

**STATE OF NEW MEXICO  
REGION IX EDUCATIONAL COOPERATIVE**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2011**

*Woodard Cowen & Co.*

Certified Public Accountants

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 JUNE 30, 2011

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STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
JUNE 30, 2011

OFFICIAL ROSTER

COORDINATING COUNCIL

Travis Lightfoot	Chairman
Brenda Vigil	Vice Chairman
Shirley Crawford	Member
Robert Cobos	Member
Andrea Nieto	Member
Dr. Bea Etta Harris	Member
Tommy Hancock	Member

COOPERATIVE OFFICIALS

Cathy Jones	Executive Director
Jay Chase	Finance Director

# Woodard, Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Mr. Hector H Balderas  
New Mexico State Auditor  
The Coordinating Council  
Region IX Education Cooperative

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Region IX Educational Cooperative (the Cooperative), as of and for the year ended June 30, 2011, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cooperative's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Cooperative, as of June 30, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund, IDEA B Discretionary, Carl Perkins Special Projects, State Directed Activities, and the Head Start Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental fund of the Cooperative as of June 30, 2011, and the respective changes in financial position, and the respective budgetary comparisons for the non major governmental funds for the year 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 September 29, 2011, on our consideration of Region IX Education Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

The Cooperative has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Government, and Non-Profit Organizations. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Cooperative. This information and the statement of expenditures of federal awards are not a required part of the basic financial statements of the Cooperative. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole.

Woodard, Jensen & Co.

September 29, 2011  
Portales, New Mexico

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 489,152
Due from other governments	1,226,808
Non-current: Capital Assets-Net	<u>340,313</u>
Total Assets	<u>2,056,273</u>
<u>LIABILITIES</u>	
Current: Deferred Revenue	\$ 252,864
Accounts Payable	358,162
Total Liabilities	<u>611,026</u>
<u>NET ASSETS</u>	
Invested in capital assets	340,313
Unassigned	<u>1,104,934</u>
Total Net Assets	<u>\$ 1,445,247</u>

The accompanying footnotes are an integral part of these financial statements



STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 658,922	\$ -	\$ 388,929	\$ -	\$ (269,993)
Support Services-Students	2,123,925	-	1,569,218	-	(554,707)
Support Services-Instruction	2,266,706	-	1,160,805	-	(1,105,901)
Support Services-School Administration	62,005	-	62,005	-	-
Support Services-General Administration	611,412	-	313,353	-	(298,059)
Central Services	311,762	-	125,482	-	(186,280)
Operation & Maintenance of plant	160,578	-	46,655	-	(113,923)
Student Transportation	67,312	-	67,312	-	-
Food Service Operations	107,013	-	17,837	-	(89,176)
Community Services	130,529	-	127,432	-	(3,097)
Other Support Services	-	-	-	-	-
Depreciation	128,945	-	-	-	(128,945)
Total governmental activities	\$ 6,629,109	\$ -	\$ 3,879,028	\$ -	\$ (2,750,081)

General revenues:

Donations	2,380
Intergovernmental	2,848,136
Total general revenues	2,850,516

Change in net assets	100,435
Net Assets beginning	1,365,188
Restatement of net Assets	(20,376)
Net assets - beginning Restated	1,344,812

Net assets - ending \$ 1,445,247

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2011

	GENERAL FUND	24107 IDEA B DISCRETIONARY	24171 CARL PERKINS SPECIAL PROJECTS
<b>ASSETS</b>			
Cash on Deposit	\$ 153,769	\$ 19,968	\$ 89,755
Due from other Governments	-	253,400	198,586
Due From Other Funds	1,149,290	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,303,059</b>	<b>\$ 273,368</b>	<b>\$ 288,341</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Due to Other Funds	\$ -	\$ 253,400	\$ 198,586
Accounts Payable	198,125	19,968	89,755
Deferred Revenue	-	-	-
<b>TOTAL LIABILITIES</b>	<b>198,125</b>	<b>273,368</b>	<b>288,341</b>
<b>FUND BALANCE</b>			
Fund Balance			
Unassigned	1,104,934	-	-
<b>TOTAL FUND BALANCE</b>	<b>1,104,934</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,303,059</b>	<b>\$ 273,368</b>	<b>\$ 288,341</b>

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

25127 HEADSTART	27200 STATE DIRECTED ACTIVITIES	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 8,442	\$ 188	\$ 217,030	\$ 489,152
95,369	294,729	384,724	1,226,808
-	-	63,994	1,213,284
<u>\$ 103,811</u>	<u>\$ 294,917</u>	<u>\$ 665,748</u>	<u>\$ 2,929,244</u>
\$ 95,369	\$ 294,729	\$ 371,200	\$ 1,213,284
8,442	188	41,684	358,162
-	-	252,864	252,864
103,811	294,917	665,748	1,824,310
-	-	-	1,104,934
-	-	-	1,104,934
<u>\$ 103,811</u>	<u>\$ 294,917</u>	<u>\$ 665,748</u>	<u>\$ 2,929,244</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS

June 30, 2011

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

Fund Balance - total governmental funds	\$	1,104,934
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		340,313
Net assets of governmental activities	\$	<u>1,445,247</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	GENERAL FUND	24107 IDEA B DISCRETIONARY	24171 CARL PERKINS SPECIAL PROJECTS
<b>REVENUE</b>			
Federal Program	\$ -	\$ 519,768	\$ 479,990
State Program	-	-	-
Intergovernmental	2,848,136	-	-
Donations	2,380	-	-
Sale of Equipment	-	-	-
Local Grants	-	-	-
<b>TOTAL REVENUES</b>	<u>2,850,516</u>	<u>519,768</u>	<u>479,990</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support Services-Students	847,768	-	290,263
Support Services-Instruction	1,105,900	487,252	150,000
Support Services-School Administration	-	-	-
Support Services-General Administration	298,060	32,516	22,857
Central Services	186,279	-	6,698
Operation & Maintenance of Plant	113,923	-	10,172
Student Transportation	-	-	-
Food Services - Operations	89,176	-	-
Community Services - Operations	3,098	-	-
Other Support Services	-	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,644,204</u>	<u>519,768</u>	<u>479,990</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>206,312</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In/Out	(20,376)	-	-
<b>Net Change In Fund Balances</b>	185,936	-	-
<b>FUND BALANCE</b>			
June 30, 2010	918,998	-	-
Restatement	-	-	-
<b>Restated Fund Balance</b>	<u>918,998</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
June 30, 2011	<u>\$ 1,104,934</u>	<u>\$ -</u>	<u>\$ -</u>

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

25127	27200	OTHER	Total
HEADSTART	STATE DIRECTED ACTIVITIES	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
\$ 958,588	\$ -	\$ 1,268,585	\$ 3,226,931
-	321,255	322,993	644,248
-	-	-	2,848,136
-	-	-	2,380
-	-	-	-
-	-	7,849	7,849
<u>958,588</u>	<u>321,255</u>	<u>1,599,427</u>	<u>6,729,544</u>
349,585	-	332,405	681,990
208,624	-	777,270	2,123,925
154,363	259,250	109,941	2,266,706
-	62,005	-	62,005
82,284	-	175,695	611,412
56,052	-	62,733	311,762
26,794	-	9,689	160,578
67,312	-	-	67,312
10,819	-	7,018	107,013
2,755	-	124,676	130,529
-	-	-	-
-	-	-	-
<u>958,588</u>	<u>321,255</u>	<u>1,599,427</u>	<u>6,523,232</u>
-	-	-	206,312
-	-	20,376	-
-	-	20,376	206,312
-	-	-	918,998
-	-	(20,376)	(20,376)
-	-	(20,376)	898,622
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,934</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

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

Net change in fund balance - total governmental funds	\$	206,312
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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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year

		(105,877)
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Change In Net Assets	\$	<u>100,435</u>
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The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--DISCRETIONARY

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 1,098,000	\$ 1,098,000	\$ 397,459	\$ (700,541)
State Program				
Intergovernmental				
Donations				
Sale of Equipment				
<b>TOTAL REVENUE</b>	<u>\$ 1,098,000</u>	<u>\$ 1,098,000</u>	<u>\$ 397,459</u>	<u>\$ (700,541)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,098,000</u>	<u>\$ 1,098,000</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services - General Administration	998,274	998,274	487,252	511,022
Support Services-School Administration	99,726	99,726	32,516	67,210
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,098,000</u>	<u>\$ 1,098,000</u>	<u>\$ 519,768</u>	<u>\$ 578,232</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 397,459
Differences-budget to GAAP	
Current Year Receivable	253,400
Prior Year Receivable	
Prior Year Deferral	(131,091)
Current Year Deferral	
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 519,768</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 519,768
Differences-budget to GAAP	
Current Year Payables	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 519,768</u>

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



STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CARL PERKINS SPECIAL PROJECTS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 480,974	\$ 480,974	\$ 330,063	\$ (150,911)
<b>TOTAL REVENUE</b>	<u>480,974</u>	<u>480,974</u>	<u>\$ 330,063</u>	<u>\$ (150,911)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 480,974</u>	<u>\$ 480,974</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	291,170	291,170	290,263	907
Support Services-Instruction	150,000	150,000	150,000	-
Support Services-General Administration	22,904	22,904	22,857	47
Support Services-School Administration	-	-	-	-
Central Services	6,700	6,700	6,699	1
Operation & Maintenance of Plant	10,200	10,200	10,172	28
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 480,974</u>	<u>\$ 480,974</u>	<u>\$ 479,991</u>	<u>\$ 76</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 330,063
Differences-budget to GAAP	
Current Year Receivable	198,586
Prior year Receivable	(48,658)
Prior Year Deferral	-
Current Year Deferral	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 479,991</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 479,991
Differences-budget to GAAP	
Current Year Accounts Payable	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 479,991</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--HEAD START

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 493,836	\$ 1,167,364	\$ 928,459	\$ (238,905)
TOTAL REVENUE	<u>493,836</u>	<u>1,167,364</u>	<u>928,459</u>	<u>(238,905)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 493,836</u>	<u>\$ 1,167,364</u>		

EXPENDITURES

Current

Instruction	\$ 196,282	\$ 407,729	\$ 349,585	\$ 58,144
Support Services-Students	103,270	224,734	208,624	16,110
Support Services-Instruction	38,261	256,130	154,363	101,767
Support Services-General Administration	45,884	135,018	82,284	52,734
Support Services-School Administration	-	-	-	-
Central Services	52,561	118,042	56,052	61,990
Operation & Maintenance of Plant	13,939	41,080	26,794	14,286
Student Transportation	37,128	100,576	67,312	33,264
Other Support Services	-	-	-	-
Food Services - Operations	4,964	22,000	10,819	11,181
Community Services Operations	1,547	3,497	2,755	742
TOTAL EXPENDITURES	<u>\$ 493,836</u>	<u>\$ 1,308,806</u>	<u>\$ 958,588</u>	<u>\$ 350,218</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 928,459
Differences-budget to GAAP	
Current Year Receivable	95,369
Prior Year Receivable	(65,240)
Prior Year Deferral	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 958,588</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 958,588
Differences-budget to GAAP	
Current Year Payables	0
Total Expenditures (GAAP Basis)	<u>\$ 958,588</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--STATE DIRECTED ACTIVITIES

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Program	\$ 321,255	\$ 321,255	\$ 19,969	\$ 301,286
TOTAL REVENUE	<u>321,255</u>	<u>321,255</u>	<u>19,969</u>	<u>301,286</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ 321,255</u>	<u>\$ 321,255</u>		

EXPENDITURES

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	259,250	259,250	259,250	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	62,005	62,005	62,005	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 321,255</u>	<u>\$ 321,255</u>	<u>\$ 321,255</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 19,969
Differences-budget to GAAP	
Current Year Receivable	294,729
Prior Year Receivable	-
Prior Year Deferral	6,557
Current Year Deferral	
Total Revenues (GAAP Basis)	<u>\$ 321,255</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 321,255
Differences-budget to GAAP	
Current Year Accounts Payable	-
Total Expenditures (GAAP Basis)	<u>\$ 321,255</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--COMBINED GENERAL FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Program	\$ 1,800,000	\$ 2,754,116	\$ 2,980,565	\$ 226,449
Donations	998	998	2,380	1,382
<b>TOTAL REVENUE</b>	<b>\$ 1,800,998</b>	<b>\$ 2,755,114</b>	<b>\$ 2,982,945</b>	<b>\$ 227,831</b>
BUDGETED CASH BALANCE	6,502	6,502		
TOTAL REVENUE & CASH	<u>\$ 1,807,500</u>	<u>\$ 2,761,616</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	774,188	870,862	847,768	23,094
Support Services-Instruction	480,494	1,286,523	1,105,900	180,623
Support Services-General Administration	237,582	340,846	301,362	39,484
Support Services-School Administration	-	-	-	-
Central Services	172,128	187,930	144,373	43,557
Operation & Maintenance of Plant	135,608	130,108	113,923	16,185
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	189,175	86,725	102,450
Community Services Operations	7,500	7,500	3,098	4,402
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,807,500</b>	<b>\$ 3,012,944</b>	<b>\$ 2,603,149</b>	<b>\$ 409,795</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of Resources**

Actual amounts (budgetary basis)	\$ 2,982,945
Differences-budget to GAAP	
Current Year Receivable	-
Prior Year Receivable	(132,429)
Prior Year Deferral	-
Current Year Deferral	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 2,850,516</b>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,603,149
Differences-budget to GAAP	
Current Year Payables	44,356
Prior Year Payables	(3,301)
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 2,644,204</b>

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

STATE OF NEW MEXICO  
REGION IX EDUCATIONAL COOPERATIVE  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2011

ASSETS

Pooled cash and investments \$ 328,954

LIABILITIES AND FUND BALANCE

Liabilities:

Deposits held for others \$ 328,954

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. Summary of Significant Accounting Policies

A. Reporting Entity

The ten Regional Cooperative Centers established throughout New Mexico in 1984 were originally organized to provide supplementary special education services to local education agencies utilizing federal PL 94-142 funds. The role of the Cooperatives has expanded under the authorization of the regional Coordinating Councils to include a variety of other projects, both federally funded and funded from other sources. Region IX Education Cooperative through the coordinating council, has established as its purpose the delivery to local districts and communities those services deemed critical to the ongoing success of regular and special education programs provided by the local agencies. For financial reporting purposes, the Cooperative includes all funds and account groups that are controlled by or dependent on the Cooperative for financial support. The Cooperative has no component units.

The summary of significant accounting policies of the Cooperative is presented to assist in the understanding of the Cooperative's financial statements. The financial statements and notes are the representation of Region IX Education Cooperative's management who is responsible for their integrity and objectivity. The financial statements of the Cooperative conform to generally accept accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the cooperative. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. No property tax revenue is available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Grant revenues and deferrals are recognized in accordance with GASB 33.

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

The Cooperative reports the following major governmental funds:

**General Fund** – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Idea B-Discretionary (Special Revenue) - 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.

**Career/Technical Leadership Program** – This fund is funded through the Carl Perkins Special Projects program. The purpose is to develop more fully the academic, career, and technical skills of secondary and post secondary students who elect to enroll in career and technical education programs. Authority for this fund comes from the Carl D. Perkins Career Technical Education Act of 2006, Title I.

**Head Start (Special Revenue)** — The Head Start project provides comprehensive preschool education for educationally deprived students in low-income areas. The project is funded by the Federal Government under PL 105285.

**Medicaid Title XIX (0-2) (Special Revenue)** – To account for a Federal grant restricted to the operation and maintenance of delivering services to developmentally disabled children between birth and two years old. The fund was created under the authority of Title XIX of the Social Security Act.

The Cooperative also reports the following Governmental fund type.

**Fiduciary Funds** – The Cooperative accounts for resources held for others in a custodial capacity in fiduciary funds.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Program revenues reported as operating grants and contributions consist of federal and state grant program revenues used to administer federal and state directed programs. Fees charged to participating school districts are for technical assistance, professional development, and/or direct services provided by the Cooperative.

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity

Deposits and investments

The Cooperative's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the Cooperative's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The cooperative is also allowed to invest in United States Government obligations. All funds of the cooperative must follow the above investment policies.

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

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

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

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Amounts shown as "due from other Governments" are amounts due from pass through agencies and are fully collectible.

Inventories

None

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life extending beyond a single reporting period. The Cooperative is capitalizing qualifying software as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Cooperative does not have a library.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.



STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. Summary of Significant Accounting Policies (continued)

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

4. Capital Assets (continued)

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

<u>Assets</u>	<u>Years</u>
Equipment	5, 10
Buildings	50
Building Renovations	50
Computers & Electronics	5, 10
Vehicles	12

6. Long-Term obligations

Employees are not compensated for accumulated sick leave upon termination of employment. Unused vacation is accounted for in the fund from which the employee's salary was paid. As of June 30, 2011, there was no compensated absences liability to report.

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. The cooperative has no bonded debt.

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets on the statement of net assets include the following: Investments in Capital Assets, the component of net assets that reports the difference between capital assets less the accumulated depreciation. These funds are restricted for use of the related fund.

8. Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

9. Estimates

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 and reported as depreciation expense." The details of this \$(105,877) difference are as follows:

Capital Outlay	\$	23,068
Depreciation expense		<u>(128,945)</u>
Net adjustment to increase net changes in fund balances — total government funds to arrive at changes in net assets of Governmental activities	\$	<u>(105,877)</u>

III. Stewardship, Compliance, and accountability

A. Budgetary information

Budgets for the Special Revenue Funds are prepared by management and are approved by the Coordinating Council and the Public School Budget and Planning Unit of the Department of Education.

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 reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. The Cooperative follows these procedures in establishing the budgetary data reflected in the financial statements:

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

III. Stewardship, Compliance, and Accountability

A. Budgetary Information (continued)

In April or May, the director submits to the Board a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.

In May or June, the budget is approved by the Coordinating Council.

The board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.

The director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board and the State of New Mexico Department of Education.

The director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board and the State of New Mexico Department of Education.

Budgets for the Special Revenue Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2011 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Performance</u>
Special Revenue Fund	\$4,360,161	\$5,571,355	\$3,869,128
General Fund	\$1,807,500	\$3,012,944	\$,2603,150

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

IV. Detailed Notes on all Funds

A. Cash and temporary investments

At June 30, 2011, the carrying amount of the Cooperative's deposits was \$818,107 and the bank balance was \$1,290,790. Of this balance \$1,248,565 was covered by federal depository insurance and \$42,225 was uninsured and uncollateralized.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the cooperative for at least one half of the amount on deposit with the institution.

The collateral pledged is shown as listed in the table of contents of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution

Custodial Credit Risk — Deposits.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be reed to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$42,225 of the government's bank balance was exposed to custodial credit risk as follows:

Uninsured	\$ 42,225
Collateralized by bank, held in entity's name	<u>0</u>
Amount Exposed	\$ <u>42,225</u>

B. Deferred Revenue

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable Grant
Draw downs prior to meeting all eligibility requirements	\$ <u>252,864</u>
Total deferred/unearned revenue for governmental funds	\$ <u>252,864</u>

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

IV. Detailed Notes on all Funds

C. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

REGION IX EDUCATION COOPERATIVE

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated	\$ 20,494	\$ -	\$ -	\$ 20,494
Total Capital Assets, not being depreciated	20,494	-	-	20,494
Capital Assets, being depreciated				
Buildings	217,195	-	-	217,195
Equipment	1,081,109	23,068	1,979	1,102,198
Total Capital Assets, being depreciated	1,298,304	23,068	1,979	1,319,393
Less: accumulated depreciation for				
Buildings	63,692	9,095	-	72,787
Equipment	808,916	119,850	1,979	926,787
Total accumulated depreciation	872,608	128,945	1,979	999,574
Capital Assets, Net	425,696	(105,877)	-	319,819
Total Capital Assets, Net	\$ 446,190	\$ (105,877)	\$ -	\$ 340,313

D. Long-Term Debt

For the fiscal year ended June 30, 2011, the Cooperative had neither long-term debt nor compensated absences.

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

V. Other information

A. Risk Management

It is the policy of Region IX Education Cooperative to purchase insurance for the risks of losses to which it is exposed through the General Services Administration risk management insurance. Risk management insurance includes coverage for general liability, property, casualty and employee health and accident.

B. Contingent liabilities

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

C. Employee retirement plan

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

**Funding Policy.** Effective July 1, 2009 through June 30, 2011, 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 Cooperative 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. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.12% of their gross salary. The Cooperative is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the Cooperative are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Cooperative's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$261,162, \$291,768, and \$303,153, respectively, which equal the amount of the required contributions for each fiscal year.

D. Post-retirement health care benefits

**Plan Description.** The Cooperative 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.

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

V. Other information

D. Post-retirement health care benefits (continued)

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; and 4) former governing authority members who served at least four years.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 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 Cooperative's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$34,642, \$33,108 and \$33,437, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

V. Other information (continued)

E. Interfund Balances

Due to	Due from		
State Funded Programs	English Language Acquisition	\$	2,175
	Graduate New Mexico		28,193
	Carl Perkins Special Projects		198,586
	Carl Perkins Secondary		12,532
	Drop Out Prevention		116,573
	Workforce Investment Act		43,270
	GBG Schools With Sol		98,679
	Discretionary		253,400
	Head Start		95,369
	State Directed Activities		<u>294,729</u>
Total due to State Funded Programs			1,143,506
Title XIX Medicaid 0 to 2	Graduate New Mexico		25,197
	Birth to Two Years Old		<u>44,581</u>
Total due to Title XIX Medicaid 0 to 2			69,778
Total Due to/Due from		\$	<u>1,213,284</u>

The balance of \$1,213,284 resulted from loans made to establish working capital for the individual funds. All loans are considered to be repaid within one year.

F. Restatement of Beginning Fund Balance for Governmental Fund

	Governmental Fund
Fund Balance – Governmental Fund at June 30, 2010	\$ 918,998
Prior Year Deferral reclassified to Fund Balance – Entitlement	1,267
Prior year receivable not collected – Preschool	(5,654)
Prior year receivable not collected – Carl D Perkins Secondary Redistr	(15,989)
Restated Balance at July 1, 2010	\$ <u>898,622</u>

G. Restatement of Beginning Net Assets for Governmental Activities.

	Governmental Activities
Net Assets – Governmental Activities at June 30, 2010	\$ 1,365,188
Prior Year Deferral reclassified to Fund Balance – Entitlement	1,267
Prior year receivable not collected – Preschool	(5,654)
Prior year receivable not collected – Carl D Perkins Secondary Redistr	(15,989)
Restated Balance at July 1, 2010	\$ <u>1,344,812</u>



## SPECIAL REVENUE FUNDS

**IDEA B Entitlement** – 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

**Idea B Preschool** - 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 Law 105-17.

**English Language Acquisition** – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act, as amended, Title III, Part A, Sections 3101, 3129.

**Carl D. Perkins** – To develop more fully the academic, vocational and technical skills of secondary and postsecondary students who elect to enroll in vocational and technical programs. The authority for the creation of this fund is Carl D. Perkins Vocational and Technical Education Act of 1998, Title I; Workforce Investment Act, Section 503.

**Carl Perkins Secondary - Redistribution** – This fund is funded through the Carl Perkins Secondary Redistribution program. The purpose is to develop more fully the academic, career, and technical skills of secondary and post secondary students who elect to enroll in career and technical education programs. Authority for this fund comes from the Carl D. Perkins Career Technical Education Act of 2006, Title I.

**Schools With Sol** – This fund was created to account for a program designed to provide solar energy education opportunities to school children. This fund was created under the authority of the grant agreement and funding provided through the Department of Energy.

**Drop Out Prevention** – The purpose of this fund is to account for the agreement used to provide integrated primary and behavioral health care for adolescents through a school based health center. The authority and funding for this agreement is provided by the contract between the REC and the New Mexico Department of Health.

**Medicaid Title XIX (0-2)** – To account for a Federal grant restricted to the operation and maintenance of delivering services to developmentally disabled children between birth and two years old. The fund was created under the authority of Title XIX of the Social Security Act.

**Medicaid Title XIX (3-21)** – To account for a Federal grant restricted to the operation and maintenance of delivering services to developmentally disabled children between three years old and young adults 21 years old. The fund was created under the authority of Title XIX of the Social Security Act.

**Workforce Investment Act** – To account for funds used to increase the attainment of basic skills, work readiness or occupational skills, and secondary diplomas or other credentials. The program is authorized by Title I of the Workforce Investment Act.

SPECIAL REVENUE FUNDS (continued)

**TUPAC** – (Tobacco Use Prevent and Cessation Program) To account for funding through CFDA# 93.2830 to improve school policies on tobacco and implement prevention curricula and tobacco cessation programs in school districts. The fund was created by the authority of grant provisions.

**Graduate New Mexico** – Fund was created to account for the program design to recruit drop outs back into high school so that they may earn their diploma. This fund was created under the authority of the Graduate New Mexico grant provisions.

**Birth to Two Years** – To account for a state grant restricted to the operation and maintenance of delivering services to developmentally disabled children between birth and two years old. The fund was created by the authority of the State of New Mexico grant provisions.

**Nutrition** – To account for a federal grant to provide nutritious meals and snacks for Head Start students. The fund was created by the authority of the federal grant provisions.

**28155 Healthier Schools – DOH** – To account for monies received for School Based Health Clinics at Ruidoso and Hondo schools. The fund was created by the authority of the grant provisions.

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

COMBINING BALANCE SHEET-SPECIAL REVENUE FUNDS  
 NON MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	24106	24109	24153	24174
	ENTITLEMENT	PRESCHOOL	ENGLISH LANGUAGE ACQUISITION	CARL PERKINS SECONDARY
<b>ASSETS</b>				
Cash on Deposit	\$ -	\$ -	\$ -	\$ 8,637
Due from other Governments	-	-	6,543	17,108
Due from other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,543</b>	<b>\$ 25,745</b>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ -	\$ 2,175	\$ 12,532
Accounts Payable	-	-	4,368	13,213
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>6,543</b>	<b>25,745</b>

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

24175	24176	25128	25139	25152	25153
CARL PERKINS PRIOR YEAR	CARL PERKINS SECONDARY - REDISTRIBUTION	GBG/SCHOOLS WITH SOL	DROPOUT PREVENTION	TITLE XIX MEDICAID 0/2	TITLE XIX MEDICAID 3/21
\$ -	\$ -	\$ 1,048	\$ -	\$ 71,375	\$ 61,259
-	-	98,679	116,573	-	-
-	-	-	-	63,994	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,727</u>	<u>\$ 116,573</u>	<u>\$ 135,369</u>	<u>\$ 61,259</u>
\$ -	\$ -	\$ 98,679	\$ 116,573	\$ -	\$ -
-	-	1,048	-	7,652	-
-	-	-	-	127,717	61,259
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,727</u>	<u>\$ 116,573</u>	<u>\$ 135,369</u>	<u>\$ 61,259</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

COMBINING BALANCE SHEET-SPECIAL REVENUE FUNDS  
 NON MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	25220	25222	26146	27151	28105
	WORKFORCE INVESTMENT ACT	TUPAC	HUBBARD FOUNDATION	GRADUATE NEW MEXICO	BIRTH TO TWO YEARS
<b>ASSETS</b>					
Cash on Deposit	\$ 9,373	\$ 12,029	\$ 151	\$ 5,884	\$ 977
Due from other Governments	45,454	-	-	53,390	46,977
Due from other Funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 54,827</b>	<b>\$ 12,029</b>	<b>\$ 151</b>	<b>\$ 59,274</b>	<b>\$ 47,954</b>
<b>LIABILITIES</b>					
Due to Other Funds	\$ 43,270	\$ -	\$ -	\$ 53,390	\$ 44,581
Accounts Payable	11,557	-	-	-	3,373
Deferred Revenue	-	12,029	151	5,884	-
<b>TOTAL LIABILITIES</b>	<b>\$ 54,827</b>	<b>\$ 12,029</b>	<b>\$ 151</b>	<b>\$ 59,274</b>	<b>\$ 47,954</b>

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

28127		28155		TOTAL NON MAJOR SPECIAL REVENUE FUNDS	
NUTRITION		HEALTHIER SCHOOLS DOH			
\$	3,562	\$	42,735	\$	217,030
	-		-		384,724
	-		-		63,994
\$	<u>3,562</u>	\$	<u>42,735</u>	\$	<u>665,748</u>
\$	-	\$	-	\$	371,200
	-		473		41,684
	3,562		42,262		252,864
\$	<u>3,562</u>	\$	<u>42,735</u>	\$	<u>665,748</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE-SPECIAL REVENUE FUNDS  
 NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

	24106	24109	24153	24174
	ENTITLEMENT	PRESCHOOL	ENGLISH LANGUAGE ACQUISITION	CARL PERKINS SECONDARY
<b>REVENUES</b>				
Federal Program	\$ -	\$ -	\$ 28,844	\$ 52,063
State Program	-	-	-	-
Donations	-	-	-	-
Intergovernmental	-	-	-	-
Local Grants	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>28,844</b>	<b>52,063</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	-	28,364	4,576
Support Services-Students	-	-	-	45,226
Support Services-Instruction	-	-	-	-
Support Services-School Administration	-	-	-	-
Support Services-General Administration	-	-	480	2,261
Community Services Operations	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Central Services	-	-	-	-
Food Services - Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>28,844</b>	<b>52,063</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	-	-	-	-
<b>Other Financing Sources</b>				
Transfers In (Out)	(1,267)	5,654	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,267)</b>	<b>5,654</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2010	-	-	-	-
Restatement	1,267	(5,654)	-	-
<b>RESTATED FUND BALANCE</b>	<b>1,267</b>	<b>(5,654)</b>	<b>-</b>	<b>-</b>
June 30, 2011	\$ -	\$ -	\$ -	\$ -

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

24175	24176	25128	25139	25152	25153
CARL PERKINS PRIOR YEAR	CARL PERKINS SECONDARY - REDISTRIBUTION	GBG/SCHOOLS WITH SOL	DROPOUT PREVENTION	TITLE XIX MEDICAID 0/2	TITLE XIX MEDICAID 3/21
\$ 107	\$ 6,612	\$ 98,679	\$ 242,364	\$ 432,469	\$ 238,330
-	-	-	-	-	-
-	-	-	-	-	-
<u>107</u>	<u>6,612</u>	<u>98,679</u>	<u>242,364</u>	<u>432,469</u>	<u>238,330</u>
107	6,297	-	-	293,061	-
-	-	94,439	233,909	-	175,500
-	-	-	-	20,000	-
-	-	-	-	-	-
-	315	4,240	8,455	89,388	22,222
-	-	-	-	-	-
-	-	-	-	7,895	-
-	-	-	-	22,125	40,608
-	-	-	-	-	-
-	-	-	-	-	-
<u>107</u>	<u>6,612</u>	<u>98,679</u>	<u>242,364</u>	<u>432,469</u>	<u>238,330</u>
-	-	-	-	-	-
-	15,989	-	-	-	-
-	15,989	-	-	-	-
-	-	-	-	-	-
-	(15,989)	-	-	-	-
-	(15,989)	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE-SPECIAL REVENUE FUNDS  
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 20111

	25220	25222	26146	27151	28105
	WORKFORCE INVESTMENT ACT	TUPAC	HUBBARD FOUNDATION	GRADUATE NEW MEXICO	BIRTH TO TWO YEARS
<b>REVENUES</b>					
Federal Program	\$ 133,202	\$ 35,915	\$ -	\$ -	\$ -
State Program	-	-	-	84,108	144,294
Donations	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Local Grants	-	-	7,849	-	-
<b>TOTAL REVENUES</b>	<u>133,202</u>	<u>35,915</u>	<u>7,849</u>	<u>84,108</u>	<u>144,294</u>
<b>EXPENDITURES</b>					
Current					
Instruction	-	-	-	-	-
Support Services-Students	-	34,177	-	-	107,407
Support Services-Instruction	-	-	5,457	84,108	376
Support Services-School Administration	-	-	-	-	-
Support Services-General Administration	7,693	1,738	2,392	-	36,511
Community Services Operations	124,676	-	-	-	-
Operation & Maintenance of Plant	833	-	-	-	-
Central Services	-	-	-	-	-
Food Services - Operations	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>133,202</u>	<u>35,915</u>	<u>7,849</u>	<u>84,108</u>	<u>144,294</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-
Other Financing Sources					
Transfers In (Out)	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-	-
<b>FUND BALANCE</b>					
June 30, 2010	-	-	-	-	-
Restatement	-	-	-	-	-
<b>RESTATED FUND BALANCE</b>					
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

28127	28155	TOTAL NON MAJOR SPECIAL REVENUE FUNDS
NUTRITION	HEALTHIER SCHOOLS DOH	
\$ -	\$ -	\$ 1,268,585
7,018	87,573	322,993
-	-	-
-	-	-
-	-	7,849
<u>7,018</u>	<u>87,573</u>	<u>1,599,427</u>
-	-	332,405
-	86,612	777,270
-	-	109,941
-	-	-
-	-	175,695
-	-	124,676
-	961	9,689
-	-	62,733
7,018	-	7,018
-	-	-
<u>7,018</u>	<u>87,573</u>	<u>1,599,427</u>
-	-	-
-	-	-
-	-	20,376
-	-	-
-	-	20,376
-	-	-
-	-	-
-	-	-
-	-	(20,376)
-	-	(20,376)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ENGLISH LANGUAGE ACQUISITION

Year Ended June 30, 2011

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 27,806	\$ 28,399	\$ 46,272	\$ 17,873
TOTAL REVENUE	<u>27,806</u>	<u>28,399</u>	<u>46,272</u>	<u>17,873</u>
 BUDGETED CASH BALANCE	 -	 -		
 TOTAL REVENUE & CASH	 <u>\$ 27,806</u>	 <u>\$ 28,399</u>		

EXPENDITURES

Current

Instruction	\$ 27,274	\$ 27,780	\$ 23,996	\$ 3,784
Support Services - Students	-	-	-	-
Support Services-Instruction	-	87	-	87
Support Services - General Administration	532	532	480	52
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 27,806</u>	<u>\$ 28,399</u>	<u>\$ 24,476</u>	<u>\$ 3,923</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 46,272
Differences-budget to GAAP	
Current Year Receivable	6,543
Prior Year Receivable	(23,971)
Current Year Deferral	-
Prior Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 28,844</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 24,476
Differences-budget to GAAP	
Current Year Accounts Payable	4,368
Total Expenditures (GAAP Basis)	<u>\$ 28,844</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND-CARL PERKINS SECONDARY

Year Ended June 30, 2011

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 74,496	\$ 73,128	\$ 41,133	\$ (31,995)
TOTAL REVENUE	<u>74,496</u>	<u>73,128</u>	<u>\$ 41,133</u>	<u>\$ (31,995)</u>
 BUDGETED CASH BALANCE	 -	 -		
 TOTAL REVENUE & CASH	 <u>\$ 74,496</u>	 <u>\$ 73,128</u>		

EXPENDITURES

Current

Instruction	\$ 71,425	\$ 70,122	\$ 45,226	\$ 24,896
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	3,071	3,006	2,261	745
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 74,496</u>	<u>\$ 73,128</u>	<u>\$ 47,487</u>	<u>\$ 25,641</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 41,133
Differences-budget to GAAP	
Current Year Receivable	17,108
Prior year Receivable	(6,178)
Prior Year Deferral	
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 52,063</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 47,487
Differences-budget to GAAP	
Current Year Accounts Payable	4,576
Total Expenditures (GAAP Basis)	<u>\$ 52,063</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND-CARL PERKINS SECONDARY PY UNLIQ. OBLIGATIONS

Year Ended June 30, 2011

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 1,122	\$ 107	\$ 107	\$ -
TOTAL REVENUE	<u>1,122</u>	<u>107</u>	<u>107</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,122</u>	<u>\$ 107</u>		

**EXPENDITURES**

Current

Instruction	\$ 1,122	\$ 107	\$ 107	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,122</u>	<u>\$ 107</u>	<u>\$ 107</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 107
Differences-budget to GAAP	
Current Year Receivable	
Prior year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 107</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 107
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 107</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CARL PERKINS SECONDARY REDISTRIBUTION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 10,276	\$ 19,544	\$ 6,612	\$ (12,932)
TOTAL REVENUE	<u>10,276</u>	<u>19,544</u>	<u>6,612</u>	<u>(12,932)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 10,276</u>	<u>\$ 19,544</u>		

**EXPENDITURES**

**Current**

Instruction	\$ 9,787	\$ 18,714	\$ 6,297	\$ 12,417
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	489	830	315	515
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 10,276</u>	<u>\$ 19,544</u>	<u>\$ 6,612</u>	<u>\$ 12,932</u>

**Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 6,612
Differences-budget to GAAP	-
Current Year Receivable	-
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 6,612</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 6,612
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 6,612</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SCHOOLS WITH SOL

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 99,814	\$ 99,814	\$ -	\$ (99,814)
<b>TOTAL REVENUE</b>	<u>99,814</u>	<u>99,814</u>	<u>-</u>	<u>(99,814)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 99,814</u>	<u>\$ 99,814</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	95,516	95,516	94,439	1,077
Support Services-Instruction	-	-	-	-
Support Services-General Administration	4,298	4,298	4,240	58
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 99,814</u>	<u>\$ 99,814</u>	<u>\$ 98,679</u>	<u>\$ 1,135</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Current Year Receivable	98,679
Prior Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 98,679</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 98,679
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 98,679</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--DROPOUT PREVENTION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 243,333	\$ 243,333	\$ 135,531	\$ (107,802)
<b>TOTAL REVENUE</b>	<u>243,333</u>	<u>243,333</u>	<u>135,531</u>	<u>(107,802)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 243,333</u>	<u>\$ 243,333</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	234,878	234,878	233,909	969
Support Services-Instruction	-	-	-	-
Support Services-General Administration	8,455	8,455	8,455	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 243,333</u>	<u>\$ 243,333</u>	<u>\$ 242,364</u>	<u>\$ 969</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 135,531
Differences-budget to GAAP	
Current Year Receivable	116,573
Prior Year Receivable	(9,740)
Prior Year Deferral	
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 242,364</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 242,364
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 242,364</u>

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



STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID 0/2 YEARS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 450,000	\$ 500,000	\$ 417,019	\$ (82,981)
<b>TOTAL REVENUE</b>	<u>450,000</u>	<u>500,000</u>	<u>417,019</u>	<u>(82,981)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 450,000</u>	<u>\$ 500,000</u>		

**EXPENDITURES**

<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	310,411	351,411	293,061	58,350
Support Services-Instruction	20,000	29,000	20,000	9,000
Support Services-General Administration	89,394	89,394	89,388	6
Support Services-School Administration	-	-	-	-
Central Services	22,125	22,125	22,125	-
Operation & Maintenance of Plant	8,070	8,070	7,895	175
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 450,000</u>	<u>\$ 500,000</u>	<u>\$ 432,469</u>	<u>\$ 67,531</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 417,019
Differences-budget to GAAP	
Current Year Receivable	
Prior Year Receivable	
Prior Year Deferral	143,167
Current Year Deferral	(127,717)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 432,469</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 432,469
Differences-budget to GAAP	
Current Year Accounts Payable	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 432,469</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID 3/21 YEARS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 300,000	\$ 300,000	\$ 204,347	\$ (95,653)
<b>TOTAL REVENUE</b>	<u>300,000</u>	<u>300,000</u>	<u>204,347</u>	<u>(95,653)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 300,000</u>	<u>\$ 300,000</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	225	225,000	175,500	49,500
Support Services-Instruction	-	-	-	-
Support Services-General Administration	22,222	22,222	22,222	-
Support Services-School Administration	-	-	-	-
Central Services	46,378	46,378	40,608	5,770
Operation & Maintenance of Plant	6,400	6,400	-	6,400
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 75,225</u>	<u>\$ 300,000</u>	<u>\$ 238,330</u>	<u>\$ 61,670</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 204,347
Differences-budget to GAAP	
Prior Year Deferral	95,242
Current Year Deferral	(61,259)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 238,330</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 238,330
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 238,330</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--WORKFORCE INVESTMENT ACT

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 121,163	\$ 139,063	\$ 105,500	\$ (33,563)
<b>TOTAL REVENUE</b>	<u>121,163</u>	<u>139,063</u>	<u>105,500</u>	<u>(33,563)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 121,163</u>	<u>\$ 139,063</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	4,919	9,652	7,693	1,959
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	840	840	833	7
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	115,404	130,029	124,676	5,353
<b>TOTAL EXPENDITURES</b>	<u>\$ 121,163</u>	<u>\$ 140,521</u>	<u>\$ 133,202</u>	<u>\$ 7,319</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 105,500
Differences-budget to GAAP	
Current Year Receivable	45,454
Prior Year Receivable	(17,752)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 133,202</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 133,202
Differences-budget to GAAP	
Current Year Accounts Payable	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 133,202</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TUPAC

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Program	\$ 36,500	\$ 36,500	\$ 36,400	\$ (100)
<b>TOTAL REVENUE</b>	<u>36,500</u>	<u>36,500</u>	<u>36,400</u>	<u>(100)</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 36,500</u>	<u>\$ 36,500</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	34,762	34,762	34,177	585
Support Services-Instruction	-	-	-	-
Support Services-General Administration	1,738	1,738	1,738	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 36,500</u>	<u>\$ 36,500</u>	<u>\$ 35,915</u>	<u>\$ 585</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 36,400
Differences-budget to GAAP	
Prior Year Receivable	
Prior Year Deferral	11,544
Current year Deferral	(12,029)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 35,915</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 35,915
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 35,915</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--HUBBARD FOUNDATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Program	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
TOTAL REVENUE	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ 8,000</u>	<u>\$ 8,000</u>		

EXPENDITURES

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	5,607	5,607	5,457	150
Support Services-General Administration	2,393	2,393	2,392	1
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 7,849</u>	<u>\$ 151</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 8,000
Differences-budget to GAAP	
Prior Year Receivable	0
Current year Deferral	(151)
Total Revenues (GAAP Basis)	<u>\$ 7,849</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 7,849
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 7,849</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--GRADUATE NM

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Program	\$ 90,000	\$ 90,000	\$ 30,718	\$ (59,282)
TOTAL REVENUE	<u>90,000</u>	<u>90,000</u>	<u>30,718</u>	<u>(59,282)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 90,000</u>	<u>\$ 90,000</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	90,000	90,000	84,108	5,892
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 84,108</u>	<u>\$ 5,892</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 30,718
Differences-budget to GAAP	
Current Year Receivable	-
Prior Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 30,718</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 84,108
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 84,108</u>

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND-- BIRTH THRU 2 YEAR OLD

Year Ended June 30, 2011

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Program	\$ 116,000	\$ 213,613	\$ 109,654	\$ (103,959)
TOTAL REVENUE	<u>116,000</u>	<u>213,613</u>	<u>109,654</u>	<u>(103,959)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ 116,000</u>	 <u>\$ 213,613</u>		

EXPENDITURES

Current

Instruction

Support Services-Students

\$ 58,174 \$ 154,937 \$ 107,407 \$ 47,530

Support Services-Instruction

10,250 4,800 376 4,424

Support Services-General Administration

47,576 53,876 36,511 17,365

Support Services-School Administration

- - - -

Central Services

- - - -

Operation & Maintenance of Plant

- - - -

Student Transportation

- - - -

Other Support Services

- - - -

Food Services - Operations

- - - -

Community Services Operations

- - - -

TOTAL EXPENDITURES

\$ 116,000 \$ 213,613 \$ 144,294 \$ 69,319

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis) \$ 109,654

Differences-budget to GAAP

Current Year Receivable 46,977

Prior Year Receivable (12,337)

Prior Year Deferral

Current Year Deferral -

Total Revenues (GAAP Basis) \$ 144,294

Uses/outflows of Resources

Actual amounts (budgetary basis) \$ 144,294

Differences-budget to GAAP

Current Year Accounts Payable -

Total Expenditures (GAAP Basis) \$ 144,294

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

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--NUTRITION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Program	\$ 15,000	\$ 15,000	\$ 7,953	\$ (7,047)
TOTAL REVENUE	<u>15,000</u>	<u>15,000</u>	<u>7,953</u>	<u>(7,047)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 15,000</u>	<u>\$ 15,000</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services	15,000	15,000	7,018	7,982
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 7,018</u>	<u>\$ 7,982</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of Resources**

Actual amounts (budgetary basis)	\$ 7,953
Differences-budget to GAAP	
Current Year Receivable	
Prior Year Receivable	-
Prior Year Deferral	2,627
Current Year Deferral	(3,562)
Total Revenues (GAAP Basis)	<u>\$ 7,018</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 7,018
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 7,018</u>

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



STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--HEALTHIER SCHOOLS DOH

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Program	\$ 95,000	\$ 95,000	\$ 55,000	\$ (40,000)
TOTAL REVENUE	<u>95,000</u>	<u>95,000</u>	<u>55,000</u>	<u>(40,000)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 95,000</u>	<u>\$ 95,000</u>		

**EXPENDITURES**

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	92,800	92,800	86,612	6,188
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,200	2,200	961	1,239
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 87,573</u>	<u>\$ 7,427</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 55,000
Differences-budget to GAAP	
Prior Year Deferral	74,835
Current Year Deferral	(42,262)
Total Revenues (GAAP Basis)	<u>\$ 87,573</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 87,573
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 87,573</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2011

	29101 REC DONATIONS	27101 STATE FUNDED PROGRAMS	26107 CONSOLIDATED EXPENSES	TOTALS
<b>ASSETS</b>				
Cash on Deposit	\$ -	\$ 153,769	\$ -	\$ 153,769
Due from Other Funds	5,784	1,143,506	-	1,149,290
Due from other governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,784</b>	<b>\$ 1,297,275</b>	<b>\$ -</b>	<b>\$ 1,303,059</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ 198,125	\$ -	\$ 198,125
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>-</b>	<b>198,125</b>	<b>-</b>	<b>198,125</b>
<b>FUND BALANCE</b>				
Unassigned	5,784	1,099,150	-	1,104,934
<b>TOTAL FUND BALANCE</b>	<b>5,784</b>	<b>1,099,150</b>	<b>-</b>	<b>1,104,934</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,784</b>	<b>\$ 1,297,275</b>	<b>\$ -</b>	<b>\$ 1,303,059</b>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – GENERAL FUND

Year Ended June 30, 2011

	29101	27101	26107	
	REC	STATE	CONSOLIDATED	TOTALS
	DONATIONS	DIRECTED	EXPENSES	
		ACTIVITIES		
<b>REVENUE</b>				
Intergovernmental	\$ -	\$ 2,848,136	\$ -	\$ 2,848,136
Donations	2,380	-	-	2,380
<b>TOTAL REVENUES</b>	<b>2,380</b>	<b>2,848,136</b>		<b>2,850,516</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services-Students	-	847,768	-	847,768
Support Services-Instruction	-	1,105,900	-	1,105,900
Support Services-School Administration	-	-	-	-
Support Services-General Administration	-	298,060	-	298,060
Community Services Operations	3,098	-	-	3,098
Operation & Maintenance of Plant	-	113,923	-	113,923
Central Services	-	186,279	-	186,279
Food Services - Operations	-	89,176	-	89,176
Other Support Services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,098</b>	<b>2,641,106</b>		<b>2,644,204</b>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUE OVER EXPENDITURES</b>	<b>(718)</b>	<b>207,030</b>		<b>206,312</b>
<b>Other Financial Sources (Uses)</b>				
Transfer In/Transfers (Out)	-	895,422	(915,798)	(20,376)
<b>Total Other Financial Sources</b>		<b>895,422</b>	<b>(915,798)</b>	<b>(20,376)</b>
<b>Net Change in Fund Balance</b>	<b>(718)</b>	<b>1,102,452</b>	<b>(915,798)</b>	<b>185,936</b>
<b>FUND BALANCE</b>				
June 30, 2010	6,502	(3,302)	915,798	918,998
<b>FUND BALANCE</b>				
June 30, 2011	\$ 5,784	\$ 1,099,150	\$ -	\$ 1,104,934

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

STATE OF NEW MEXICO  
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--REC DONATIONS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Donations	\$ 998	\$ 998	\$ 2,380	\$ 1,382
TOTAL REVENUE	\$ 998	\$ 998	\$ 2,380	\$ 1,382
 BUDGETED CASH BALANCE	 6,502	 6,502		
 TOTAL REVENUE & CASH	 \$ 7,500	 \$ 7,500		

EXPENDITURES

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	-	-	-
Support Services-Instruction	-	-	-	-
Support Services-General Administration	-	-	-	-
Support Services-School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	-	-	-
Community Services Operations	7,500	7,500	3,098	4,402
TOTAL EXPENDITURES	\$ 7,500	\$ 7,500	\$ 3,098	\$ 4,402

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 2,380
Differences-budget to GAAP	
Total Revenues (GAAP Basis)	\$ 2,380

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,098
Differences-budget to GAAP	
Current Year Payables	-
Total Expenditures (GAAP Basis)	\$ 3,098

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--STATE FUNDED PROGRAMS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Program	\$ 1,800,000	\$ 2,754,116	\$ 2,980,565	\$ (226,449)
TOTAL REVENUE	<u>1,800,000</u>	<u>2,754,116</u>	<u>\$ 2,980,565</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ 1,800,000</u>	<u>\$ 2,754,116</u>		

EXPENDITURES

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	774,188	870,862	847,768	23,094
Support Services-Instruction	480,494	1,286,523	1,105,900	180,623
Support Services-General Administration	237,582	340,846	301,362	39,484
Support Services-School Administration	-	-	-	-
Central Services	172,128	187,930	144,373	43,557
Operation & Maintenance of Plant	135,608	130,108	113,923	16,185
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services - Operations	-	189,175	86,725	102,450
Community Services Operations	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,800,000</u>	<u>\$ 3,005,444</u>	<u>\$ 2,600,051</u>	<u>\$ 405,393</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 2,980,565
Differences-budget to GAAP	
Current year Receivable	
Prior Year Receivable	(132,429)
Prior Year Deferral	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 2,848,136</u>

**Uses/outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,600,051
Differences-budget to GAAP	
Current Year Accounts Payable	44,356
Prior Year Accounts Payable	(3,301)
Total Expenditures (GAAP Basis)	<u>\$ 2,641,106</u>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

Schedule of Changes in Assets and Liabilities - Agency Fund

Year Ended June 30, 2011

	Balance 6/30/2010	Additions	Deletions	Balance 6/30/2011
CHARTER SCHOOL CONFERENCE	\$ 260		\$ 260	\$ -
E RATE	22,802	29,688	-	52,490
BPA	20,797	47,127	45,939	21,985
DECA	67,957	241,390	207,789	101,558
FCCLA	32,916	40,837	33,626	40,127
CTSO-TSA	16,021	10,760	5,977	20,804
Skills USA	65,971	197,651	186,724	76,898
TSA	4,228	8,570	7,560	5,238
Fall Conference	10,469	34,711	35,326	9,854
<b>Total</b>	<b>\$ 241,421</b>	<b>\$ 610,734</b>	<b>\$ 523,201</b>	<b>\$ 328,954</b>

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

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>Department of Health and Human Services Direct Programs</u>			
Head Start	93.600	25127	875,167
ARRA - Head Start	93.600	25127	83,421
Total Head Start			<u>958,588</u>
Title XIX Medicaid 0 to 2	93.788	25152	432,469
Title XIX Medicaid 3 to 21	93.788	25153	238,330
Total Title XIX Medicaid			<u>670,799</u>
TUPAC	93.283	25222	35,915
Total Department of Health and Human Services Direct Programs			1,665,302
<u>Department of Education Direct Programs</u>			
Behavioral Health - Drop Out Prevention	84.215M	25139	242,364
<u>Department of Labor Direct Programs</u>			
Workforce Investment Act	17.759	25220	133,202
<u>Department of Energy Direct Programs</u>			
Schools With Sol	81.141	25128	98,679
Total Federal Direct Programs			2,139,547
<u>Passed Through the State of New Mexico Public Education Department</u>			
IDEA-B Discretionary	84.027	24107	519,768
Carl D Perkins Secondary - Current	84.048	24174	52,063
Carl D Perkins Secondary - P/Y Unliquidated Oblg.	84.048	24175	107
Carl D Perkins Secondary - Redistribution	84.048	24176	6,612
Carl D Perkins Special Projects	84.048	24171	479,990
English Language Acquisition	84.365	24153	28,844
Total Passed Through the State of New Mexico Public Education Department			<u>1,087,384</u>
Total Federal Program Expenditures			<u>3,226,931</u>
Reconciliation to Federal Revenues In Financial Statements:			
Federal Revenues Per Financial Statements			<u>\$ 3,226,931</u>

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non- Profit Organizations.

The accompanying footnotes are an integral part of these footnotes.

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2011

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL PLEGGED	SECURITY DEFICIT	UNINSURED & UNCOLLATERALIZED DEPOSITS
COMPASS BANK	\$ <u>998,565</u>	\$ <u>998,565</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Compass Bank extended the FDIC's TAG Program. All non interest bearing accounts continue to be fully insured under the Dodd-Frank Wall Street Reform and Consumer Protection Act through December 31, 2012.

CITY BANK	\$ <u>292,225</u>	\$ <u>250,000</u>	\$ <u>42,225</u>	\$ <u>-</u>	\$ <u>(42,225)</u>	\$ <u>42,225</u>
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STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

BANK SUMMARY

JUNE 30, 2011

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	NET CASH BALANCE
Compass Bank	Checking	Operational/Agency	\$ 996,139	\$ 367,571	\$ -	\$ 628,568
Compass Bank	Checking	Head Start	2,426	89,353	-	(86,927)
City Bank	Checking *	Agency	292,225	15,759	-	276,466
Total All Accounts			\$ <u>1,290,790</u>	\$ <u>472,683</u>	\$ <u>-</u>	\$ <u>818,107</u>

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE

BANK RECONCILIATION

June 30, 2011

	GENERAL FUND	SPECIAL REVENUE	AGENCY FUNDS
Audited Net Cash			
JUNE 30, 2010	\$ 560,693	\$ 375,220	\$ 241,421
Prior Year Reconciliation Adjustment	-	-	-
Less: Held Checks	(117,337)	(52,088)	-
Transfers To Other Funds	(20,376)	20,376	-
Interfund Loans	-	-	-
Prior Year Void Check	-	-	-
<b>ADJUSTED TOTAL CASH BALANCE</b>	<b>422,980</b>	<b>343,508</b>	<b>241,421</b>
JUNE 30, 2010			
Add:			
2010-2011 Revenue	2,982,945	2,912,915	610,734
Prior Year Void Check	-	-	-
Transfers In	-	-	-
<b>TOTAL AVAILABLE CASH</b>	<b>3,405,925</b>	<b>3,256,423</b>	<b>852,155</b>
2010-2011 Expenditures	(2,603,150)	3,869,120	523,201
Add: Held Checks	153,769	145,305	-
Current Year Interfund Loans	(1,149,290)	1,149,290	-
Prior Year Interfund Loans	346,515	(346,515)	-
Cash Adjustment	-	-	-
<b>TOTAL CASH, JUNE 30, 2011</b>	<b>\$ 153,769</b>	<b>\$ 335,383</b>	<b>\$ 328,954</b>

# Woodard, Cowen & Co.

Certified Public Accountants

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

To the Coordinating Council  
Region IX Educational Cooperative

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Region IX Educational Cooperative, as of and for the year ended June 30, 2011, which collectively comprise the Region IX Educational Cooperative's basic financial statements and have issued our report thereon dated September 29, 2011. 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 Region IX Educational Cooperative'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 Region IX Educational Cooperative's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Region IX Educational Cooperative'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 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 10-01. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region IX Educational Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 10-01.

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Clovis: PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

Region IX Educational Cooperative's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Region IX Education Cooperative's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within Region IX Educational Cooperative, the Coordinating Council, the State Auditor, the Public Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Woodard, Lewen & Co.*

Portales, New Mexico  
September 29, 2011

# Woodard, Cowen & Co.

Certified Public Accountants

## 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

To the Coordinating Council  
Region IX Education Cooperative

### Compliance

We have audited Region IX Education Cooperative's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Region IX Education Cooperative's major federal programs for the year ended June 30, 2011. Region IX Education Cooperative'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 Region IX Education Cooperative's management. Our responsibility is to express an opinion on Region IX Education Cooperative'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 Region IX Education Cooperative'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 Region IX Education Cooperative's compliance with those requirements.

In our opinion, Region IX Education Cooperative, 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, 2011.

### Internal Control over Compliance

Management of Region IX Education Cooperative 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 Region IX Education Cooperative'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 Region IX Education Cooperative'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.

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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.

Region IX Educational Cooperative's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Region IX Education Cooperative's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, others within Region IX Educational Cooperative, the Coordinating Council, the State Auditor, the Public Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Woodward, Hewes & Co.*

Portales, New Mexico  
September 29, 2011

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

JUNE 30, 2011

PRIOR YEAR AUDIT FINDINGS

**Capital Assets and depreciation not recorded on capital asset inventory 09-01 repeated and revised**

Statement of Condition: The Cooperative had land with a cost of \$20,494 not recorded on the fixed asset inventory. A piece of equipment with the cost of \$3,866, which was retired in a prior period, was removed during the current year. A second piece of equipment with a cost of \$1,122 was excluded from prior years capital asset listing was properly included this year. The equipment adjustments resulted in an adjustment to accumulated depreciation for an increase of \$6,303.

Recommendation: The Cooperative staff must review the capital asset inventory for completeness and examine additions and deletions for proper treatment. If there is an issue of unfamiliarity of the software, adequate training must be obtained.

Status: Resolved.

**LATE REPORT – 09-05**

Statement of Condition: The audit report for the Cooperative's fiscal year ended June 30, 2010 was not submitted by the September 30, 2010 due date. The audit report was not accepted by the due date.

Recommendation: Audit firm should submit the audit report with enough time to make any corrections.

Status: Revised and Repeated.

**Under Collateralized Funds – 10-01**

Statement of Condition: Funds held by financial institution (Compass Bank) were under collateralized. The account was under collateralized by \$165,774.

Recommendation: Review pledged collateral at least monthly and compare to bank balance.

Status: Revised and Repeated.

STATE OF NEW MEXICO  
 REGION IX EDUCATION COOPERATIVE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2011

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	10-01
Material Weakness involving Significant Deficiency	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Programs	Head Start
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified
II. FEDERAL PROGRAM FINDINGS:	None

III. FINANCIAL STATEMENT FINDINGS:

**LATE REPORT – 09-05 (revised and repeated)**

Statement of Condition:	The audit report for the Cooperative's fiscal year ended June 30, 2011 was not submitted by the September 30, 2011 due date.
Criteria:	The audit report was not accepted by the due date. SAO Rule 2.2.2.9.A.I(a) establishes a due date of September 30, 2011 for submission of this audit report to the Office of the State Auditor.
Cause:	The audit report was submitted by the due date. However, the report was rejected by the Office of the State Auditor due to two minor changes that the Office of the State Auditor used as a basis to determine that the original report was excessively deficient. The rejection notice was received by the auditors on October 14 with correction submitted on October 25.
Effect:	The report was not submitted as required. Without the audit report being delivered on time, funding and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.
Recommendation:	Audit firm should submit the audit report with enough time to make any corrections.
Response:	Management concurs with recommendation.



STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2011

III. FINANCIAL STATEMENT FINDINGS (continued):

**Under Collateralized Funds – 10-01 (revised and repeated)**

Statement of Condition:	Funds held by financial institution (City Bank) were under collateralized. The account was under collateralized by \$21,113.
Criteria:	6-10-17 NMSA 1978 provides that any financial institution designated as a depository of public money shall deliver securities to a custodial bank and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom the public money is received for deposit.
Cause:	During the year the Cooperative's bank balance exceeded the maximum collateralized and the bank was unable to collateralize the balance that exceeded the \$250,000 FDIC limit. Management of the Cooperative inquired of the bank about collateralization of public funds and was informed that the bank was unable to offer collateral service.
Effect:	Risk of loss if bank fails.
Recommendation:	Review pledged collateral at least monthly and compare to bank balance.
Response:	Management concurs with the recommendation. In addition, the Cooperative has divided its deposits by fund into separate accounts to maintain deposit balances below the FDIC limit.

STATE OF NEW MEXICO  
REGION IX EDUCATION COOPERATIVE

Year Ended JUNE 30, 2011

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the Cooperative's internal control, thus the preparation of the report is not a substitute for managements internal control and is not considered in the auditors evaluation of the severity of the internal control deficiency.

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

EXIT CONFERENCE

An exit conference to discuss the contents of this report was held on September 29, 2011. Those in attendance were Melina Romero, Acting Executive Director for the Region IX Education Cooperative; Fred Romero, Human Resource Manager; April Stirman, Business Manager Assistant; Gary Cozzens, Distance Learning; Dr. Bea Harris, Member Council of Superintendents; and Shirley Crawford, Member Council of Superintendents. Gayland Cowen, C.P.A. represented our firm.