

State of New Mexico

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

For The Fiscal Year Ended June 30, 2009

Animas Independent School District # 6
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Animas Independent School District No. 6
DIRECTORY OF OFFICIALS
June 30, 2009

BOARD OF EDUCATION

Levi Klump	President
William Hurt	Vice-President
David Johnson	Secretary
Jared Fralie	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 AUDITOR'S 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 (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's non-major 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, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, Entitlement, Enhancing Education Through Technology and SB-9 funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Animas Independent School District No. 6 as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of the General Fund, the non-major special revenue funds and the Debt Service Fund for the year the ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2009, 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, presented on pages 4-9, 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 financial information listed as other supplemental data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplemental data has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stone, McGee & Co., CPAs

October 19, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our decision 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, 2009. 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 \$271,441, or 7%.
- During the year, the District had \$4,212,929 in governmental expenditures, compared to \$4,265,533 the prior year, a decrease of \$52,604 or 1%.
- The District's general revenues, net of special items, increased \$150,896 or 5%.

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 Fund

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 2009 and 2008 is as follows:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>Change</u>
Cash and cash equivalents	\$ 408,073	\$ 271,614	\$ 136,459
Other current assets	121,707	196,508	(74,801)
Capital assets, net of depreciation	<u>3,557,371</u>	<u>3,363,366</u>	<u>194,005</u>
Total assets	<u>\$ 4,087,151</u>	<u>\$ 3,831,488</u>	<u>\$ 255,663</u>
Current liabilities	\$ 14,140	\$ 20,753	\$ 6,613
Long-term liabilities	<u>6,356</u>	<u>15,521</u>	<u>9,165</u>
Total liabilities	<u>\$ 20,496</u>	<u>\$ 36,274</u>	<u>\$ 15,778</u>
Net assets	<u>\$ 4,066,655</u>	<u>\$ 3,795,214</u>	<u>\$ 271,441</u>

The net assets increased 7% in 2009. 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, increase from \$346,535 to \$402,395.

A comparison of changes in net assets between 2009 and 2008 is as follows:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 72,513	\$ 55,573
Operating grants	855,410	1,025,888
Capital grants	431,642	214,293
General revenues:		
Property taxes	75,153	70,527
State formula grants	3,028,789	2,881,247
Other general revenues	<u>20,863</u>	<u>22,135</u>
Total revenues	<u>\$ 4,484,370</u>	<u>\$ 4,269,663</u>

Expenses:		
Instruction	\$ 2,260,095	\$ 2,370,480
Support Services – Students	212,385	191,788
Support Services – Instruction	87,988	104,209
General Administration	199,754	161,224
School Administration	223,730	298,372
Central Services	65,416	93,915
Operation of Plant	561,560	517,357
Food Services	149,654	130,749
Transportation	<u>452,347</u>	<u>397,439</u>
Total expenses	<u>\$ 4,212,929</u>	<u>\$ 4,265,533</u>
Increase (decrease) in net assets	<u>\$ 271,441</u>	<u>\$ 4,130</u>

Total revenues net of special items, increased \$214,707 or 5%. This increase is due to the additional operating grants received in 2009. Expenses decreased \$52,604 or 1%. This decrease 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 \$3,124,805, 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 \$46,535 or 11%, primarily due to increased formula funding based on enrollment, and decreased expenses to fund mandated programs.

The District's SB-9 Fund increased \$40,169 or 58%, primarily due to decreased 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, 2009, the District had \$13,617,796 invested in capital assets, as shown below.

This represents a net increase of \$488,639 or 4%, due to additional purchases and funding from PSFA.

	<u>2009</u>	<u>2008</u>
Land and improvements	\$ 380,943	\$ 380,943
Construction in progress	-0-	237,924
Building and improvements	11,936,211	11,321,552
Equipment	<u>1,300,642</u>	<u>1,188,738</u>
	<u>\$ 13,617,796</u>	<u>\$ 13,129,157</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, 2009 the District's liability for accumulated leave decreased to \$6,356.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget for fiscal year 2009-2010 is based on prior year student membership, which is an average of the 40th, 80th, and 120th 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, 2009

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 408,073
Property taxes receivable	6,790
Due from other governments	114,024
Inventory	893
Capital assets:	
Land	380,943
Buildings and improvements	11,936,211
Furniture and fixtures and equipment	1,300,642
Construction in progress	-
Less accumulated depreciation	(10,060,425)
Total capital assets, net of depreciation	\$ 3,557,371
Total assets	\$ 4,087,151
Liabilities	
Accounts payable	\$ 14,140
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	6,356
Total liabilities	\$ 20,496
Net Assets	
Invested in capital assets	\$ 3,557,371
Restricted for:	
Debt service	3,698
Other purposes	103,191
Unrestricted	402,395
Total net assets	\$ 4,066,655

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, 2009

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
				<u>Total Governmental Activities</u>	
<u>Functions/Programs</u>					
Governmental activities:					
Instruction	\$ 2,260,095	\$ 31,845	\$ 199,324	\$ -	\$ (2,028,926)
Support services - Students	212,385				(212,385)
Support services - Instruction	87,988		30,506		(57,482)
General administration	199,754				(199,754)
School administration	223,730		55,916		(167,814)
Central services	65,416				(65,416)
Operation of plant	561,560	18,975	14,547	431,642	(96,396)
Food services	149,654	21,693	111,023		(16,938)
Transportation	452,347		444,094		(8,253)
	<u>\$ 4,212,929</u>	<u>\$ 72,513</u>	<u>\$ 855,410</u>	<u>\$ 431,642</u>	<u>\$ (2,853,364)</u>

General revenues:	
Property taxes:	
Levied for general purposes	\$ 14,703
Levied for debt service	29
Levied for capital improvements	60,421
State aid - formula grants	3,028,789
Recoveries and refunds	20,022
Unrestricted investment earnings	<u>841</u>
 Total general revenues and special items	 <u>\$ 3,124,805</u>
 Change in net assets	 \$ 271,441
Net assets - beginning	<u>3,795,214</u>
Net assets - ending	<u><u>\$ 4,066,655</u></u>

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

Animas Independent School District # 6
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Title I	Entitlement
Assets			
Cash and investments	\$ 307,849	\$ -	\$ -
Property taxes receivable	1,018		
Due from other governments		46,289	32,216
Interfund receivable	104,627		
Inventory			
Total assets	\$ 413,494	\$ 46,289	\$ 32,216
Liabilities and Fund Balance			
Interfund payable	\$ -	\$ 46,289	\$ 32,216
Accounts payable	4,743		
Deferred revenue	789		
Total liabilities	\$ 5,532	\$ 46,289	\$ 32,216
Fund balance:			
Reserved for:			
Inventory	\$ -	\$ -	\$ -
Debt service			
Unreserved, reported in:			
General fund	407,962		
Special revenue funds			
Total fund balance	\$ 407,962	\$ -	\$ -
Total liabilities and fund balance	\$ 413,494	\$ 46,289	\$ 32,216

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

Enhancing Education	SB-9	Other Funds	Total Governmental Funds
\$ -	\$ 68,315	\$ 31,909	\$ 408,073
21,188	5,772	14,331	6,790
21,188	5,772	14,331	114,024
21,188	5,772	14,331	104,627
21,188	5,772	14,331	893
<u>\$ 21,188</u>	<u>\$ 74,087</u>	<u>\$ 47,133</u>	<u>\$ 634,407</u>
\$ 21,188	-	4,934	\$ 104,627
21,188	-	9,397	14,140
21,188	4,783	9,397	5,572
<u>\$ 21,188</u>	<u>\$ 4,783</u>	<u>\$ 14,331</u>	<u>\$ 124,339</u>
\$ -	-	893	\$ 893
-	-	3,698	3,698
-	69,304	28,211	407,962
-	69,304	28,211	97,515
<u>\$ -</u>	<u>\$ 69,304</u>	<u>\$ 32,802</u>	<u>\$ 510,068</u>
<u>\$ 21,188</u>	<u>\$ 74,087</u>	<u>\$ 47,133</u>	<u>\$ 634,407</u>

Animas Independent School District # 6
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2009

Total governmental fund balances	\$	510,068
<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.		3,557,371
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		5,572
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		(6,356)
<i>Net Assets of Governmental Activities</i>	\$	<u><u>4,066,655</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, 2009

	General Fund	Title I	Entitlement
Revenues:			
Property taxes	\$ 14,543	\$ -	\$ -
Fees and charges	33,735		
State aid	3,534,988		
Federal aid	19,255	71,807	55,916
Earnings on investments	841		
Miscellaneous	20,022		
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 3,623,384	\$ 71,807	\$ 55,916
Expenditures:			
Current:			
Instruction	\$ 1,903,553	\$ 36,935	\$ -
Support services - Students	187,443		
Support services - Intstruction	53,696	29,722	
General administration	197,887		
School administration	156,606		55,916
Central services	64,224		
Operation of plant	516,328		
Food service			
Transportation	437,606		
Capital outlay	59,506	5,150	
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 3,576,849	\$ 71,807	\$ 55,916
Net change in fund balances	\$ 46,535	\$ -	\$ -
Fund balance, July 1, 2008	<hr/> 361,427	<hr/>	<hr/>
Fund balance, June 30, 2009	<hr/> <u>\$ 407,962</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>

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

<u>Enhancing Education</u>	<u>SB-9</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ -	\$ 58,487	\$ 29	\$ 73,059
		38,778	72,513
	84,379	357,804	3,977,171
46,954		144,738	338,670
			841
			20,022
<u>\$ 46,954</u>	<u>\$ 142,866</u>	<u>\$ 541,349</u>	<u>\$ 4,482,276</u>
\$ 46,954	\$ -	\$ 58,780	\$ 2,046,222
			187,443
	593		83,418
			198,480
			212,522
			64,224
	33,334	9,397	559,059
		138,486	138,486
			437,606
	68,770	355,213	488,639
<u>\$ 46,954</u>	<u>\$ 102,697</u>	<u>\$ 561,876</u>	<u>\$ 4,416,099</u>
\$ -	\$ 40,169	\$ (20,527)	\$ 66,177
	29,135	53,329	443,891
<u>\$ -</u>	<u>\$ 69,304</u>	<u>\$ 32,802</u>	<u>\$ 510,068</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, 2009

Net change in fund balances-total governmental funds	\$	66,177
 <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		488,639
Depreciation expense		(294,634)
 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		2,094
 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.		
		9,165
<i>Change in Net Assets of Governmental Activities</i>	\$	271,441

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,902	\$ 1,902	\$ 19,255	\$ 17,353
State sources	3,488,118	3,501,638	3,516,995	15,357
Local sources	46,231	46,231	53,685	7,454
Interest income	8,000	8,000	841	(7,159)
Total revenues	\$ 3,544,251	\$ 3,557,771	\$ 3,590,776	\$ 33,005
Expenditures:				
Current:				
Instruction	\$ 1,985,052	\$ 1,996,002	\$ 1,875,230	\$ 120,772
Support services - Students	116,013	200,983	187,443	13,540
Support services - Instruction	68,054	70,084	53,696	16,388
General administration	229,260	229,260	199,025	30,235
School administration	234,700	201,200	157,629	43,571
Central services	81,370	81,370	64,224	17,146
Operation of plant	648,913	639,613	546,814	92,799
Transportation	411,296	457,142	435,910	21,232
Capital outlay	134,000	46,524	40,134	6,390
Non-operating	26,948	26,948	-	26,948
Total expenditures	\$ 3,935,606	\$ 3,949,126	\$ 3,560,105	\$ 389,021
Net change in fund balance	\$ (391,355)	\$ (391,355)	\$ 30,671	\$ 422,026
Fund balance, July 1, 2008	391,355	391,355	381,805	(9,550)
Fund balance, June 30, 2009	\$ -	\$ -	\$ 412,476	\$ 412,476

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ 73,895</u>	<u>\$ 79,045</u>	<u>\$ 56,946</u>	<u>\$ (22,099)</u>
 Expenditures:				
Current:				
Instruction	\$ 38,168	\$ 43,318	\$ 36,935	\$ 6,383
Support services - Instruction	<u>35,727</u>	<u>35,727</u>	<u>34,872</u>	<u>855</u>
Total expenditures	<u>\$ 73,895</u>	<u>\$ 79,045</u>	<u>\$ 71,807</u>	<u>\$ 7,238</u>
Net change in fund balance	\$ -	\$ -	\$ (14,861)	\$ (14,861)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(31,428)</u>	<u>(31,428)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (46,289)</u></u>	<u><u>\$ (46,289)</u></u>

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ 68,320</u>	<u>\$ 28,482</u>	<u>\$ (39,838)</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 5,000	\$ -	\$ 5,000
Support services - Students		5,000		5,000
School administration		<u>58,320</u>	<u>55,916</u>	<u>2,404</u>
Total expenditures	<u>\$ -</u>	<u>\$ 68,320</u>	<u>\$ 55,916</u>	<u>\$ 12,404</u>
Net change in fund balance	\$ -	\$ -	\$ (27,434)	\$ (27,434)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(4,782)</u>	<u>(4,782)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (32,216)</u></u>	<u><u>\$ (32,216)</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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 47,846	\$ 123,167	\$ 75,321
Expenditures:				
Current:				
Instruction	\$ -	\$ 47,846	\$ 46,954	\$ 892
Instructional support	-	-	-	-
Total expenditures	\$ -	\$ 47,846	\$ 46,954	\$ 892
Net change in fund balance	\$ -	\$ -	\$ 76,213	\$ 76,213
Fund balance, July 1, 2008	-	-	(97,401)	(97,401)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (21,188)	\$ (21,188)

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 45,349	\$ 93,749	\$ 48,400
Local sources	<u>56,713</u>	<u>56,713</u>	<u>59,063</u>	<u>2,350</u>
Total revenues	<u>\$ 56,713</u>	<u>\$ 102,062</u>	<u>\$ 152,812</u>	<u>\$ 50,750</u>
Expenditures:				
Current:				
General administration	\$ 570	\$ 594	\$ 593	\$ 1
Operation of plant	32,084	72,909	58,405	14,504
Capital outlay	<u>50,000</u>	<u>54,500</u>	<u>43,699</u>	<u>10,801</u>
Total expenditures	<u>\$ 82,654</u>	<u>\$ 128,003</u>	<u>\$ 102,697</u>	<u>\$ 25,306</u>
Net change in fund balance	\$ (25,941)	\$ (25,941)	\$ 50,115	\$ 76,056
Fund balance, July 1, 2008	<u>25,941</u>	<u>25,941</u>	<u>18,200</u>	<u>(7,741)</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,315</u>	<u>\$ 68,315</u>

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, 2009

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 40,232</u>
 Liabilities and Fund Equity	
Deposits held for others	<u>\$ 40,232</u>
Total liabilities	<u>\$ 40,232</u>

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

Animas Independent School District No. 6
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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 sub-funds 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 sub-fund 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 Funds

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

Major Fund Descriptions

General – See Above descriptions

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

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.

SB-9 – accounts for the Two Mill Levy approved by the voters of the District for plant maintenance and improvements, 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 general obligation long-term debt, if any is recognized when due.

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

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

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources 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. Certain capital projects funds, such as PSFA are not budgeted because the District does not handle the funds.

Actual expenditures may not exceed the budget on a functional category basis, i.e., each budgeted expenditures 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 statement 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 in 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 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 – consist 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 government; 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. Inter-fund Activity

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

M. Use of Estimates

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2009 \$50,421 of the governments bank balance of \$692,096 was exposed to custodial credit risk as follows:

Uninsured and collateralized	\$	50,421
Uninsured and collateral held by pledging banks trust department not in District's name		<u>-0-</u>
Total	\$	<u>50,421</u>

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank's agent in the District's name	391,675	198,305
Uninsured and uncollateralized	<u>50,421</u>	<u>-0-</u>
	<u>\$ 692,096</u>	<u>\$ 448,305</u>

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

Note 3 Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 380,943	\$	\$	\$ 380,943
Construction in progress	<u>237,924</u>	<u>347,263</u>	<u>585,187</u>	<u>-0-</u>
Total assets not being depreciated	<u>\$ 618,867</u>	<u>\$ 347,263</u>	<u>\$ 585,187</u>	<u>\$ 380,943</u>
Other capital assets:				
Buildings and improvements	\$ 11,321,552	\$ 614,659	\$	\$ 11,936,211
Furniture and equipment	<u>1,188,738</u>	<u>111,904</u>	<u> </u>	<u>1,300,642</u>
Total other capital assets at historical cost	<u>\$ 12,510,290</u>	<u>\$ 726,563</u>	<u>\$ -0-</u>	<u>\$ 13,236,853</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ (9,055,442)	\$ (221,613)	\$	\$ (9,277,055)
Furniture and equipment	<u>(710,349)</u>	<u>(73,021)</u>	<u> </u>	<u>(783,370)</u>
Total accumulated depreciation	<u>\$ (9,765,791)</u>	<u>\$ (294,634)</u>	<u>\$ -0-</u>	<u>\$ (10,060,425)</u>
Other capital assets, net	<u>\$ 2,744,499</u>	<u>\$ 431,929</u>	<u>\$ -0-</u>	<u>\$ 3,176,428</u>
Total capital assets, net	<u>\$ 3,363,366</u>	<u>\$ 779,192</u>	<u>\$ 585,187</u>	<u>\$ 3,557,371</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 4,570
Instruction	223,038
Support services – students	24,942
General administration	1,274
School administration	11,208
Central services	1,192
Operation of plant	13,669
Transportation	<u>14,741</u>
	<u>\$ 294,634</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Compensated absences	\$ 15,521	\$ 7,886	\$ 17,052	\$ 6,355
	<u>\$ 15,521</u>	<u>\$ 7,886</u>	<u>\$ 17,052</u>	<u>\$ 6,355</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.

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, 2009, 2008, and 2007, were \$375,378, \$360,173, and \$348,951 respectively, which equal the amount of the required contributions for each year.

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 N.E., 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.

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, 2009, 2008 and 2007 were \$38,103 and \$37,797 and \$38,240, 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, 2009 is as follows:

	<u>General Fund</u>	<u>Entitlement Fund</u>	<u>Enhancing Education Fund</u>	<u>Title I Fund</u>	<u>SB-9</u>
Revenues over (under) expenditures (GAAP) basis	\$ 46,535	\$ -0-	\$ -0-	\$ -0-	\$ 40,169
Increases (decreases):					
Revenue accruals (net)	(32,608)	(27,434)	76,213	(14,861)	9,946
Expenditures accrual (net)	<u>16,744</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Revenues over (under) expenditures (NON- GAAP) budgetary basis	<u>\$ 30,671</u>	<u>\$ (27,434)</u>	<u>\$ 76,213</u>	<u>\$ (14,861)</u>	<u>\$ 50,115</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, 2009.

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	\$ 69,304
Cafeteria	893
Athletics	1,501
Other funds	<u>31,493</u>
	<u>\$ 103,191</u>

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

Note 13 Inter-fund Activity

Inter-fund balances at June 30, 2009 consisted of the following:

	<u>Inter-fund Payable</u>				
	<u>Entitlement</u>	<u>Title I</u>	<u>Enhancing Education</u>	<u>All Others</u>	<u>Total</u>
 <u>Inter-fund Receivable</u>					
General	\$ 32,216	\$ 46,289	\$ 21,188	\$ 4,934	\$ 104,627
Total	<u>\$ 32,216</u>	<u>\$ 46,289</u>	<u>\$ 21,188</u>	<u>\$ 4,934</u>	<u>\$ 104,627</u>

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

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).

Enhancing Education Through Technology – 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.

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

Teacher Mentoring – to account for revenues received to enhance and improve skills for beginning teachers. Authority, State Grant and Board of Education.

Microsoft Settlement – to account for the revenues received due to legal action.

Elementary Breakfast – to account for State grant received to provide breakfast for elementary students, Authority State Grant PED.

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, 2009

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	2008 Library Bond
Assets				
Cash and investments	\$ 15,000	\$ 1,501	\$ -	\$ 784
Due from other governments			4,934	
Property taxes receivable				
Inventory	893			
Total assets	\$ 15,893	\$ 1,501	\$ 4,934	\$ 784
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 4,934	\$ -
Accounts payable				
Deferred revenue				
Total liabilities	\$ -	\$ -	\$ 4,934	\$ -
Fund balances:				
Reserved for inventory	\$ 893	\$ -	\$ -	\$ -
Reserved for debt service				
Unreserved	15,000	1,501		784
Total fund balance	\$ 15,893	\$ 1,501	\$ -	\$ 784
Total liabilities and fund balance	\$ 15,893	\$ 1,501	\$ 4,934	\$ 784

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>Title I Federal Stimulus</u>
\$ 1,507	\$ 4,163	\$ 5	\$ 2,861	\$ 2,390	\$ - 9,397
<u>\$ 1,507</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 2,861</u>	<u>\$ 2,390</u>	<u>\$ 9,397</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 9,397
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,397</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>1,507</u>	<u>4,163</u>	<u>5</u>	<u>2,861</u>	<u>2,390</u>	<u>-</u>
<u>\$ 1,507</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 2,861</u>	<u>\$ 2,390</u>	<u>\$ -</u>
<u>\$ 1,507</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 2,861</u>	<u>\$ 2,390</u>	<u>\$ 9,397</u>

Animas School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2009

	Debt Service Fund Debt Service	Total
Assets		
Cash and investments	\$ 3,698	\$ 31,909
Due from other governments		14,331
Property taxes receivable		-
Inventory		893
Total assets	\$ 3,698	\$ 47,133
Liabilities and Fund Balance		
Interfund payable	\$ -	\$ 4,934
Accounts Payable		9,397
Deferred revenue		-
Total liabilities	\$ -	\$ 14,331
Fund balances:		
Reserved for inventory		\$ 893
Reserved for debt service	3,698	3,698
Unreserved		28,211
Total fund balance	\$ 3,698	\$ 32,802
Total liabilities and fund balance	\$ 3,698	\$ 47,133

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, 2009

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	2008 Library Bond
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees and charges	21,693	17,085		
State aid				784
Federal aid	107,149		8,127	
Total revenues	\$ 128,842	\$ 17,085	\$ 8,127	\$ 784
Expenditures:				
Current:				
Instruction	\$ -	\$ 22,898	\$ 8,127	\$ -
Support services - Instruction				
General administration				
School administration				
Operation of plant				
Food services	135,605			
Capital outlay				
Total expenditures	\$ 135,605	\$ 22,898	\$ 8,127	\$ -
Net change in fund balances	\$ (6,763)	\$ (5,813)	\$ -	\$ 784
Fund balance, July 1, 2008	22,656	7,314		
Fund balance, June 30, 2009	\$ 15,893	\$ 1,501	\$ -	\$ 784

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

Special Revenue Funds

Technology For Education	Educational Achievement	Microsoft Settlement	Teacher Mentoring	Elementary Breakfast	Title I Federal Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,880	20,065		1,003	3,874	9,397
<u>\$ 4,880</u>	<u>\$ 20,065</u>	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ 3,874</u>	<u>\$ 9,397</u>
\$ 7,690	\$ 20,065	\$ -	\$ -	\$ -	\$ -
		7,950		2,881	9,397
<u>\$ 7,690</u>	<u>\$ 20,065</u>	<u>\$ 7,950</u>	<u>\$ -</u>	<u>\$ 2,881</u>	<u>\$ 9,397</u>
\$ (2,810)	\$ -	\$ (7,950)	\$ 1,003	\$ 993	\$ -
<u>4,317</u>		<u>7,955</u>	<u>1,858</u>	<u>1,397</u>	<u>-</u>
<u>\$ 1,507</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 2,861</u>	<u>\$ 2,390</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, 2009

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
	<u>School Improvement</u>	<u>PSFA</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ 29	\$ 29
Fees and charges				38,778
State aid		347,263		357,804
Federal aid				144,738
Total revenues	\$ -	\$ 347,263	\$ 29	\$ 541,349
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ 58,780
Support services - Instruction				-
General administration				-
School administration				-
Operation of plant				9,397
Food services				138,486
Capital outlay		347,263		355,213
Total expenditures	\$ -	\$ 347,263	\$ -	\$ 561,876
Net change in fund balances	\$ -	\$ -	\$ 29	\$ (20,527)
Fund balance, July 1, 2008	4,163		3,669	53,329
Fund balance, June 30, 2009	\$ 4,163	\$ -	\$ 3,698	\$ 32,802

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

Animas Independent School District # 6
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2009

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 263,620	\$ 25,959	\$ 12,164
Property taxes receivable	1,018		
Interfund receivable	104,627		
Total assets	\$ 369,265	\$ 25,959	\$ 12,164
 Liabilities and Fund Balance			
Accounts payable	\$ 4,743	\$ -	\$ -
Deferred revenue	789		
Total liabilities	\$ 5,532	\$ -	\$ -
 Fund balance:			
Unreserved, reported in:			
General fund	\$ 363,733	\$ 25,959	\$ 12,164
Total fund balance	\$ 363,733	\$ 25,959	\$ 12,164
Total liabilities and fund balance	\$ 369,265	\$ 25,959	\$ 12,164

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 6,106	\$ 307,849 1,018 104,627
<u>\$ 6,106</u>	<u>\$ 413,494</u>
\$ -	\$ 4,743 789
<u>\$ -</u>	<u>\$ 5,532</u>
<u>\$ 6,106</u>	<u>\$ 407,962</u>
<u>\$ 6,106</u>	<u>\$ 407,962</u>
<u><u>\$ 6,106</u></u>	<u><u>\$ 413,494</u></u>

Animas Independent School District # 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2009

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 14,543	\$ -	\$ -
Fees and charges	14,760		
State aid	3,061,673	444,094	29,221
Federal aid	19,255		
Earnings on investments	841		
Miscellaneous	20,022		
	<u>3,131,094</u>	<u>444,094</u>	<u>29,221</u>
Total revenues	\$ 3,131,094	\$ 444,094	\$ 29,221
Expenditures:			
Current:			
Instruction	\$ 1,880,722	\$ -	\$ 22,831
Support services - Students	187,443		
Support services - Intstruction	53,696		
General administration	197,887		
School administration	156,606		
Central services	64,224		
Operation of plant	476,137		
Transportation	5,457	432,149	
Capital outlay	52,556	6,950	
	<u>3,074,728</u>	<u>439,099</u>	<u>22,831</u>
Total expenditures	\$ 3,074,728	\$ 439,099	\$ 22,831
Net change in fund balances	\$ 56,366	\$ 4,995	\$ 6,390
Fund balance, July 1, 2008	<u>307,367</u>	<u>20,964</u>	<u>5,774</u>
Fund balance, June 30, 2009	<u>\$ 363,733</u>	<u>\$ 25,959</u>	<u>\$ 12,164</u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 14,543
18,975	33,735
	3,534,988
	19,255
	841
	<u>20,022</u>
<u>\$ 18,975</u>	<u>\$ 3,623,384</u>
\$ -	\$ 1,903,553
	187,443
	53,696
	197,887
	156,606
	64,224
40,191	516,328
	437,606
	<u>59,506</u>
<u>\$ 40,191</u>	<u>\$ 3,576,849</u>
\$ (21,216)	\$ 46,535
<u>27,322</u>	<u>361,427</u>
<u><u>\$ 6,106</u></u>	<u><u>\$ 407,962</u></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 30,2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 1,902	\$ 1,902	\$ 19,255	\$ 17,353
State sources	3,058,659	3,029,333	3,043,680	14,347
Local sources	28,231	28,231	34,710	6,479
Interest income	8,000	8,000	841	(7,159)
 Total revenues	\$ 3,096,792	\$ 3,067,466	\$ 3,098,486	\$ 31,020
 Expenditures:				
Current:				
Instruction	\$ 1,961,470	\$ 1,972,420	\$ 1,852,399	\$ 120,021
Support services - Students	116,013	200,983	187,443	13,540
Support services - Instruction	61,950	63,980	53,696	10,284
General administration	229,260	229,260	199,025	30,235
School administration	234,700	201,200	157,629	43,571
Central services	81,370	81,370	64,224	17,146
Operation of plant	606,816	592,016	506,623	85,393
Transportation	15,000	15,000	3,761	11,239
Capital outlay	118,500	39,524	33,184	6,340
Non-operating	26,948	26,948		26,948
 Total expenditures	\$ 3,452,027	\$ 3,422,701	\$ 3,057,984	\$ 364,717
 Net change in fund balance	\$ (355,235)	\$ (355,235)	\$ 40,502	\$ 395,737
 Fund balance, July 1, 2008	355,235	355,235	327,745	(27,490)
 Fund balance, June 30, 2009	\$ -	\$ -	\$ 368,247	\$ 368,247
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 56,366
Revenue accruals (net)				(32,608)
Expenditure accruals (net)				16,744
 Net change in fund balance, NON-GAAP budgetary basis				\$ 40,502

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 406,296	\$ 449,142	\$ 444,094	\$ (5,048)
Earnings on investments				-
Total revenues	\$ 406,296	\$ 449,142	\$ 444,094	\$ (5,048)
Expenditures:				
Current:				
Transportation	\$ 396,296	\$ 442,142	\$ 432,149	\$ 9,993
Capital outlay	10,000	7,000	6,950	50
Total expenditures	\$ 406,296	\$ 449,142	\$ 439,099	\$ 10,043
Net change in fund balance	\$ -	\$ -	\$ 4,995	\$ 4,995
Fund balance, July 1, 2008	-	-	20,964	20,964
Fund balance, June 30, 2009	\$ -	\$ -	\$ 25,959	\$ 25,959
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,995	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 4,995	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 23,163	\$ 23,163	\$ 29,221	\$ 6,058
 Expenditures:				
Current:				
Instruction	\$ 23,582	\$ 23,582	\$ 22,831	\$ 751
Support services - Instruction	6,104	6,104		6,104
Total expenditures	\$ 29,686	\$ 29,686	\$ 22,831	\$ 6,855
Net change in fund balance	\$ (6,523)	\$ (6,523)	\$ 6,390	\$ 12,913
Fund balance, July 1, 2008	6,523	6,523	5,774	(749)
Fund balance, June 30, 2009	\$ -	\$ -	\$ 12,164	\$ 12,164
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 6,390	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 6,390	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 18,000	\$ 18,000	\$ 18,975	\$ 975
Earnings on investments	-	-		-
Total revenues	\$ 18,000	\$ 18,000	\$ 18,975	\$ 975
Expenditures:				
Current:				
Operation of plant	\$ 42,097	\$ 47,597	\$ 40,191	\$ 7,406
Capital outlay	5,500	-		-
Total expenditures	\$ 47,597	\$ 47,597	\$ 40,191	\$ 7,406
Net change in fund balance	\$ (29,597)	\$ (29,597)	\$ (21,216)	\$ 8,381
Fund balance, July 1, 2008	29,597	29,597	27,322	(2,275)
Fund balance, June 30, 2009	\$ -	\$ -	\$ 6,106	\$ 6,106
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (21,216)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (21,216)	

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 94,000	\$ 94,000	\$ 99,945	\$ 5,945
Local sources	<u>30,500</u>	<u>30,500</u>	<u>21,693</u>	<u>(8,807)</u>
Total revenues	<u>\$ 124,500</u>	<u>\$ 124,500</u>	<u>\$ 121,638</u>	<u>\$ (2,862)</u>
Expenditures:				
Current:				
Food services	\$ 138,848	\$ 138,848	\$ 128,706	\$ 10,142
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 138,848</u>	<u>\$ 138,848</u>	<u>\$ 128,706</u>	<u>\$ 10,142</u>
Net change in fund balance	\$ (14,348)	\$ (14,348)	\$ (7,068)	\$ 7,280
Fund balance, July 1, 2008	<u>14,348</u>	<u>14,348</u>	<u>22,068</u>	<u>7,720</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (6,763)	
Revenue accruals (net)			(7,204)	
Expenditure accruals (net)			<u>6,899</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (7,068)</u>	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 16,500	\$ 16,500	\$ 17,085	\$ 585
Expenditures:				
Current:				
Instruction	23,814	23,814	22,898	916
Net change in fund balance	\$ (7,314)	\$ (7,314)	\$ (5,813)	\$ 1,501
Fund balance, July 1, 2008	7,314	7,314	7,314	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,501	\$ 1,501
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (5,813)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (5,813)	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ 7,954	\$ -	\$ (7,954)
Expenditures:				
Capital outlay	-	7,954	7,950	4
Net change in fund balance	\$ -	\$ -	\$ (7,950)	\$ (7,950)
Fund balance, July 1, 2008	-	-	7,955	7,955
Fund balance, June 30, 2009	\$ -	\$ -	\$ 5	\$ 5
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (7,950)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (7,950)	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 45,000	\$ 45,000	\$ 13,182	\$ (31,818)
Expenditures:				
Current:				
Instruction	45,000	45,000	8,127	36,873
Net change in fund balance	\$ -	\$ -	\$ 5,055	\$ 5,055
Fund balance, July 1, 2008	-	-	(9,989)	(9,989)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (4,934)	\$ (4,934)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			5,055	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 5,055	

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 30,033	\$ 30,033
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 30,033	\$ 30,033
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(30,033)</u>	<u>(30,033)</u>
Fund balance, June 30, 2009	<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)			30,033	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<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 - 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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 1,003	\$ 1,003
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 1,003	\$ 1,003
Fund balance, July 1, 2008	-	-	1,858	1,858
Fund balance, June 30, 2009	\$ -	\$ -	\$ 2,861	\$ 2,861
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,003	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,003	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 7,470	\$ 7,470
 Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 7,470	\$ 7,470
Fund balance, July 1, 2008	-	-	(7,470)	(7,470)
Fund balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -
 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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 8,170	\$ 4,880	\$ (3,290)
Expenditures:				
Current:				
Instruction	-	8,170	7,690	480
Net change in fund balance	\$ -	\$ -	\$ (2,810)	\$ (2,810)
Fund balance, July 1, 2008	-	-	4,317	4,317
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,507	\$ 1,507
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,810)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,810)	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	4,163	4,163
Fund balance, June 30, 2009	\$ -	\$ -	\$ 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 - EDUCATIONAL ACHIEVEMENT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 40,040	\$ 20,065	\$ (19,975)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>40,040</u>	<u>20,065</u>	<u>19,975</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2009	<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
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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 3,875	\$ 3,874	\$ (1)
Expenditures:				
Current:				
Food services	<u>-</u>	<u>3,875</u>	<u>2,881</u>	<u>994</u>
Net change in fund balance	\$ -	\$ -	\$ 993	\$ 993
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>1,397</u>	<u>1,397</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 2,390</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 993	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 993</u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - TITLE I FEDERAL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(9,397)	
Expenditure accruals (net)			9,397	
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 - 2008 LIBRARY BOOK BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 784	\$ 784
Expenditures:				
Current:				
Instruction	-	-		-
Net change in fund balance	\$ -	\$ -	\$ 784	\$ 784
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ 784	\$ 784
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 784	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 784	

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, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ 58	\$ 58
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)	\$ 58	\$ 3,651
Fund balance, July 1, 2008	3,593	3,593	3,640	47
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,698</u>	<u>\$ 3,698</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 29	
Revenue accruals (net)			29	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 58</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, 2009

	Balance July 1, 2008	Receipts	Disbursements	Balance June 30, 2009
Assets				
Cash and investments:				
Animas High School	\$ 23,859	\$ 62,203	\$ 53,982	\$ 32,080
Animas Middle School	5,065	293	1,638	3,720
Animas Elementary School	142	5,951	4,231	1,862
Administration	3,877	6,800	8,107	2,570
 Total Assets	 \$ 32,943	 \$ 75,247	 \$ 67,958	 \$ 40,232
 Liabilities				
Deposits held for others:				
Animas High School	\$ 23,859	\$ 62,203	\$ 53,982	\$ 32,080
Animas Middle School	5,065	293	1,638	3,720
Animas Elementary School	142	5,951	4,231	1,862
Administration	3,877	6,800	8,107	2,570
 Total Liabilities	 \$ 32,943	 \$ 75,247	 \$ 67,958	 \$ 40,232

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

Animas Independent School District # 6
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2009

	<u>Western Bank</u>
Checking	<u>\$ 692,096</u>
Total on deposit	\$ 692,096
Less: FDIC insurance	<u>(250,000)</u>
Total uninsured public funds	<u><u>\$ 442,096</u></u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>\$ 221,048</u>
Pledged Securities:	
Torrance Cnty, NM 891400MM2 1-15-2015	\$ 265,777
Vaughn NM 922382BQ8 7-1-2013	<u>125,898</u>
Total pledged securities	<u>\$ 391,675</u>
Pledged securities over (under) requirement	<u><u>\$ 170,627</u></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, 2009

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Teacherage	Checking	\$ 28,874	\$ 6,107
Federal Projects	Checking	914	914
Operational	Checking	432,809	382,161
Payroll Clearing	Checking	159,878	-
Athletics	Checking	2,097	1,501
Lunch Fund	Checking	23,792	17,390
IRS	Checking	-	-
School Fund	Checking	<u>43,732</u>	<u>40,232</u>
Total cash and investments		<u><u>\$ 692,096</u></u>	<u><u>\$ 448,305</u></u>

Animas Independent School District # 6
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<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, 2008	\$ 327,745	\$ 27,322	\$ 20,965	\$ 5,774	\$ 22,068
Add: Current year receipts	3,098,486	18,975	444,094	29,221	121,638
Prior year warrants voided					
Less: Current year expenditures	(3,057,984)	(40,190)	(439,100)	(22,831)	(128,706)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2009	<u>\$ 368,247</u>	<u>\$ 6,107</u>	<u>\$ 25,959</u>	<u>\$ 12,164</u>	<u>\$ 15,000</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, 2009

	Capital Improvement SB-9	Debt Service	Agency	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of July 1, 2008	\$ 18,200	\$ 3,640	\$ 32,943	\$ 304,557
Add: Current year receipts	152,812	58	75,247	4,247,506
Prior year warrants voided				-
Less: Current year expenditures	(102,697)		(67,958)	(4,103,758)
Abatements				-
Receivables/payables				-
Transfers				-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of June 30, 2009	<u>\$ 68,315</u>	<u>\$ 3,698</u>	<u>\$ 40,232</u>	<u>\$ 448,305</u>

Animas Independent School District # 6
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<u>Athletics</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>	<u>State Flowthrough</u>
Total cash and investments as of July 1, 2008	\$ 7,314	\$ (173,634)	\$ -	\$ 7,955	\$ 4,265
Add: Current year receipts	17,085	252,597	20,065		17,228
Prior year warrants voided					
Less: Current year expenditures	(22,898)	(182,807)	(20,065)	(7,950)	(10,572)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2009	<u>\$ 1,501</u>	<u>\$ (103,844)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 10,921</u>

Animas Independent School District No. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2007

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 #6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2009

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS**

Hector H. Balderas, State Auditor
and
Board of Education
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, 2009, which collectively comprise Animas Independent School District No. 6's basic financial statements and have issued our report thereon dated October 19, 2009. We have also audited the financial statements of each of the District's non-major governmental funds presented as other supplementary information as of and for the year ended June 30, 2009 and have issued our report thereon dated October 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, non-compliance 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

October 19, 2009

Animas Independent School District No. 6
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2009

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Animas Independent School District No. 6
2. No significant deficiencies relating to the audit of the financial statements are reported in the "Findings – Financial Statement Audit" section of this report.
3. No instances of noncompliance material to the financial statements of 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. Animas Independent School District No. 6 expended less than \$500,000 in federal funds.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., CPA's

EXIT CONFERENCE

The contents of this report were discussed on October 19, 2009. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Mike Pompeo	Board Member	Animas Schools
Jerry Birdwell	Superintendent	Animas Schools
Kathy Johnson	Finance Director	Animas Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's
Kay Stone	Shareholder	Stone, McGee & Co., CPA's