

State of New Mexico

**Animas Independent School District No. 6  
FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT THEREON**

For The Fiscal Year Ended June 30, 2008

Animas Independent School District # 6  
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Animas Independent School District No. 6  
**DIRECTORY OF OFFICIALS**  
June 30, 2008

**BOARD OF EDUCATION**

Levi Klump	President
Scott Richins	Vice-President
Jody Hatch	Secretary
David Johnson	Member
Mike Pompeo	Member

**SCHOOL OFFICIALS**

Jerry Birdwell	Superintendent
Kathy Johnson	Finance Director



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

KELLEY WYATT, C.P.A.  
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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
and  
Board of Education  
Animas Independent School District No. 6  
Animas, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Animas Independent School District No. 6 as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, each major fund, and the aggregate remaining fund information of Animas Independent School District No. 6 as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, Discretionary, and Enhancing Education Through Technology funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Animas Independent School District No. 6 as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of the General fund, the nonmajor Special Revenue funds, the Capital Projects Fund, and the Debt Service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2008, on our consideration of Animas Independent School District No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and on the combining, individual fund and budgetary comparisons statements presented as other supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the District. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Stone, McGee & Co., CPAs*

November 13, 2008

*Stone, McGee & Co.*  
*Certified Public Accountants*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Animas Independent School District No. 6's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the District's financial statements, which are listed in the table of contents.

### Financial Highlights

- The District's net assets increased \$4,130, or 1%.
- During the year, the District had \$4,265,533 in governmental expenditures, compared to \$4,233,533 the prior year, an increase of \$32,000 or 1%.
- The District's general revenues, net of special items, increased \$69,074 or 2%.

### Using This Annual Report

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

### Reporting the District as a Whole

#### The Statement of Net Assets and the Statement of Activities

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

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



enrollment and the State's method of funding education, to assess the overall health of the District.

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

## **Reporting the District's Most Significant Funds**

### **Fund Financial Statements**

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

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

### **The District as Trustee**

#### **Reporting the District's Fiduciary Responsibilities**

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

## THE DISTRICT AS A WHOLE

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Change</u>
Cash and cash equivalents	\$ 271,614	\$ 399,597	\$ (127,983)
Other current assets	196,508	70,848	125,660
Capital assets, net of depreciation	<u>3,363,366</u>	<u>3,359,009</u>	<u>4,357</u>
Total assets	<u>\$ 3,831,488</u>	<u>\$ 3,829,454</u>	<u>\$ (2,034)</u>
Current liabilities	\$ 20,753	\$ 27,340	\$ 6,587
Long-term liabilities	<u>15,521</u>	<u>11,030</u>	<u>(4,491)</u>
Total liabilities	<u>\$ 36,274</u>	<u>\$ 38,370</u>	<u>\$ 2,096</u>
Net assets	<u>\$ 3,795,214</u>	<u>\$ 3,791,084</u>	<u>\$ 4,130</u>

The net assets increased 1% in 2008. This increase is primarily due to the increase in state formula funding. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements, increased from \$296,139 to \$346,535.

A comparison of changes in net assets between 2008 and 2007 is as follows:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ 55,573	\$ 41,488
Operating grants	1,025,888	913,926
Capital grants	214,293	142,025
General revenues:		
Property taxes	70,527	67,170
State formula grants	2,881,247	2,791,286

Other general revenues	<u>22,135</u>	<u>46,379</u>
Total revenues	<u>\$ 4,269,663</u>	<u>\$ 4,002,274</u>
Expenses:		
Instruction	\$ 2,370,480	\$ 2,259,910
Support Services - Students	191,788	
Support Services - Instruction	104,209	451,895
General Administration	161,224	309,864
School Administration	298,372	599,439
Central Services	93,915	128,534
Operation of Plant	517,357	
Food Services	130,749	
Transportation	397,439	365,265
Central services		<u>118,626</u>
Total expenses	<u>\$ 4,265,533</u>	<u>\$ 4,233,533</u>
Increase (decrease) in net assets	<u>\$ 4,130</u>	<u>\$ 231,259</u>

Total revenues net of special items, increased \$69,074 or 2%. This increase is due to the additional operating grants received in 2008. Expenses increased \$32,000 or 1%. This increase is within the bounds of normal operations. As shown in the Statement of Activities, the amount that taxpayers and the State Equalization Guarantee ultimately financed for these activities was \$2,973,909, because direct grants and charges for services financed the remainder.

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

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

## **THE DISTRICT'S FUNDS**

The District's general fund balance increased \$54,819 or 15%, primarily due to increased formula funding based on enrollment, and decreased expenses to fund mandated programs.

The District's SB-9 Fund decreased \$76,363 or 28% primarily due to increased spending. All other funds have changes which are normal and inherent in school operations.

**BUDGETARY HIGHLIGHTS**

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets**

At the end of June 30, 2008, the District had \$13,129,157 invested in capital assets, as shown below. This represents a net increase of \$308,177 or 2%, due to additional purchases and funding from PSFA.

	<u>2008</u>	<u>2007</u>
Land and improvements	\$ 380,943	\$ 401,187
Construction in progress	237,924	33,001
Building and improvements	11,321,552	10,826,214
Equipment	<u>1,188,738</u>	<u>1,560,578</u>
	<u>\$ 13,129,157</u>	<u>\$ 12,820,980</u>

**Debt**

The District had no outstanding general obligation bonds. Other obligations of the District include accrued compensated absences. During the year ended June 30, 2008, the District's liability for accumulated leave increased to \$15,521.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The operating budget for fiscal year 2008-2009 is based on prior year student membership, which is an average of the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> day enrollment averages. Over the past two years, enrollment trends in the school district have shown a decline.

During this year and into the near future, the District looks forward to several capital improvement projects, to be funded by State sources as well as PSFA.

In addition to the operational funding provided through the State's Equalization Guarantee (SEG), the District receives funding from IDEA, which supports special education services throughout the District.

The District continues to rely upon both the State's and District's shares of SB-9 funding to support maintenance projects throughout the schools as well as PSFA funding.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Manager's Office at P.O. Box 85, Animas, New Mexico 88020.

Animas Independent School District # 6  
**STATEMENT OF NET ASSETS**  
June 30, 2008

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 271,614
Property taxes receivable	5,447
Due from other governments	190,473
Inventory	588
Capital assets:	
Land	380,943
Buildings and improvements	11,321,552
Furniture and fixtures and equipment	1,188,738
Construction in progress	237,924
Less accumulated depreciation	(9,765,791)
Total capital assets, net of depreciation	\$ 3,363,366
Total assets	\$ 3,831,488
<b>Liabilities</b>	
Accounts payable	\$ 20,753
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	15,521
Total liabilities	\$ 36,274
<b>Net Assets</b>	
Invested in capital assets	\$ 3,363,366
Restricted for:	
Debt service	3,669
Other purposes	81,644
Unrestricted	346,535
Total net assets	\$ 3,795,214

The accompanying notes are an integral part of these financial statements

Animas Independent School District # 6  
**STATEMENT OF ACTIVITIES**  
 For the Fiscal Year Ended June 30, 2008

<b><u>Functions/Programs</u></b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in Net</u> <u>Assets</u>  <u>Total</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:					
Instruction	\$ 2,370,480	\$ 26,046	\$ 428,691	\$ 214,293	\$ (1,701,450)
Support services - Students	191,788		7,470		(184,318)
Support services - Instruction	104,209		4,344		(99,865)
General administration	161,224				(161,224)
School administration	298,372		83,850		(214,522)
Central services	93,915				(93,915)
Operation of plant	517,357				(517,357)
Food services	130,749	29,527	107,679		6,457
Transportation	397,439		393,854		(3,585)
	<u>\$ 4,265,533</u>	<u>\$ 55,573</u>	<u>\$ 1,025,888</u>	<u>\$ 214,293</u>	<u>\$ (2,969,779)</u>
Total governmental activities					

General revenues:	
Property taxes:	
Levied for general purposes	\$ 13,732
Levied for debt service	77
Levied for capital improvements	56,718
State aid - formula grants	2,881,247
Recoveries and refunds	11,663
Unrestricted investment earnings	5,557
Loss on disposition of assets	(11,285)
Rents and leases	<u>16,200</u>
 Total general revenues and special items	 <u>\$ 2,973,909</u>
 Change in net assets	 \$ 4,130
Net assets - beginning	<u>3,791,084</u>
Net assets - ending	<u><u>\$ 3,795,214</u></u>

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



Animas Independent School District # 6  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2008

	General Fund	Title I	Discretionary
<b>Assets</b>			
Cash and investments	\$ 200,702	\$ -	\$ -
Property taxes receivable	1,004		
Due from other governments		31,428	30,033
Interfund receivable	181,103		
Inventory			
Total assets	\$ 382,809	\$ 31,428	\$ 30,033
<b>Liabilities and Fund Balance</b>			
Interfund payable	\$ -	\$ 31,428	\$ 30,033
Accounts payable	20,753		
Deferred revenue	629		
Total liabilities	\$ 21,382	\$ 31,428	\$ 30,033
Fund balance:			
Reserved for:			
Inventory	\$ -	\$ -	\$ -
Debt service			
Unreserved, reported in:			
General fund	361,427		
Special revenue funds			
Total fund balance	\$ 361,427	\$ -	\$ -
Total liabilities and fund balance	\$ 382,809	\$ 31,428	\$ 30,033

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

<u>Enhancing Education</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 70,912	\$ 271,614
	4,443	5,447
97,401	31,611	190,473
		181,103
	588	588
<u>\$ 97,401</u>	<u>\$ 107,554</u>	<u>\$ 649,225</u>
\$ 97,401	\$ 22,241	\$ 181,103
		20,753
	2,849	3,478
<u>\$ 97,401</u>	<u>\$ 25,090</u>	<u>\$ 205,334</u>
\$ -	\$ 588	\$ 588
	3,669	3,669
		361,427
	78,207	78,207
<u>\$ -</u>	<u>\$ 82,464</u>	<u>\$ 443,891</u>
<u>\$ 97,401</u>	<u>\$ 107,554</u>	<u>\$ 649,225</u>

Animas Independent School District # 6  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
June 30, 2008

Total governmental fund balances	\$ 443,891
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,363,366
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Property taxes subject to the 60 day availability period	3,478
Long-term liabilities, including bonds payable, compensated absences and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds: Compensated absences payable	<u>(15,521)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 3,795,214</u></u>

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

Animas Independent School District # 6  
**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**  
June 30, 2008

	General Fund	Title I	Discretionary
Revenues:			
Property taxes	\$ 13,664	\$ -	\$ -
Fees and charges	16,200		
State aid	3,309,787		
Federal aid	1,903	75,082	30,033
Earnings on investments	5,557		
Miscellaneous	20,622		
<b>Total revenues</b>	<b>\$ 3,367,733</b>	<b>\$ 75,082</b>	<b>\$ 30,033</b>
Expenditures:			
Current:			
Instruction	\$ 1,740,941	\$ 45,055	\$ 30,033
Support services - Students	162,933		
Support services - Intstruction	90,307		
General administration	159,390		
School administration	197,126	30,027	
Central services	92,723		
Operation of plant	486,796		
Food service			
Transportation	382,698		
Capital outlay			
<b>Total expenditures</b>	<b>\$ 3,312,914</b>	<b>\$ 75,082</b>	<b>\$ 30,033</b>
Net change in fund balances	\$ 54,819	\$ -	\$ -
Fund balance, July 1, 2007	306,608		
Fund balance, June 30, 2008	\$ 361,427	\$ -	\$ -

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

<u>Enhancing Education</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ -	\$ 56,237	\$ 69,901
	48,215	64,415
	261,125	3,570,912
274,417	176,439	557,874
		5,557
		20,622
<u>\$ 274,417</u>	<u>\$ 542,016</u>	<u>\$ 4,289,281</u>
\$ 270,823	\$ 54,339	\$ 2,141,191
		162,933
3,594	7,470	101,371
	560	159,950
	53,823	280,976
		92,723
	13,035	499,831
	130,749	130,749
		382,698
	333,221	333,221
<u>\$ 274,417</u>	<u>\$ 593,197</u>	<u>\$ 4,285,643</u>
\$ -	\$ (51,181)	\$ 3,638
	133,645	440,253
<u>\$ -</u>	<u>\$ 82,464</u>	<u>\$ 443,891</u>

Animas Independent School District # 6  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
June 30, 2008

Net change in fund balances-total governmental funds	\$	3,638
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense:		
Capital outlay		333,221
Depreciation expense		(303,820)
 Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:		
Property taxes subject to the 60 day availability period		626
 Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.		
		(25,044)
 Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and there- fore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.		
		(4,491)
 <i>Change in Net Assets of Governmental Activities</i>	 \$	 4,130

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

Animas Independent School District # 6  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30,2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ 1,902	\$ 1,902	\$ 1,903	\$ 1
State sources	3,494,641	3,494,641	3,309,787	(184,854)
Local sources	46,231	46,231	50,428	4,197
Interest income	8,000	8,000	5,557	(2,443)
<b>Total revenues</b>	<b>\$ 3,550,774</b>	<b>\$ 3,550,774</b>	<b>\$ 3,367,675</b>	<b>\$ (183,099)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,868,160	\$ 1,868,660	\$ 1,731,295	\$ 137,365
Support services - Students	215,539	207,154	163,790	43,364
Support services - Instruction	94,031	98,381	90,309	8,072
General administration	175,350	180,855	158,779	22,076
School administration	215,946	222,946	196,103	26,843
Central services	97,439	101,269	92,765	8,504
Operation of plant	534,778	543,076	483,949	59,127
Transportation	345,465	392,394	382,698	9,696
Capital outlay	20,500	19,750	6,173	13,577
Non-operating	26,729	26,729	-	26,729
<b>Total expenditures</b>	<b>\$ 3,593,937</b>	<b>\$ 3,661,214</b>	<b>\$ 3,305,861</b>	<b>\$ 355,353</b>
Net change in fund balance	\$ (43,163)	\$ (110,440)	\$ 61,814	\$ 172,254
Fund balance, July 1, 2007	391,355	391,355	319,991	(71,364)
Fund balance, June 30, 2008	<u>\$ 348,192</u>	<u>\$ 280,915</u>	<u>\$ 381,805</u>	<u>\$ 100,890</u>

The accompanying notes are an integral part of these financial statements

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - TITLE I**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 61,500	\$ 76,593	\$ 43,654	\$ (32,939)
Expenditures:				
Current:				
Instruction	\$ 31,205	\$ 46,298	\$ 45,055	\$ 1,243
General administration	30,295	30,295	30,027	268
Total expenditures	\$ 61,500	\$ 76,593	\$ 75,082	\$ 1,511
Net change in fund balance	\$ -	\$ -	\$ (31,428)	\$ (31,428)
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ (31,428)	\$ (31,428)

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



Animas Independent School District # 6  
**SPECIAL REVENUE FUND - DISCRETIONARY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 31,985	\$ -	\$ (31,985)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>31,985</u>	<u>30,033</u>	<u>1,952</u>
Net change in fund balance	\$ -	\$ -	\$ (30,033)	\$ (30,033)
Fund balance, July 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (30,033)</u></u>	<u><u>\$ (30,033)</u></u>

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH TECHNOLOGY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 281,637	\$ 232,724	\$ (48,913)
Expenditures:				
Current:				
Instruction	\$ -	\$ 275,826	\$ 270,823	\$ 5,003
Instructional support		5,811	3,594	2,217
Total expenditures	\$ -	\$ 281,637	\$ 274,417	\$ 7,220
Net change in fund balance	\$ -	\$ -	\$ (41,693)	\$ (41,693)
Fund balance, July 1, 2007	-	-	(55,708)	(55,708)
Fund balance, June 30, 2008	\$ -	\$ -	\$ (97,401)	\$ (97,401)

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

Animas Independent School District # 6  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2008

	<u>Agency</u>
<b>Assets</b>	
Cash and investments	<u>\$ 32,943</u>
 <b>Liabilities and Fund Equity</b>	
Deposits held for others	<u>\$ 32,943</u>
Total liabilities	<u>\$ 32,943</u>

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

Animas Independent School District No. 6  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

Note 1      **Summary of Significant Accounting Policies**

Animas Independent School District No. 6, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

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

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

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

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

The District implemented GASB 34 effective July 1, 2003. As a part of GASB's Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this provision.

**A. Reporting Entity**

These financial statements present the District (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the

District's reporting entity because of the significance of their operating or financial relationships with the District. Based on the criterion in GASBS No. 14, the District had no component units.

## **B. Basis of Presentation**

### *Government-wide Financial Statements:*

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

### *Fund Financial Statements:*

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. District Management believes presentation of the fund as a major fund enhances the usefulness to the reader.

The funds of the financial reporting entity are described below:

## **Governmental Funds**

### *General Fund*

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in the General Fund are subfunds Teacherage, which accounts for residential rentals to teachers, Transportation, which accounts for State Funds used to transport students and Instructional Materials, which accounts for state allocations for the purchase of textbooks. The operational subfund is the general operating fund of the District.

### *Special Revenue Funds*

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

### *Capital Project Fund*

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

### *Debt Service Fund*

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

### *Fiduciary Funds*

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

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

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

Fiduciary Funds are as follows:

Agency Funds – deposits of funds from various school organizations, such as “Class of 2004” or “Cheerleaders” which are disbursed upon the individual organization's authorization and direction. These funds are purely custodial in nature.

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

### *Major Fund Descriptions*

General – See above descriptions.

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

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

Enhancing Education – is created by specific authority to support a system for the acquisition and use of technology and technology enhanced curriculum for elementary and secondary schools, and is a special revenue fund.

## C. Measurement Focus and Basis of Accounting

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

### Measurement Focus

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

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

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

### Basis of Accounting

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

#### 1. Accrual:

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

#### 2. Modified Accrual:

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

Substantially all governmental fund revenues are accrued. In applying GASBS No.

33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services includes fees collected for specific services such as user fees and food service. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

The District does not allocate indirect costs.

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

#### D. Budgets

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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



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

**E. Cash and Investments**

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

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

**F. Inventories**

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

**G. Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Furniture and equipment	5 – 10 years
Improvements	10 – 20 years
Software and library resources	3 – 5 years

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

**H. Long-term Debt**

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

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial

statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

#### I. **Compensated Absences**

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

#### J. **Equity Classifications**

##### *Government-wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

##### *Fund Statements*

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

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

#### K. **Property Tax**

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

The District is permitted to levy taxes for general operating purposes up to \$.50 per \$1,000 of taxable value for both residential and nonresidential property, taxable value

being defined as one third of the fully assessed value. In addition, the District is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill Levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2008 was \$.411 per \$1,000 for non-residential property and \$.374 for residential property. The District's tax rate for debt service was \$-0- per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$2.00 per \$1,000 for both residential and nonresidential property. Property taxes are considered fully collectible.

L. Interfund Activity

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

M. Use of Estimates

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2008, \$-0- of the governments bank balance of \$511,243 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized		\$	-0-
Uninsured and collateral held by pledging banks			
Trust department not in District's name			<u>-0-</u>
Total		\$	<u><u>-0-</u></u>
		<u>Bank</u>	<u>Carrying</u>
		<u>Balance</u>	<u>Amount</u>
Deposits by custodial risk category:			
Insured	\$	100,000	\$ 100,000
Collateral held by the pledging bank's			
Agent in the District's name		411,243	204,557
Uninsured and uncollateralized		<u>-0-</u>	<u>-0-</u>
	\$	<u>511,243</u>	\$ <u>304,557</u>

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

Note 3 Capital Assets

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

	Balance July 1, 2007	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2008
Capital assets not being depreciated:					
Land	\$ 401,187	\$	\$ -0-	\$ 20,244	\$ 380,943
Construction in progress	<u>33,001</u>	<u>          </u>	<u>204,923</u>	<u>-0-</u>	<u>237,924</u>
Total assets not being depreciated	<u>\$ 434,188</u>	<u>\$ -0-</u>	<u>\$ 204,923</u>	<u>\$ 20,244</u>	<u>\$ 618,867</u>
Other capital assets:					
Buildings and improvements	\$ 10,826,214	\$ 396,591	\$ 103,547	\$ 4,800	\$ 11,321,552
Furniture and equipment	<u>1,560,578</u>	<u>(396,591)</u>	<u>24,751</u>	<u>-0-</u>	<u>1,188,738</u>
Total other capital assets at historical cost	<u>\$ 12,386,792</u>	<u>\$ -0-</u>	<u>\$ 128,298</u>	<u>\$ 4,800</u>	<u>\$ 12,510,290</u>
Less accumulated depreciation for:					
Buildings and improvements	\$ (8,466,012)	\$ 353,325	\$ 236,105	\$	\$ 9,055,442
Furniture and equipment	<u>(995,959)</u>	<u>(353,325)</u>	<u>67,715</u>	<u>          </u>	<u>710,349</u>
Total accumulated depreciation	<u>\$ 9,461,971</u>	<u>\$ -0-</u>	<u>\$ 303,820</u>	<u>\$ -0-</u>	<u>\$ 9,765,791</u>
Other capital assets, net	<u>\$ 2,924,821</u>	<u>\$ -0-</u>	<u>\$ (175,522)</u>	<u>\$ 4,800</u>	<u>\$ 2,744,499</u>
Total capital assets, net	<u>\$ 3,359,009</u>	<u>\$ -0-</u>	<u>\$ 29,401</u>	<u>\$ 25,044</u>	<u>\$ 3,363,366</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 2,838
Instruction	224,798
Support services - students	28,855
General administration	1,274
School administration	17,396
Central services	1,192
Operation of plant	12,726
Transportation	<u>14,741</u>
	<u>\$ 303,820</u>

Note 4 Long-term Debt

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

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Compensated absences	\$ 11,030	\$ 17,895	\$ 13,404	\$ 15,521
	<u>\$ 11,030</u>	<u>\$ 17,895</u>	<u>\$ 13,404</u>	<u>\$ 15,521</u>

No compensated absences are expected to be liquidated in the next year.

Note 5 Pension Plan – Educational Retirement Board

Plan Description

Substantially all of the Animas Independent School District No. 6'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, 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. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

Funding Policy

Plan members are required to contribute 7.42% of their gross salary. The Animas Independent School District No. 6 is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Animas Independent School District No. 6 are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Animas Independent School District No. 6's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were

\$360,173, \$348,951, and \$308,653 respectively, which equal the amount of the required contributions for each year.

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

Plan Description

The Animas Independent School District No. 6 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; and 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

Funding Policy

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the Retiree Health Care Authority 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 Retiree Health Care Authority 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 Retiree Health Care Act or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the Retiree Health Care Authority 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 contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$37,797 and \$38,240 and \$35,538, respectively, which equal the required contributions for each year.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$5,000,000 with a \$1,000,000 stop loss.

Note 8 Contingent Liabilities

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

Note 9 Budgetary Reconciliations

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

	<u>General Fund</u>	<u>Discretionary Fund</u>	<u>Enhancing Education Fund</u>	<u>Title I Fund</u>
Revenues over (under) expenditures (GAAP) basis	\$ 54,819	\$ -0-	\$ -0-	\$ -0-
Increases (decreases):				
Revenue accruals (net)	(58)	(30,033)	(41,693)	(31,428)
Expenditure accruals (net)	<u>7,053</u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues over (under) Expenditures (NON-GAAP) budgetary basis	<u>\$ 61,814</u>	<u>\$ (30,033)</u>	<u>\$ (41,693)</u>	<u>\$ (31,428)</u>

Note 10 Deficit Unreserved Fund Balance

Deficit fund balances are the result of the application of generally accepted accounting principles to cash basis budgeting, and the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received, the deficit fund balance are reduced. The District had no deficit fund balances at June 30, 2008.

Note 11 Jointly Governed Organizations

The District participates in the Southwest Regional Education Center No. 10. This regional cooperative center was formed to consolidate the application for and the processing of supplementary federal and state funds. Representatives of the independent school districts, which are members, govern the Center.

The Center obtains grants and allocates them to the member districts. The District has no ongoing financial interest or responsibility in the Center.

Separately issued financial statements of the Center are available from the Center at P.O. Box 952, Truth or Consequences, New Mexico 87901.

Note 12 Assets Restricted For Other Purposes

Assets restricted for other purposes was as follows:

SB-9	\$ 31,984
Cafeteria	22,656
Athletics	7,314
Other funds	<u>19,690</u>
	<u>\$ 81,644</u>

Each of these amounts are balances in Special Revenue Funds which are restricted for that funds intended purpose.

Note 13 Interfund Activity

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

	<u>Interfund Payable</u>				<u>Total</u>
	<u>Discretionary</u>	<u>Title I</u>	<u>Enhancing Education</u>	<u>All Others</u>	
<u>Interfund Receivable</u>					
General	\$ 30,033	\$ 31,428	\$ 97,401	\$ 22,241	\$ 181,103
Total	\$ 30,033	\$ 31,428	\$ 97,401	\$ 22,241	\$ 181,103

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



## **GENERAL FUND**

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

## **SPECIAL REVENUE FUNDS**

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

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

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

**Migrant** – fund used to account for federal assistance administered by the New Mexico State Department of Education for migrant education. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

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

**Library G.O. Bonds** – to account for the proceeds from New Mexico bonds for the purchase of library resources. (Authority is the PED “Manual of Procedures”).

**Technology for Education** – created by specific authority to support the development and implementation of systemic plans to schools. (P.L. 103-382).

**School Improvement** – to account for monies received from an award for high improving schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

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

**SB-9** – accounts for the Two Mill Levy approved by voters of the District for plant maintenance and improvements.

#### **CAPITAL PROJECTS FUND**

**PSFA Funding** – to account for state deficiency funds used solely to fund specific construction projects.

#### **DEBT SERVICE FUND**

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

#### **AGENCY FUNDS**

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

Animas Independent School District # 6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2008

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Migrant Education
<b>Assets</b>				
Cash and investments	\$ 22,068	\$ 7,314	\$ -	\$ -
Due from other governments			4,782	9,989
Property taxes receivable				
Inventory	588			
<b>Total assets</b>	<b>\$ 22,656</b>	<b>\$ 7,314</b>	<b>\$ 4,782</b>	<b>\$ 9,989</b>
<b>Liabilities and Fund Balance</b>				
Interfund payable	\$ -	\$ -	\$ 4,782	\$ 9,989
Deferred revenue				
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,782</b>	<b>\$ 9,989</b>
<b>Fund balances:</b>				
Reserved for inventory	\$ 588	\$ -	\$ -	\$ -
Reserved for debt service				
Unreserved	22,068	7,314		
<b>Total fund balance</b>	<b>\$ 22,656</b>	<b>\$ 7,314</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total liabilities and fund balance</b>	<b>\$ 22,656</b>	<b>\$ 7,314</b>	<b>\$ 4,782</b>	<b>\$ 9,989</b>

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

Special Revenue Funds					
<u>Technology For Education</u>	<u>School Improvement</u>	<u>Microsoft Settlement</u>	<u>Teacher Mentoring</u>	<u>Elementary Breakfast</u>	<u>GO Bonds</u>
\$ 4,317	\$ 4,163	\$ 7,955	\$ 1,858	\$ 1,397	\$ - 7,470
<u>\$ 4,317</u>	<u>\$ 4,163</u>	<u>\$ 7,955</u>	<u>\$ 1,858</u>	<u>\$ 1,397</u>	<u>\$ 7,470</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,470
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,470</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,317	4,163	7,955	1,858	1,397	-
<u>\$ 4,317</u>	<u>\$ 4,163</u>	<u>\$ 7,955</u>	<u>\$ 1,858</u>	<u>\$ 1,397</u>	<u>\$ -</u>
<u>\$ 4,317</u>	<u>\$ 4,163</u>	<u>\$ 7,955</u>	<u>\$ 1,858</u>	<u>\$ 1,397</u>	<u>\$ 7,470</u>

Animas School District #6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (concluded)**  
June 30, 2008

	Special Revenue Fund	Debt Service Fund	
	SB-9	Debt Service	Total
<b>Assets</b>			
Cash and investments	\$ 18,200	\$ 3,640	\$ 70,912
Due from other governments	9,370		31,611
Property taxes receivable	4,414	29	4,443
Inventory			588
Total assets	\$ 31,984	\$ 3,669	\$ 107,554
<b>Liabilities and Fund Balance</b>			
Interfund payable	\$ -	\$ -	\$ 22,241
Deferred revenue	2,849		2,849
Total liabilities	\$ 2,849	\$ -	\$ 25,090
Fund balances:			
Reserved for inventory	\$ -	\$ -	\$ 588
Reserved for debt service		3,669	3,669
Unreserved	29,135		78,207
Total fund balance	\$ 29,135	\$ 3,669	\$ 82,464
Total liabilities and fund balance	\$ 31,984	\$ 3,669	\$ 107,554

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

Animas Independent School District # 6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For The Fiscal Year Ended June 30, 2008

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Migrant Education
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges	29,527	18,688	-	-
State aid				
Federal aid	101,566		64,884	9,989
 Total revenues	\$ 131,093	\$ 18,688	\$ 64,884	\$ 9,989
 Expenditures:				
Current:				
Instruction	\$ -	\$ 14,170	\$ 11,061	\$ 9,989
Support services - Instruction				
General administration				
School administration			53,823	
Operation of plant				
Food services	126,033			
Capital outlay				
 Total expenditures	\$ 126,033	\$ 14,170	\$ 64,884	\$ 9,989
 Net change in fund balances	\$ 5,060	\$ 4,518	\$ -	\$ -
 Fund balance, July 1, 2007	17,596	2,796	-	-
 Fund balance, June 30, 2008	\$ 22,656	\$ 7,314	\$ -	\$ -

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

Special Revenue Funds

Technology For Education	School Improvement	Microsoft Settlement	Teacher Mentoring	Elementary Breakfast	GO Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
7,661		23,730	1,858	6,113	7,470
<u>\$ 7,661</u>	<u>\$ -</u>	<u>\$ 23,730</u>	<u>\$ 1,858</u>	<u>\$ 6,113</u>	<u>\$ 7,470</u>
\$ 3,344	\$ -	\$ 15,775	\$ -	\$ -	\$ -
					7,470
				4,716	
<u>\$ 3,344</u>	<u>\$ -</u>	<u>\$ 15,775</u>	<u>\$ -</u>	<u>\$ 4,716</u>	<u>\$ 7,470</u>
\$ 4,317	\$ -	\$ 7,955	\$ 1,858	\$ 1,397	\$ -
-	4,163	-	-	-	-
<u>\$ 4,317</u>	<u>\$ 4,163</u>	<u>\$ 7,955</u>	<u>\$ 1,858</u>	<u>\$ 1,397</u>	<u>\$ -</u>

Animas Independent School District # 6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (concluded)**  
For The Fiscal Year Ended June 30, 2008

	Special Revenue Funds	<u>Capital Projects Funds</u>	
	<u>SB-9</u>	Special Capital Outlay State	<u>PSFA</u>
Revenues:			
Property taxes	\$ 56,160	\$ -	\$ -
Fees and charges	-		
State aid		9,370	204,923
Federal aid			
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 56,160</u>	<u>\$ 9,370</u>	<u>\$ 204,923</u>
Expenditures:			
Current:			
Instruction	\$ -	\$ -	\$ -
Support services - Instruction			
General administration	560		
School administration			
Operation of plant	13,035		
Food services			
Capital outlay	<u>118,928</u>	<u>9,370</u>	<u>204,923</u>
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 132,523</u>	<u>\$ 9,370</u>	<u>\$ 204,923</u>
Net change in fund balances	\$ (76,363)	\$ -	\$ -
Fund balance, July 1, 2007	<u>105,498</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2008	<u><u>\$ 29,135</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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



<u>Debt Service Fund</u>	
<u>Debt Service</u>	<u>Total</u>
\$ 77	\$ 56,237
	48,215
	261,125
	<u>176,439</u>
<u>\$ 77</u>	<u>\$ 542,016</u>
\$ -	\$ 54,339
	7,470
	560
	53,823
	13,035
	130,749
	<u>333,221</u>
<u>\$ -</u>	<u>\$ 593,197</u>
\$ 77	\$ (51,181)
<u>3,592</u>	<u>133,645</u>
<u>\$ 3,669</u>	<u>\$ 82,464</u>

Animas Independent School District # 6  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
June 30, 2008

	Operational	Transportation	Instructional Materials
<b>Assets</b>			
Cash and investments	\$ 146,642	\$ 20,964	\$ 5,774
Property taxes receivable	1,004		
Interfund receivable	181,103		
Total assets	\$ 328,749	\$ 20,964	\$ 5,774
 <b>Liabilities and Fund Balance</b>			
Accounts payable	\$ 20,753	\$ -	\$ -
Deferred revenue	629		
Total liabilities	\$ 21,382	\$ -	\$ -
Fund balance:			
Unreserved, reported in:			
General fund	\$ 307,367	\$ 20,964	\$ 5,774
Total fund balance	\$ 307,367	\$ 20,964	\$ 5,774
Total liabilities and fund balance	\$ 328,749	\$ 20,964	\$ 5,774

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 27,322	\$ 200,702 1,004 181,103
<u>\$ 27,322</u>	<u>\$ 382,809</u>
\$ -	\$ 20,753 629
<u>\$ -</u>	<u>\$ 21,382</u>
<u>\$ 27,322</u>	<u>\$ 361,427</u>
<u>\$ 27,322</u>	<u>\$ 361,427</u>
<u><u>\$ 27,322</u></u>	<u><u>\$ 382,809</u></u>

Animas Independent School District # 6  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

June 30, 2008

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
<b>Revenues:</b>			
Property taxes	\$ 13,664	\$ -	\$ -
Fees and charges			
State aid	2,888,605	393,854	27,328
Federal aid	1,903		
Earnings on investments	5,557		
Miscellaneous	20,622		
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 2,930,351</u>	<u>\$ 393,854</u>	<u>\$ 27,328</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Instruction	\$ 1,718,230	\$ -	\$ 22,711
Support services - Students	162,933		
Support services - Intstruction	89,557		750
General administration	159,390		
School administration	197,126		
Central services	92,723		
Operation of plant	473,185		
Transportation	3,587	379,111	
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 2,896,731</u>	<u>\$ 379,111</u>	<u>\$ 23,461</u>
Net change in fund balances	\$ 33,620	\$ 14,743	\$ 3,867
Fund balance, July 1, 2007	<hr/> 273,747	<hr/> 6,221	<hr/> 1,907
Fund balance, June 30, 2008	<u><u>\$ 307,367</u></u>	<u><u>\$ 20,964</u></u>	<u><u>\$ 5,774</u></u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 13,664
16,200	16,200
	3,309,787
	1,903
	5,557
	<u>20,622</u>
<u>\$ 16,200</u>	<u>\$ 3,367,733</u>
\$ -	\$ 1,740,941
	162,933
	90,307
	159,390
	197,126
	92,723
13,611	486,796
	<u>382,698</u>
<u>\$ 13,611</u>	<u>\$ 3,312,914</u>
\$ 2,589	\$ 54,819
<u>24,733</u>	<u>306,608</u>
<u>\$ 27,322</u>	<u>\$ 361,427</u>

Animas Independent School District # 6  
**GENERAL FUND/OPERATIONAL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30,2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ 1,902	\$ 1,902	\$ 1,903	\$ 1
State sources	3,058,659	3,058,659	2,888,605	(170,054)
Local sources	28,231	28,231	34,228	5,997
Interest income	8,000	8,000	5,557	(2,443)
 Total revenues	 \$ 3,096,792	 \$ 3,096,792	 \$ 2,930,293	 \$ (166,499)
 <b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,844,828	\$ 1,845,328	\$ 1,708,584	\$ 136,744
Support services - Students	215,539	207,154	163,790	43,364
Support services - Instruction	91,975	96,325	89,559	6,766
General administration	175,350	180,855	158,779	22,076
School administration	215,946	222,946	196,103	26,843
Central services	97,439	101,269	92,765	8,504
Operation of plant	500,147	508,445	469,884	38,561
Transportation	1,500	3,588	3,587	1
Capital outlay	15,000	14,250	6,173	8,077
Non-operating	26,729	26,729	-	26,729
 Total expenditures	 \$ 3,184,453	 \$ 3,206,889	 \$ 2,889,224	 \$ 317,665
 Net change in fund balance	 \$ (87,661)	 \$ (110,097)	 \$ 41,069	 \$ 151,166
 Fund balance, July 1, 2007	 355,235	 355,235	 286,676	 (68,559)
 Fund balance, June 30, 2008	 \$ 267,574	 \$ 245,138	 \$ 327,745	 \$ 82,607
 <b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis				\$ 34,074
Revenue accruals (net)				(58)
Expenditure accruals (net)				7,053
 Net change in fund balance, NON-GAAP budgetary basis				 \$ 41,069

The accompanying notes are an integral part of these financial statements

Animas Independent School District # 6  
**GENERAL FUND/TRANSPORTATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 406,296	\$ 406,296	\$ 393,854	\$ (12,442)
Expenditures:				
Current:				
Transportation	<u>343,965</u>	<u>388,806</u>	<u>379,111</u>	<u>9,695</u>
Net change in fund balance	\$ 62,331	\$ 17,490	\$ 14,743	\$ (2,747)
Fund balance, July 1, 2007	<u>-</u>	<u>-</u>	<u>6,221</u>	<u>6,221</u>
Fund balance, June 30, 2008	<u>\$ 62,331</u>	<u>\$ 17,490</u>	<u>\$ 20,964</u>	<u>\$ 3,474</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 14,743	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 14,743</u>	

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

Animas Independent School District # 6  
**GENERAL FUND/INSTRUCTIONAL MATERIALS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 29,686	\$ 29,686	\$ 27,328	\$ (2,358)
Expenditures:				
Current:				
Instruction	\$ 23,332	\$ 23,332	\$ 22,711	\$ 621
Support services - Instruction	2,056	2,056	750	1,306
Total expenditures	<u>\$ 25,388</u>	<u>\$ 25,388</u>	<u>\$ 23,461</u>	<u>\$ 1,927</u>
Net change in fund balance	\$ 4,298	\$ 4,298	\$ 3,867	\$ (431)
Fund balance, July 1, 2007	<u>6,523</u>	<u>6,523</u>	<u>1,907</u>	<u>(4,616)</u>
Fund balance, June 30, 2008	<u>\$ 10,821</u>	<u>\$ 10,821</u>	<u>\$ 5,774</u>	<u>\$ (5,047)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 3,867	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 3,867</u>	

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



Animas Independent School District # 6  
**GENERAL FUND/TEACHERAGE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 18,000	\$ 18,000	\$ 16,200	\$ (1,800)
Earnings on investments	-	-	-	-
Total revenues	\$ 18,000	\$ 18,000	\$ 16,200	\$ (1,800)
Expenditures:				
Current:				
Operation of plant	\$ 34,631	\$ 34,631	\$ 14,065	\$ 20,566
Capital outlay	5,500	5,500	-	5,500
Total expenditures	\$ 40,131	\$ 40,131	\$ 14,065	\$ 26,066
Net change in fund balance	\$ (22,131)	\$ (22,131)	\$ 2,135	\$ 24,266
Fund balance, July 1, 2007	29,597	29,597	25,187	(4,410)
Fund balance, June 30, 2008	\$ 7,466	\$ 7,466	\$ 27,322	\$ 19,856
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,135	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,135	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - CAFETERIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 30,500	\$ 30,500	\$ 93,066	\$ 62,566
Local sources	94,000	94,000	29,527	(64,473)
Total revenues	\$ 124,500	\$ 124,500	\$ 122,593	\$ (1,907)
Expenditures:				
Current:				
Food services	\$ 135,216	\$ 135,216	\$ 117,518	\$ 17,698
Capital outlay				-
Total expenditures	\$ 135,216	\$ 135,216	\$ 117,518	\$ 17,698
Net change in fund balance	\$ (10,716)	\$ (10,716)	\$ 5,075	\$ 15,791
Fund balance, July 1, 2007	14,348	14,348	16,993	2,645
Fund balance, June 30, 2008	\$ 3,632	\$ 3,632	\$ 22,068	\$ 18,436
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 5,060	
Revenue accruals (net)			(8,500)	
Expenditure accruals (net)			8,515	
Net change in fund balance, NON-GAAP budgetary basis			\$ 5,075	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - ATHLETICS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 16,500	\$ 16,500	\$ 18,688	\$ 2,188
Expenditures:				
Current:				
Instruction	14,700	14,700	14,170	530
Net change in fund balance	\$ 1,800	\$ 1,800	\$ 4,518	\$ 2,718
Fund balance, July 1, 2007	7,314	7,314	2,796	(4,518)
Fund balance, June 30, 2008	\$ 9,114	\$ 9,114	\$ 7,314	\$ (1,800)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,518	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 4,518	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - MICROSOFT SETTLEMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ 15,775	\$ 23,730	\$ 7,955
Expenditures:				
Current:				
Support services - Instruction	<u>-</u>	<u>15,775</u>	<u>15,775</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 7,955	\$ 7,955
Fund balance, July 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,955</u></u>	<u><u>\$ 7,955</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 7,955	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 7,955</u></u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - MIGRANT CHILDREN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 10,000	\$ -	\$ (10,000)
Expenditures:				
Current:				
Instruction	-	10,000	9,989	11
Net change in fund balance	\$ -	\$ -	\$ (9,989)	\$ (9,989)
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ (9,989)	\$ (9,989)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(9,989)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (9,989)	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - ENTITLEMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 68,547	\$ 60,102	\$ (8,445)
Expenditures:				
Current:				
Instruction	\$ -	\$ 12,727	\$ 11,061	\$ 1,666
Support services - Students				-
School administration		55,820	53,823	1,997
Total expenditures	\$ -	\$ 68,547	\$ 64,884	\$ 3,663
Net change in fund balance	\$ -	\$ -	\$ (4,782)	\$ (4,782)
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ (4,782)	\$ (4,782)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(4,782)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,782)	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - TEACHER MENTORING**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 1,858	\$ 1,858
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 1,858	\$ 1,858
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ 1,858	\$ 1,858
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - LIBRARIES 301 GO BOND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 9,425	\$ -	\$ (9,425)
Expenditures:				
Current:				
Support services - Instruction	-	9,425	7,470	1,955
Net change in fund balance	\$ -	\$ -	\$ (7,470)	\$ (7,470)
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ (7,470)	\$ (7,470)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(7,470)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (7,470)	

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



Animas Independent School District # 6  
**SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 4,372	\$ 8,351	\$ 3,979
Expenditures:				
Current:				
Instruction	-	4,372	3,344	1,028
Net change in fund balance	\$ -	\$ -	\$ 5,007	\$ 5,007
Fund balance, July 1, 2007	-	-	(690)	(690)
Fund balance, June 30, 2008	\$ -	\$ -	\$ 4,317	\$ 4,317
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,317	
Revenue accruals (net)				
Expenditure accruals (net)			690	
Net change in fund balance, NON-GAAP budgetary basis			\$ 5,007	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2007	-	-	4,163	4,163
Fund balance, June 30, 2008	\$ -	\$ -	\$ 4,163	\$ 4,163
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - SENATE BILL 9**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Local sources	<u>56,713</u>	<u>105,052</u>	<u>55,903</u>	<u>(49,149)</u>
Total revenues	<u>\$ 56,713</u>	<u>\$ 105,052</u>	<u>\$ 55,903</u>	<u>\$ (49,149)</u>
Expenditures:				
Current:				
General administration	\$ -	\$ 562	\$ 560	\$ 2
Operation of plant	40,306	84,705	25,874	58,831
Capital outlay	<u>116,381</u>	<u>119,759</u>	<u>119,729</u>	<u>30</u>
Total expenditures	<u>\$ 156,687</u>	<u>\$ 205,026</u>	<u>\$ 146,163</u>	<u>\$ 58,863</u>
Net change in fund balance	\$ (99,974)	\$ (99,974)	\$ (90,260)	\$ 9,714
Fund balance, July 1, 2007	<u>108,460</u>	<u>108,460</u>	<u>108,460</u>	<u>-</u>
Fund balance, June 30, 2008	<u>\$ 8,486</u>	<u>\$ 8,486</u>	<u>\$ 18,200</u>	<u>\$ 9,714</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (76,363)	
Revenue accruals (net)			(257)	
Expenditure accruals (net)			<u>(13,640)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (90,260)</u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY STUDENTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 6,113	\$ 6,113	\$ 6,113	\$ -
Expenditures:				
Current:				
Food services	6,113	6,113	4,716	1,397
Net change in fund balance	\$ -	\$ -	\$ 1,397	\$ 1,397
Fund balance, July 1, 2007	-	-	-	-
Fund balance, June 30, 2008	\$ -	\$ -	\$ 1,397	\$ 1,397
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,397	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,397	

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

Animas Independent School District # 6  
**CAPITAL PROJECTS FUND - SPECIAL CAPITAL OUTLAY STATE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 13,734	\$ 9,370	\$ (4,364)
 Expenditures:				
Capital outlay	<u>-</u>	<u>13,734</u>	<u>9,370</u>	<u>4,364</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Animas Independent School District #6  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ 48	\$ 48
Expenditures:				
Current:				
Administration	\$ -	\$ -	\$ -	\$ -
Reserve	3,593	3,593	-	3,593
Total expenditures	\$ 3,593	\$ 3,593	\$ -	\$ 3,593
Net change in fund balance	\$ (3,593)	\$ (3,593)	\$ 48	\$ 3,641
Fund balance, July 1, 2007	3,593	3,593	3,592	(1)
Fund balance, June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,640</u>	<u>\$ 3,640</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 77	
Revenue accruals (net)			(29)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 48</u>	

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

Animas Independent School District # 6  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Assets</b>				
Cash and investments:				
Animas High School	\$ 26,685	\$ 72,625	\$ 75,451	\$ 23,859
Animas Middle School	3,470	6,717	5,122	5,065
Animas Elementary School	316	2,308	2,482	142
Administration	<u>4,376</u>	<u>1,948</u>	<u>2,447</u>	<u>3,877</u>
 Total Assets	 <u>\$ 34,847</u>	 <u>\$ 83,598</u>	 <u>\$ 85,502</u>	 <u>\$ 32,943</u>
 <b>Liabilities</b>				
Deposits held for others:				
Animas High School	\$ 26,685	\$ 72,625	\$ 75,451	\$ 23,859
Animas Middle School	3,470	6,717	5,122	5,065
Animas Elementary School	316	2,308	2,482	142
Administration	<u>4,376</u>	<u>1,948</u>	<u>2,447</u>	<u>3,877</u>
 Total Liabilities	 <u>\$ 34,847</u>	 <u>\$ 83,598</u>	 <u>\$ 85,502</u>	 <u>\$ 32,943</u>

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

Animas Independent School District # 6  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
 June 30, 2008

	<u>Western Bank</u>
Checking	\$ 511,243
Total on deposit	\$ 511,243
Less: FDIC insurance	<u>(100,000)</u>
Total uninsured public funds	<u>\$ 411,243</u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>\$ 205,622</u>
Pledged Securities:	
FHLB 00-1239 1	\$ 929,060
Vaughn NM 922382BQ8 7-1-2013	<u>127,924</u>
Total pledged securities	<u>\$ 1,056,984</u>
Pledged securities over (under) requirement	<u>\$ 851,363</u>

Securities pledged are held by the Federal Home Loan Bank in Irving, Texas, with safekeeping receipts held by the District.



Animas Independent School District # 6  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
 June 30, 2008

	Type of Account	Bank Balance	Reconciled Balance
<u>Western Bank</u>			
Teacherage	Checking	\$ 33,432	\$ 27,322
Federal Projects	Checking	-	-
Operational	Checking	266,993	213,513
Payroll Clearing	Checking	145,286	-
Athletics	Checking	7,548	7,314
Lunch Fund	Checking	23,465	23,465
IRS	Checking	-	-
School Fund	Checking	34,519	32,943
Total cash and investments		\$ 511,243	\$ 304,557

Animas Independent School District # 6  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2008

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Total cash and investments as of July 1, 2007	\$ 286,676	\$ 25,187	\$ 6,221	\$ 1,907	\$ 16,993
Add: Current year receipts	2,930,294	16,200	393,854	27,328	122,593
Prior year warrants voided					
Less: Current year expenditures	(2,889,225)	(14,065)	(379,110)	(23,461)	(117,518)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2008	<u>\$ 327,745</u>	<u>\$ 27,322</u>	<u>\$ 20,965</u>	<u>\$ 5,774</u>	<u>\$ 22,068</u>

Animas Independent School District # 6  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2008

	Debt Service	Agency	Total
Total cash and investments as of July 1, 2007	\$ 3,593	\$ 34,847	\$ 434,445
Add: Current year receipts	47	83,598	4,025,037
Prior year warrants voided			-
Less: Current year expenditures		(85,502)	(4,154,925)
Abatements			-
Receivables/payables			-
Transfers			-
	\$ 3,640	\$ 32,943	\$ 304,557
Total cash and investments as of June 30, 2008			

Animas Independent School District # 6  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2008

	<u>Athletics</u>	<u>Federal Flowthrough</u>	<u>Local Grants</u>	<u>State Flowthrough</u>	<u>Capital Improvements SB-9</u>
Total cash and investments as of July 1, 2007	\$ 2,796	\$ (55,708)	\$ -	\$ 3,473	\$ 108,460
Add: Current year receipts	18,688	336,480	23,730	16,322	55,903
Prior year warrants voided					
Less: Current year expenditures	(14,170)	(454,406)	(15,775)	(15,530)	(146,163)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2008	<u><u>\$ 7,314</u></u>	<u><u>\$ (173,634)</u></u>	<u><u>\$ 7,955</u></u>	<u><u>\$ 4,265</u></u>	<u><u>\$ 18,200</u></u>



Animas Independent School District No. 6  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
June 30, 2008

Participants -	Animas Independent School District No. 1 and the Southwest Regional Education Center #10
Responsible party for operations -	The District as well as the Southwest Regional Education Center #10
Description -	Participants agree to work together to establish and maintain cooperative programs of educational services under various federal and state authorizing statutes
Beginning and ending dates -	To be renewed each fiscal year
Total estimated amount of project and amount applicable to agency -	Varies year to year and is based upon program awards
Amount agency contributed in current fiscal year -	Based upon programs awarded
Audit responsibility -	Southwest Regional Education Center #10
Name of agency where revenues and expenditures are reported -	Southwest Regional Education Center #10

Animas Independent School District No. 6  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For The Fiscal Year Ended June 30, 2008

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
 <b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through Southwest Regional Education Center #10	84.010	24.101	\$ 75,082
Special Education - Grants to States	84.027	24.106	94,917
Migrant Education-Basic State Grant Program	84.011	24.103	9,989
Technology Literacy Challenge Funds	84.318	24.149	<u>274,417</u>
 Total U.S. Department of Education			 <u>\$ 454,405</u>
 <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Direct Programs: Schools and Roads-Grants to States	10.665	N/A	\$ 1,903
Passed through N.M. Department of Education: National School Lunch Program	10.555	N/A	54,922
School Breakfast Program	10.553	N/A	38,144
Passed through N.M. Department of Human Svc's: Emergency Food Assistance Program	10.569	N/A	<u>8,500</u>
 Total U.S. Department of Agriculture			 <u>\$ 103,469</u>
 Total expenditures of federal awards			 <u><u>\$ 557,874</u></u>

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

Animas Independent School District No. 6  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For The Fiscal Year Ended June 30, 2008

Note 1      Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Animas Independent School District No. 6 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2      Emergency Food Assistance Program

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

Note 3      Insurance Coverage

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

Worker's compensation	\$ 1,050,000
Property	500,000,000
Liability	10,000,000
Auto	10,000,000



Animas Independent School District No. 6  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For The Fiscal Year Ended June 30, 2008

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs**

None

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

Hector H. Balderas, State Auditor  
and  
Board of Education  
Animas Independent School District No. 6  
Animas, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Animas Independent School District No. 6 as of and for the year ended June 30, 2008, which collectively comprise Animas Independent School District No. 6's basic financial statements and have issued our report thereon dated November 13, 2008. We have also audited the financial statements of each of the District's nonmajor governmental funds presented as other supplementary information as of and for the year ended June 30, 2008 and have issued our report thereon dated November 6, 2008. 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 Animas Independent School District No. 6's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Animas Independent School District No. 6's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Animas Independent School District No. 6's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Animas Independent School District No. 6's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of Animas Independent School District No. 6's financial statements that is more than inconsequential will not be prevented or detected by Animas Independent School District No. 6's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Animas Independent School District No. 6's internal control.

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

#### Compliance And Other Matters

As part of obtaining reasonable assurance about whether Animas Independent School District No. 6's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Stone, McGee & Co., CPAs*

November 13, 2008

*Stone, McGee & Co.*  
*Certified Public Accountants*

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

Hector H. Balderas, State Auditor  
and  
Board of Education  
Animas Independent School District No. 6  
Animas, New Mexico

### Compliance

We have audited the compliance of the Animas Independent School District No. 6 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Animas Independent School District No. 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Animas Independent School District No. 6's management. Our responsibility is to express an opinion on the Animas Independent School District No. 6's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Animas Independent School District No. 6's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Animas Independent School District No. 6's compliance with those requirements.

In our opinion, Animas Independent School District No. 6 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

## Internal Control Over Compliance

The management of the Animas Independent School District No. 6 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Animas Independent School District No. 6's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Animas Independent School District No. 6's internal control over compliance.

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

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

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

This report is intended solely for the information and use of management, the Board of Education, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Stone, McGee & Co., CPAs*

November 13, 2008

*Stone, McGee & Co.*  
*Certified Public Accountants*

Animas Independent School District No. 6  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2008

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Animas Independent School District No. 6.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Animas Independent School District No. 6, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Report in Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditors' report on compliance for the major federal awards programs for the Animas Independent School District No. 6 expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Migrant Education – Basic State Grant Program, CFDA No. 84.011, and Technology Literacy Challenge Funds, CFDA No. 84.318.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. The Animas Independent School District No. 6 did not qualify as a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS**

None.

**OTHER – FINANCIAL STATEMENT PREPARATION**

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s with substantial assistance and approval from Authority personnel.

**EXIT CONFERENCE**

The contents of this report were discussed September 30, 2008. Present at this exit conference were:

<u>Affiliation</u>	<u>Name</u>	<u>Title</u>
Levi Klump	Board President	Animas Schools
Jerry Birdwell	Superintendent	Animas Schools
Kathy Johnson	Finance Director	Animas Schools
Mike Stone	Shareholder	Stone, McGee & Co., C.P.A.'s