>(7,685)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,091)</u></u>	<u><u>\$ (7,091)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			594	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 594</u></u>	

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, 2010

	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, 2009	-	-	441	441
Fund balance, June 30, 2010	\$ -	\$ -	\$ 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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 9,297	\$ -	\$ (9,297)
Expenditures:				
Current:				
Instruction	\$ -	\$ 9,297	\$ 8,972	\$ 325
Capital outlay				-
Total expenditures	\$ -	\$ 9,297	\$ 8,972	\$ 325
Net change in fund balance	\$ -	\$ -	\$ (8,972)	\$ (8,972)
Fund balance, July 1, 2009	-	-	(15,665)	(15,665)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (24,637)	\$ (24,637)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(8,677)	
Expenditure accruals (net)			(295)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (8,972)	

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, 2010

	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, 2009	-	-	(1,944)	(1,944)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Students				-
General administration				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	1,576	1,576
Fund balance, June 30, 2010	\$ -	\$ -	\$ 1,576	\$ 1,576
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 - 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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>1,483</u>	<u>1,483</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,483</u></u>	<u><u>\$ 1,483</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 7,475	\$ 7,475	\$ -
Expenditures:				
Current:				
Instruction	-	7,475	6,235	1,240
Net change in fund balance	\$ -	\$ -	\$ 1,240	\$ 1,240
Fund balance, July 1, 2009	-	-	5,188	5,188
Fund balance, June 30, 2010	\$ -	\$ -	\$ 6,428	\$ 6,428
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,240	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,240	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Local sources	930,873	1,191,392	1,011,445	(179,947)
Total revenues	\$ 930,873	\$ 1,191,392	\$ 1,011,445	\$ (179,947)
Expenditures:				
Current:				
General administration	\$ 12,746	\$ 12,746	\$ 8,541	\$ 4,205
Operation of plant	819,277	1,100,796	851,974	248,822
Capital outlay	171,000	150,000	147,973	2,027
Total expenditures	\$ 1,003,023	\$ 1,263,542	\$ 1,008,488	\$ 255,054
Net change in fund balance	\$ (72,150)	\$ (72,150)	\$ 2,957	\$ 75,107
Fund balance, July 1, 2009	72,150	72,150	261,287	189,137
Fund balance, June 30, 2010	\$ -	\$ -	\$ 264,244	\$ 264,244
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (22,675)	
Revenue accruals (net)			22,397	
Expenditure accruals (net)			3,235	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,957	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 23,982	\$ 23,982	\$ -
Expenditures:				
Current:				
Food services	-	23,982	23,969	13
Net change in fund balance	\$ -	\$ -	\$ 13	\$ 13
Fund balance, July 1, 2009	-	-	135	135
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148</u>	<u>\$ 148</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 13	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 13</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 71,264	\$ 73,063	\$ 1,799
Expenditures:				
Current:				
Instruction	\$ -	\$ 56,288	\$ 56,264	\$ 24
Support services - Instruction		2,107	2,079	28
School administration		11,023	10,940	83
Transportation		1,846	1,846	-
Total expenditures	\$ -	\$ 71,264	\$ 71,129	\$ 135
Net change in fund balance	\$ -	\$ -	\$ 1,934	\$ 1,934
Fund balance, July 1, 2009	-	-	(3,723)	(3,723)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,789)</u>	<u>\$ (1,789)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,030	
Expenditure accruals (net)			<u>(96)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 1,934</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 8,645	\$ -	\$ (8,645)
Expenditures:				
Current:				
Support services - Instruction	-	8,645	5,038	3,607
Net change in fund balance	\$ -	\$ -	\$ (5,038)	\$ (5,038)
Fund balance, July 1, 2009	-	-	(10,405)	(10,405)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,443)</u>	<u>\$ (15,443)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,038)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (5,038)</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - TITLE I FEDERAL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 241,777	\$ 478,962	\$ 241,326	\$ (237,636)
Expenditures:				
Current:				
Instruction	\$ 226,409	\$ 470,226	\$ 259,701	\$ 210,525
General administration	5,368	5,368	5,368	-
Transportation	10,000	3,368	2,650	718
Total expenditures	\$ 241,777	\$ 478,962	\$ 267,719	\$ 211,243
Net change in fund balance	\$ -	\$ -	\$ (26,393)	\$ (26,393)
Fund balance, July 1, 2009	-	-	(2,074)	(2,074)
Fund balance, June 30, 2010	\$ -	\$ -	\$ (28,467)	\$ (28,467)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(20,520)	
Expenditure accruals (net)			(5,873)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (26,393)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SAFE ROUTES TO SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 13,206	\$ 11,852	\$ (1,354)
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction	-	-	-	-
Pupil transportation	-	13,206	8,500	4,706
Total expenditures	<u>\$ -</u>	<u>\$ 13,206</u>	<u>\$ 8,500</u>	<u>\$ 4,706</u>
Net change in fund balance	\$ -	\$ -	\$ 3,352	\$ 3,352
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(1,794)</u>	<u>(1,794)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,558</u></u>	<u><u>\$ 1,558</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>3,352</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 3,352</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SCHOOL IN NEED OF IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 60,000	\$ 48,229	\$ (11,771)
Expenditures:				
Current:				
Instruction	\$ -	\$ 45,860	\$ 41,923	\$ 3,937
Support services - Instruction				-
Transportation		14,140	12,034	2,106
Total expenditures	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 53,957</u>	<u>\$ 6,043</u>
Net change in fund balance	\$ -	\$ -	\$ (5,728)	\$ (5,728)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(3,218)</u>	<u>(3,218)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,946)</u></u>	<u><u>\$ (8,946)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,728)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (5,728)</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - SCHOOL IMPROVEMENT FRAMEWORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ 21,950	\$ 21,950
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction				-
School administration				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 21,950	\$ 21,950
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(21,950)</u>	<u>(21,950)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			21,950	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 21,950</u></u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - ENTITLEMENT STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 443,533	\$ 443,533	\$ 341,407	\$ (102,126)
Expenditures:				
Current:				
Instruction	\$ 347,000	\$ 297,000	\$ 265,240	\$ 31,760
Support services - Students	65,000	128,000	127,272	728
Support services - Instruction	12,000			-
General administration	19,533	18,533	8,714	9,819
School administration				-
Operation of plant				-
Capital outlay				-
Total expenditures	\$ 443,533	\$ 443,533	\$ 401,226	\$ 42,307
Net change in fund balance	\$ -	\$ -	\$ (59,819)	\$ (59,819)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (59,819)	\$ (59,819)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(60,414)	
Expenditure accruals (net)			595	
Net change in fund balance, NON-GAAP budgetary basis			\$ (59,819)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - IDEA B RISK POOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 8,606	\$ -	\$ (8,606)
Expenditures:				
Current:				
Instruction	\$ -	\$ 8,414	\$ 8,353	\$ 61
Support services - Students				-
General administration		192	185	7
Total expenditures	\$ -	\$ 8,606	\$ 8,538	\$ 68
Net change in fund balance	\$ -	\$ -	\$ (8,538)	\$ (8,538)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (8,538)	\$ (8,538)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(8,538)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (8,538)	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - EDUCATION OF HOMELESS STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 17,500	\$ 5,499	\$ (12,001)
Expenditures:				
Current:				
Instruction	\$ -	\$ 17,500	\$ 5,499	\$ 12,001
Support services - Students				-
Operation of plant				-
Total expenditures	\$ -	\$ 17,500	\$ 5,499	\$ 12,001
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -
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 - 2008 LIBRARY BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 9,381	\$ 9,381	\$ 9,381	\$ -
Expenditures:				
Current:				
Support services - Instruction	\$ 9,381	\$ 9,381	\$ 9,190	\$ 191
Net change in fund balance	\$ -	\$ -	\$ 191	\$ 191
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ 191	\$ 191
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 133	
Revenue accruals (net)			-	
Expenditure accruals (net)			58	
Net change in fund balance, NON-GAAP budgetary basis			\$ 191	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - NMEMNRD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 357,500	\$ -	\$ (357,500)
Expenditures:				
Capital outlay	-	357,500	93,830	263,670
Net change in fund balance	\$ -	\$ -	\$ (93,830)	\$ (93,830)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,830)</u>	<u>\$ (93,830)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(93,830)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (93,830)</u>	

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

Silver Consolidated School District No. 1
SPECIAL REVENUE FUND - REC OPERATING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ 10,835	\$ 10,835
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ 2,725	\$ (2,725)
Support services - Instruction			19,300	(19,300)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,025</u>	<u>\$ (22,025)</u>
Net change in fund balance	\$ -	\$ -	\$ (11,190)	\$ (11,190)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11,190)</u></u>	<u><u>\$ (11,190)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(11,190)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (11,190)</u></u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ 62,137	\$ -	\$ (62,137)
Earnings on investments				-
Total revenues	<u>\$ -</u>	<u>\$ 62,137</u>	<u>\$ -</u>	<u>\$ (62,137)</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Capital outlay		62,137	62,137	-
Total expenditures	<u>\$ -</u>	<u>\$ 62,137</u>	<u>\$ 62,137</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (62,137)	\$ (62,137)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>62,137</u>	<u>62,137</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (62,137)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (62,137)</u></u>	

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

Silver Consolidated School District No. 1
CAPITAL PROJECT 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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 39,745	\$ 87,944	\$ 48,199
Expenditures:				
Capital outlay	-	39,745	39,745	-
Net change in fund balance	\$ -	\$ -	\$ 48,199	\$ 48,199
Fund balance, July 1, 2009	-	-	(23,264)	(23,264)
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,935</u>	<u>\$ 24,935</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 24,935	
Revenue accruals (net)			23,264	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 48,199</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 1,213,816	\$ 1,004,841	\$ 1,386,676	\$ 381,835
Earnings on investments				-
 Total revenues	 <u>\$ 1,213,816</u>	 <u>\$ 1,004,841</u>	 <u>\$ 1,386,676</u>	 <u>\$ 381,835</u>
Expenditures:				
Current:				
Administration	\$ 23,000	\$ 23,000	\$ 12,097	\$ 10,903
Principal	1,085,000	1,085,000	1,085,000	-
Interest	453,755	453,755	453,755	-
Special revenue bonds reserve	1,460,007	1,251,032		1,251,032
 Total expenditures	 <u>\$ 3,021,762</u>	 <u>\$ 2,812,787</u>	 <u>\$ 1,550,852</u>	 <u>\$ 1,261,935</u>
Net change in fund balance	\$ (1,807,946)	\$ (1,807,946)	\$ (164,176)	\$ 1,643,770
Fund balance, July 1, 2009	<u>1,807,946</u>	<u>1,807,946</u>	<u>1,598,971</u>	<u>(208,975)</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434,795</u>	<u>\$ 1,434,795</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (192,778)	
Revenue accruals (net)			28,602	
Other financing uses (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (164,176)</u>	

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, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2010</u>
Assets				
Cash and investments:				
Silver High School	\$ 93,799	\$ 362,435	\$ 376,654	\$ 79,580
Silver Opportunity School	1,055	3,604	3,433	1,226
La Plata Middle School	33,794	125,024	119,293	39,525
GW Stout Elementary	31,907	81,575	82,181	31,301
Harrison Schmitt Elementary	14,923	135,058	135,664	14,317
Sixth Street Elementary	15,595	17,532	19,526	13,601
Jose Barrios Elementary	32,677	31,812	24,834	39,655
Cliff Schools	124,771	156,050	155,539	125,282
Business Office	<u>265,452</u>	<u>18,309,979</u>	<u>18,341,452</u>	<u>233,979</u>
 Total assets	 <u>\$ 613,973</u>	 <u>\$ 19,223,069</u>	 <u>\$ 19,258,576</u>	 <u>\$ 578,466</u>
Liabilities				
Deposits held for others:				
Silver High School	\$ 93,799	\$ 362,435	\$ 376,654	\$ 79,580
Silver Opportunity School	1,055	3,604	3,433	1,226
La Plata Middle School	33,794	125,024	119,293	39,525
GW Stout Elementary	31,907	81,575	82,181	31,301
Harrison Schmitt Elementary	14,923	135,058	135,664	14,317
Sixth Street Elementary	15,595	17,532	19,526	13,601
Jose Barrios Elementary	32,677	31,812	24,834	39,655
Cliff Schools	124,771	156,050	155,539	125,282
Business Office	<u>265,452</u>	<u>18,309,979</u>	<u>18,341,452</u>	<u>233,979</u>
 Total liabilities	 <u>\$ 613,973</u>	 <u>\$ 19,223,069</u>	 <u>\$ 19,258,576</u>	 <u>\$ 578,466</u>

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

Silver Consolidated School District No. 1
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2010

	Ambank	Total
Checking and CD's	\$ 7,271,346	\$ 7,271,346
Total on deposit	\$ 7,271,346	\$ 7,271,346
Less: FDIC insurance	(250,000)	(250,000)
Total uninsured public funds	\$ 7,021,346	\$ 7,021,346
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 3,510,673	\$ 3,510,673
Pledged Securities:		
Belen NM 077581NB8 8-1-17	\$ 175,000	\$ 175,000
Dulce NM 264430GY9 9-1-14	200,000	200,000
Loving Schools 547413CH5 1-15-15	100,000	100,000
T or C Schools 898439DL5 8-1-13	100,000	100,000
West NM Univ 958893LF4 6-15-16	50,000	50,000
Fed Farm Credit 31331YUH1 2-13-23	500,000	500,000
Fed Farm Credit 31331GLH0 1-23-24	750,000	750,000
FHLB 3133XTJT4 5-14-19	500,000	500,000
FHLB 3133XM5F4 8-27-12	500,000	500,000
Grant County NM 387766AY4 9-1-11	220,000	220,000
FHLB 3133XQYN6 5-14-18	500,000	500,000
FNMA 3136F8W50 2-14-23	250,000	250,000
Aztex NM 054879FS5 10-1-10	250,000	250,000
Catron/Cibola NM 149321BR1 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 388240CL5 10-1-14	165,000	165,000
Grants/Cibola NM 388240CX9 10-1-14	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
Total pledged securities	\$ 5,365,000	\$ 5,365,000
Pledged securities over (under) requirement	\$ 1,854,327	\$ 1,854,327

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, 2010

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Ambank</u>			
Operational	Checking	\$ 5,917,700	\$ 2,461,351
Cliff Athletics	Checking	34,828	34,467
Athletics	Checking	8,613	6,193
Federal projects	Checking	786	(384)
Food Service	Checking	295,269	207,994
Trust	Checking	652,156	608,932
Payroll	Checking	361,994	-
		<u>\$ 7,271,346</u>	<u>\$ 3,318,553</u>
Total Cash and Investments			

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, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>
Total cash and investments as of July 1, 2009	\$ 1,630,972	\$ 1,372	\$ 108,519	\$ 117,631	\$ 33,363
Add: Current year receipts	21,776,834	928,240	117,740	1,166,334	67,660
Voided warrants					
Refunds					
Less: Current year expenditures	(22,389,896)	(929,158)	(163,099)	(1,075,972)	(60,363)
Overdrafts					
Abatements					
Receivables/payables	(584,124)				
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 433,786</u>	<u>\$ 454</u>	<u>\$ 63,160</u>	<u>\$ 207,993</u>	<u>\$ 40,660</u>

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, 2010

	<u>Bond Building</u>	<u>Special Capital Outlay State</u>	<u>SB-9</u>	<u>Debt Service</u>	<u>Agency</u>
Total cash and investments as of July 1, 2009	\$ 62,137	\$ (23,264)	\$ 261,287	\$ 1,598,971	\$ 643,337
Add: Current year receipts		87,945	1,011,445	1,386,676	19,227,771
Chargebacks					
Refunds					
Less: Current year expenditures	(62,137)	(39,745)	(1,008,488)	(1,550,852)	(19,262,176)
Overdrafts					
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ -</u>	<u>\$ 24,936</u>	<u>\$ 264,244</u>	<u>\$ 1,434,795</u>	<u>\$ 608,932</u>

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, 2010

	Non Instructional Support	Federal Flowthrough	Federal Direct	State Grants	State Direct
Total cash and investments as of July 1, 2009	\$ 176,952	\$ (344,337)	\$ 176,880	\$ (38,020)	\$ -
Add: Current year receipts	222,391	2,634,013	1,878,658	239,902	
Voided warrants					
Refunds					
Less: Current year expenditures	(176,104)	(2,717,697)	(2,039,184)	(264,155)	(93,830)
Overdrafts					
Abatements					
Receivables/payables		428,021		62,273	93,830
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 223,239</u>	<u>\$ -</u>	<u>\$ 16,354</u>	<u>\$ -</u>	<u>\$ -</u>

Silver Consolidated School District No. 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2010

	Total
Total cash and investments as of July 1, 2009	\$ 4,405,800
Add: Current year receipts	50,745,609
Chargebacks	-
Refunds	-
Less: Current year expenditures	(51,832,856)
Overdrafts	-
Abatements	-
Receivables/payables	-
Transfers	-
	-
Total cash and investments as of June 30, 2010	\$ 3,318,553

Silver Consolidated School District No. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	\$ 841,230
Special Education-Grants to States	84.027	24.106	808,770
ARRA - Special Education-Grants to States	84.391	24.206	401,821
Special Education-Preschool Grants	84.173	24.109	36,692
ARRA - Special Education-Preschool Grants	84.392	24.209	14,112
ARRA - State Fiscal Stabilization Fund	84.394	25.250	1,861,573
Education of Homeless	84.196	24.113	417
ARRA - Education of Homeless	84.387	24.213	5,499
ARRA - Title I Grants to Lea's	84.389	24.201	261,846
Teacher Quality State Grants	84.367	24.154	237,830
Safe and Drug-Free Schools and Communities	84.186	24.157	33,008
Rural Education	84.358	24.160	<u>62,435</u>
Total U.S. Department of Education			<u>\$ 4,565,233</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Programs:			
Schools and Roads-Grants to States	10.665	N/A	\$ 433,382
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	620,829
Summer Food	10.559	N/A	56,767
School Breakfast Program	10.553	N/A	321,806
Fresh Fruits and Vegetables Program	10.582	24.118	6,950
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>72,388</u>
Total U.S. Department of Agriculture			<u>\$ 1,512,122</u>

Silver Consolidated School District No. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
For The Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through N.M. Dept. of Human Services: Medical Assistance Program	93.778	25.153	<u>\$ 256,659</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct: Energy Efficiency and Conservation Block Grant	81.128	28.187	<u>93,830</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through N.M. Dept. of Transportation: Highway Planning and Construction	20.205	25.146	<u>\$ 8,500</u>
Total expenditures of federal awards			<u><u>\$ 6,436,344</u></u>

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, 2010

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 State, 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 Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The District received \$72,388 in food commodities during the 2009-2010 fiscal year.

Note 3 The District had the following insurance coverages during the year ended June 30, 2010:

Workers compensation	\$ 1,050,000
Property	500,000,000
Liability	1,000,000
Auto	10,000,000

Silver Consolidated School District No. 1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

Findings – Financial Statement Audit

Current Status

08-1 Expenditures exceeded budgetary authority

Repeated

FINDINGS RELATED TO THE COMPONENT UNIT

09-1 Certified personnel training and experience
Not appropriately documented

Resolved

09-2 Employees were given advances on
salary.

Resolved

09-3 Expenditures were incurred in excess of
Budgetary authority

Resolved

Findings and Questioned Costs – Major Federal Award programs

None

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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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
GOVERNMENTAL 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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Silver Consolidated School District No. 1 as of and for the year ended June 30, 2010, which collectively comprise Silver Consolidated School District No. 1's basic financial statements and have issued our report thereon dated October 29, 2010. We have also audited the financial statements of each of the District's non-major governmental funds and related budgetary comparisons presented as other supplementary information as of and for the year ended June 30, 2010 and have issued our report thereon dated October 29, 2010. 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 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 Silver Consolidated School District No. 1's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 08-1, 2010-1 and 2010-2 for the primary government, and as item 2010-1 for the component unit.

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

This report is intended solely for the information and use of management, the Board of Education and its audit committee, others within the organization, the Public Education Department, 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

October 29, 2010

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Silver Consolidated School District No. 1's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Silver Consolidated School District No. 1's major federal programs for the year ended June 30, 2010. 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 Silver Consolidated School District No. 1's management. Our responsibility is to express an opinion on 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 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 of 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of 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 Silver Consolidated School District No. 1's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Silver Consolidated School District No. 1's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Education and its audit committee, others within the entity, the Public Education Department, 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

October 29, 2010

Silver Consolidated School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

SUMMARY OF AUDIT RESULTS

- 1.
2. The auditor's report expresses an unqualified opinion on the financial statements of Silver Consolidated School District No. 1.
3. 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 Bases on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
4. 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.
5. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
6. The auditor's report on compliance for the major federal award programs for Silver Consolidated School District No. 1 expresses an unqualified opinion on all major programs.
7. 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.
8. The programs tested as major programs included: The nutrition cluster, consisting of the National School Lunch Program, CFDA No. 10.555, the School Breakfast Program, CFDA No. 10.553, the Summer Food Program, CFDA No. 10.559; the Title I cluster, consisting of Title I Grants to LEAs, CFDA No. 84.010 and ARRA Title I Grants to LEAs, CFDA No. 84.389; the special education cluster, consisting of Special Education-Grants to States, CFDA No. 84.027, ARRA Special Education-Grants to States, CFDA No. 84.391, Special Education-Preschool Grants, CFDA No. 84.173, and ARRA Special Education-Preschool Grants, CFDA No. 84.392; and the ARRA State Fiscal Stabilization Fund, CFDA No. 84.394.
9. The threshold for distinguishing types A and B programs was \$300,000.
10. Silver Consolidated School District No. 1 was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

OTHER INSTANCES OF NONCOMPLIANCE

08-1 Budgetary Controls

Condition – The District incurred expenditures in excess of budgetary authority of \$2,725 in the Instruction function of the REC Operating Fund, and \$19,300 in the Support Services function of the same fund.

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority.

Effect – The internal controls established by adherence to budgets has been compromised, and excess spending could result. In addition, New Mexico statutes have been violated.

Cause – The District did not request the budget adjustments at year end to alleviate these budget overruns.

Recommendation – We recommend that the District adhere to their policy of reviewing year end expenditures and requesting budget adjustments where necessary.

Agency Response – The policy is currently being followed, and these were unusual circumstances which were unforeseen. This funding was received late in the year, and required immediate expenditure. We will continue to review expenditures at year end for the necessary budget adjustments.

2010-1 Cell Phone Usage

Condition – A District employee incurred \$635 in data charges on a District cell phone, which is an unallowable cost, and is not in conformance with District policy.

Criteria – The expenditure of public monies can be made only for costs which are reasonable and necessary to the operation of the District.

Effect – The district has utilized funds for a purpose not related to the conduct of the District's business, and purchasing procedures have been circumvented.

Cause – The District employee in charge of monitoring the cell phone usage approved the charges.

Recommendation – We recommend that the District update its cell phone monitoring controls to include review by supervisory personnel on a monthly basis.

Agency Response – Our cell phone policy was circumvented by the employee in charge of monitoring compliance with the policy. We have added to the policy a supervisory review, to be performed periodically.

2010-2 Deposit of Agency Receipts

Condition – District personnel are not depositing agency receipts in a timely manner. We noted several instances where receipts were deposited several days or even weeks after the monies had been collected.

Criteria – The Public Education Department *Manual of Procedures* requires deposit of monies within one day of receipt.

Effect – There is an increased likelihood of loss of funds, and the PED *Manual of Procedures* has not been followed.

Cause – Personnel at the individual schools were no aware of the District's deposit policy, or chose not to follow it.

Recommendation – We recommend that the District instruct the individual school principals to monitor the receipting and depositing of agency funds, to insure compliance with policy.

Agency Response – The District will meet with principals and staff at the individual schools to instruct them in the District's policy, and monitor compliance with such policy.

FINDINGS RELATED TO THE COMPONENT UNIT

2010-1 Deposit of Receipts

Condition – In a sample of 40 receipts, we noted 16 instances where the funds were deposited from 4 to more than 7 days after receipt.

Criteria – The New Mexico public Education Department's *Manual of Procedures* requires that that funds be deposited within one day of receipt.

Effect – There is an increased likelihood of loss of funds, and the PED *Manual of Procedures* has not been followed.

Cause – School personnel were unaware of the one day requirement, and have limited personnel available to make the deposits.

Recommendation – We recommend that deposits be made in accordance with the PED *Manual of Procedures*.

Agency Response – The recommendation will be adopted.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

NONE

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s.

EXIT CONFERENCE

The contents of this report were discussed September 10, 2010, and November 5, 2010. Present at these exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<u>September 10, 2010</u>		
Charlotte McGaughey	Board President	Silver Consolidated Schools
Mike Morones	Audit Committee Member	Silver Consolidated Schools
Dick Pool	Superintendent	Silver Consolidated Schools
James Murdock	Ass. Supt. of Finance	Silver Consolidated Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's
<u>November 5, 2010</u>		
Magdaleno Manzanarez	Council Member	Aldo Leopold High School
Lawrence McDaniel	Council Member	Aldo Leopold High School
Jane Janson	Finance Committee	Aldo Leopold High School
Cheryl Head	Finance Committee	Aldo Leopold High School
Eric Ahner	Director	Aldo Leopold High School
Harry Browne	Business Manager	Aldo Leopold High School
Mike Stone	Shareholder	Stone, McGee & Co., CPA's