

State of New Mexico

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

For The Fiscal Year Ended June 30, 2010

Animas Independent School District # 6
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Animas Independent School District No. 6
DIRECTORY OF OFFICIALS
June 30, 2010

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, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Animas Independent School District No. 6 (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's non-major governmental funds and the budgetary comparisons for the components of the general fund, the non-major special revenue funds, and the Debt Service Fund presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial 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, 2010, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, Entitlement, ARRA Entitlement Stimulus, SB-9, and Teacher/Principal Training 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, 2010, and the respective changes in financial position, where applicable, thereof and the respective

budgetary comparisons for the components of the General Fund, the non-major special revenue funds 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 September 27, 2010, 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. In addition, 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 Schedule of Expenditures of Federal Awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stone, McGee & Co CPAs

September 27, 2010

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, 2010. 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 decreased \$372,329, or 9%.
- During the year, the District had \$4,421,414 in governmental expenditures, compared to \$4,212,929 the prior year, an increase of \$208,485 or 5%.
- The District's general revenues, net of special items, decreased \$403,809 or 13%.

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 2010 and 2009 is as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>Change</u>
Cash and cash equivalents	\$ 291,191	\$ 408,073	\$ (116,882)
Other current assets	164,623	121,707	42,916
Capital assets, net of depreciation	<u>3,263,809</u>	<u>3,557,371</u>	<u>(293,562)</u>
Total assets	<u>\$ 3,719,623</u>	<u>\$ 4,087,151</u>	<u>\$ (367,528)</u>
Current liabilities	\$ 13,211	\$ 14,140	\$ 929
Long-term liabilities	<u>12,086</u>	<u>6,356</u>	<u>(5,730)</u>
Total liabilities	<u>\$ 25,297</u>	<u>\$ 20,496</u>	<u>\$ (4,801)</u>
Net assets	<u>\$ 3,694,326</u>	<u>\$ 4,066,655</u>	<u>\$ (372,329)</u>

The net assets decreased 9% in 2010. This decrease is primarily due to the decrease 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, decreased from \$402,395 to \$257,683.

A comparison of changes in net assets between 2010 and 2009 is as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 65,968	\$ 72,513
Operating grants	1,216,596	855,410
Capital grants	45,525	431,642
General revenues:		
Property taxes	74,591	75,153
State formula grants	2,627,177	3,028,789
Other general revenues	<u>19,228</u>	<u>20,863</u>
Total revenues	<u>\$ 4,049,085</u>	<u>\$ 4,484,370</u>

Expenses:		
Instruction	\$ 2,439,493	\$ 2,260,095
Support Services – Students	154,198	212,385
Support Services – Instruction	102,641	87,988
General Administration	194,896	199,754
School Administration	249,259	223,730
Central Services	68,801	65,416
Operation of Plant	594,736	561,560
Food Services	129,909	149,654
Transportation	<u>487,481</u>	<u>452,347</u>
 Total expenses	 <u>\$ 4,421,414</u>	 <u>\$ 4,212,929</u>
 Increase (decrease) in net assets	 <u>\$ (372,329)</u>	 <u>\$ 271,441</u>

Total revenues net of special items, decreased \$435,285 or 13%. This decrease is due to fewer operating grants received in 2010. Expenses increased \$208,485 or 5%. This increase is within the bounds of normal operations. As shown in the Statement of Activities, the amount that taxpayers and the State Equalization Guarantee ultimately financed for these activities was \$2,720,996, 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 decreased \$138,517 or 34%, primarily due to decreased formula funding based on enrollment, and increased expenses to fund mandated programs.

The District's SB-9 Fund increased \$55,649 or 20%, 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, 2010, the District had \$13,627,528 invested in capital assets, as shown below.

This represents a net increase of \$9,732 or <1%.

	<u>2010</u>	<u>2009</u>
Land and improvements	\$ 380,943	\$ 380,943
Construction in progress	-0-	-0-
Building and improvements	11,936,211	11,936,211
Equipment	<u>1,310,374</u>	<u>1,300,642</u>
	<u>\$ 13,627,528</u>	<u>\$ 13,617,796</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, 2010 the District's liability for accumulated leave increased to \$12,085.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget for fiscal year 2010-2011 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.

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, 2010

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 291,191
Property taxes receivable	4,848
Due from other governments	157,694
Inventory	2,081
Capital assets:	
Land	380,943
Buildings and improvements	11,936,211
Furniture and fixtures and equipment	1,310,374
Construction in progress	
Less accumulated depreciation	(10,363,719)
Total capital assets, net of depreciation	\$ 3,263,809
Total assets	\$ 3,719,623
Liabilities	
Accounts payable	\$ 13,211
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	12,086
Total liabilities	\$ 25,297
Net Assets	
Invested in capital assets	\$ 3,263,809
Restricted for:	
Debt service	3,698
Other purposes	169,136
Unrestricted	257,683
Total net assets	\$ 3,694,326

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, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</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	\$ 2,439,493	\$ 26,777	\$ 432,425	\$ (1,980,291)
Support services - Students	154,198			(154,198)
Support services - Instruction	102,641		59,357	(43,284)
General administration	194,896		2,118	(192,778)
School administration	249,259		6,325	(242,934)
Central services	68,801			(68,801)
Operation of plant	594,736	17,345	125,066	45,525
Food services	129,909	21,846	117,970	9,907
Transportation	487,481		473,335	(14,146)
	<u>\$ 4,421,414</u>	<u>\$ 65,968</u>	<u>\$ 1,216,596</u>	<u>\$ 45,525</u>
Total governmental activities				<u>\$ (3,093,325)</u>

General revenues:	
Property taxes:	
Levied for general purposes	\$ 14,686
Levied for debt service	
Levied for capital improvements	59,905
State aid - formula grants	2,627,177
Recoveries and refunds	19,228
Unrestricted investment earnings	<u>-</u>
 Total general revenues and special items	 <u>\$ 2,720,996</u>
 Change in net assets	 \$ (372,329)
Net assets - beginning	<u>4,066,655</u>
Net assets - ending	<u><u>\$ 3,694,326</u></u>

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

Animas Independent School District # 6
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2010

	General Fund	Title I	Entitlement
Assets			
Cash and investments	\$ 127,584	\$ -	\$ -
Property taxes receivable	642		
Due from other governments		34,351	49,045
Interfund receivable	157,694		
Inventory			
Total assets	\$ 285,920	\$ 34,351	\$ 49,045
Liabilities and Fund Balance			
Interfund payable	\$ 2,940	\$ 34,351	\$ 49,045
Accounts payable	13,211		
Deferred revenue	324		
Total liabilities	\$ 16,475	\$ 34,351	\$ 49,045
Fund balance:			
Reserved for:			
Inventory	\$ -	\$ -	\$ -
Debt service			
Unreserved, reported in:			
General fund	269,445		
Special revenue funds			
Total fund balance	\$ 269,445	\$ -	\$ -
Total liabilities and fund balance	\$ 285,920	\$ 34,351	\$ 49,045

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

<u>Teacher Training</u>	<u>Entitlement Stimulus</u>	<u>SB-9</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 123,632	\$ 39,975	\$ 291,191
20,755	28,442	4,206	25,101	4,848
			2,940	157,694
			2,081	160,634
				2,081
<u>\$ 20,755</u>	<u>\$ 28,442</u>	<u>\$ 127,838</u>	<u>\$ 70,097</u>	<u>\$ 616,448</u>
\$ 20,755	\$ 28,442	\$ -	\$ 25,101	\$ 160,634
		2,885		13,211
				3,209
<u>\$ 20,755</u>	<u>\$ 28,442</u>	<u>\$ 2,885</u>	<u>\$ 25,101</u>	<u>\$ 177,054</u>
\$ -	\$ -	\$ -	\$ 2,081	\$ 2,081
			3,698	3,698
		124,953	39,217	269,445
				164,170
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,953</u>	<u>\$ 44,996</u>	<u>\$ 439,394</u>
<u>\$ 20,755</u>	<u>\$ 28,442</u>	<u>\$ 127,838</u>	<u>\$ 70,097</u>	<u>\$ 616,448</u>

Animas Independent School District # 6
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2010

Total governmental fund balances	\$	439,394
<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.		3,263,809
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Property taxes subject to the 60 day availability period		3,209
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		(12,086)
<i>Net Assets of Governmental Activities</i>	\$	<u><u>3,694,326</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, 2010

	General Fund	Title I	Entitlement
Revenues:			
Property taxes	\$ 15,151	\$ -	\$ -
Fees and charges	30,987		
State aid	3,110,262		
Federal aid	17,670	65,850	70,110
Miscellaneous	19,228		
	<u>\$ 3,193,298</u>	<u>\$ 65,850</u>	<u>\$ 70,110</u>
Expenditures:			
Current:			
Instruction	\$ 1,804,604	\$ 65,850	\$ 70,110
Support services - Students	118,028		
Support services - Intstruction	38,714		
General administration	192,178		
School administration	233,669		
Central services	66,960		
Operation of plant	404,923		
Food service			
Transportation	472,739		
Capital outlay			
	<u>\$ 3,331,815</u>	<u>\$ 65,850</u>	<u>\$ 70,110</u>
Net change in fund balances	\$ (138,517)	\$ -	\$ -
Fund balance, July 1, 2009	<u>407,962</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u>\$ 269,445</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Teacher Training</u>	<u>Entitlement Stimulus</u>	<u>SB-9</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ -	\$ -	\$ 61,803	\$ -	\$ 76,954
			34,981	65,968
		45,525	8,329	3,164,116
29,880	28,442		513,230	725,182
				19,228
<u>\$ 29,880</u>	<u>\$ 28,442</u>	<u>\$ 107,328</u>	<u>\$ 556,540</u>	<u>\$ 4,051,448</u>
\$ 17,718	\$ 28,442	\$ -	\$ 224,001	\$ 2,210,725
12,162			47,195	118,028
		600	2,118	98,071
			6,325	194,896
		51,079	125,066	239,994
			129,909	66,960
			9,732	581,068
				129,909
				472,739
				9,732
<u>\$ 29,880</u>	<u>\$ 28,442</u>	<u>\$ 51,679</u>	<u>\$ 544,346</u>	<u>\$ 4,122,122</u>
\$ -	\$ -	\$ 55,649	\$ 12,194	\$ (70,674)
		69,304	32,802	510,068
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,953</u>	<u>\$ 44,996</u>	<u>\$ 439,394</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, 2010

Net change in fund balances-total governmental funds	\$	(70,674)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense:

Capital outlay		9,732
Depreciation expense		(303,294)

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		(2,363)
--	--	---------

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

		(5,730)
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Change in Net Assets of Governmental Activities

	\$	(372,329)
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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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 17,329	\$ 17,329	\$ 17,670	\$ 341
State sources	3,166,665	3,109,817	3,110,262	445
Local sources	60,897	60,897	68,217	7,320
Interest income	1,400	1,400		(1,400)
Total revenues	\$ 3,246,291	\$ 3,189,443	\$ 3,196,149	\$ 6,706
Expenditures:				
Current:				
Instruction	\$ 1,954,582	\$ 1,885,082	\$ 1,783,955	\$ 101,127
Support services - Students	139,350	133,350	118,028	15,322
Support services - Instruction	63,366	61,366	38,714	22,652
General administration	227,755	217,255	193,216	24,039
School administration	243,931	243,931	233,650	10,281
Central services	77,054	72,554	66,960	5,594
Operation of plant	459,125	437,913	394,864	43,049
Transportation	420,471	477,335	474,435	2,900
Capital outlay	20,000	20,000	19,525	475
Non-operating	1,355	1,355		1,355
Total expenditures	\$ 3,606,989	\$ 3,550,141	\$ 3,323,347	\$ 226,794
Net change in fund balance	\$ (360,698)	\$ (360,698)	\$ (127,198)	\$ 233,500
Fund balance, July 1, 2009	360,698	360,698	412,476	51,778
Fund balance, June 30, 2010	\$ -	\$ -	\$ 285,278	\$ 285,278

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ 70,003</u>	<u>\$ 70,423</u>	<u>\$ 77,788</u>	<u>\$ 7,365</u>
 Expenditures:				
Current:				
Instruction	<u>\$ 70,003</u>	<u>\$ 70,423</u>	<u>\$ 65,850</u>	<u>\$ 4,573</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 70,003</u>	<u>\$ 70,423</u>	<u>\$ 65,850</u>	<u>\$ 4,573</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,938</u>	<u>\$ 11,938</u>
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(46,289)</u>	<u>(46,289)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (34,351)</u></u>	<u><u>\$ (34,351)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ 75,207</u>	<u>\$ 53,281</u>	<u>\$ (21,926)</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 75,207	\$ 70,110	\$ 5,097
Support services - Students				-
School administration				-
Total expenditures	<u>\$ -</u>	<u>\$ 75,207</u>	<u>\$ 70,110</u>	<u>\$ 5,097</u>
Net change in fund balance	\$ -	\$ -	\$ (16,829)	\$ (16,829)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(32,216)</u>	<u>(32,216)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (49,045)</u></u>	<u><u>\$ (49,045)</u></u>

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - ARRA ENTITLEMENT STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 32,302	\$ -	\$ (32,302)
Expenditures:				
Current:				
Instruction	\$ -	\$ 32,302	\$ 28,442	\$ 3,860
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 32,302</u>	<u>\$ 28,442</u>	<u>\$ 3,860</u>
Net change in fund balance	\$ -	\$ -	\$ (28,442)	\$ (28,442)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (28,442)</u></u>	<u><u>\$ (28,442)</u></u>

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 60,436	\$ 60,436	\$ 61,471	\$ 1,035
Local sources		45,525	45,525	-
Total revenues	<u>\$ 60,436</u>	<u>\$ 105,961</u>	<u>\$ 106,996</u>	<u>\$ 1,035</u>
Expenditures:				
Current:				
General administration	\$ 600	\$ 600	\$ 600	\$ -
Operation of plant	45,095	90,620	51,079	39,541
Capital outlay	35,000	35,000		35,000
Total expenditures	<u>\$ 80,695</u>	<u>\$ 126,220</u>	<u>\$ 51,679</u>	<u>\$ 74,541</u>
Net change in fund balance	\$ (20,259)	\$ (20,259)	\$ 55,317	\$ 75,576
Fund balance, July 1, 2009	<u>20,259</u>	<u>20,259</u>	<u>68,315</u>	<u>48,056</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 123,632</u></u>	<u><u>\$ 123,632</u></u>

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - TEACHER/PRINCIPAL TRAINING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 14,633	\$ 31,607	\$ 9,125	\$ (22,482)
Expenditures:				
Current:				
Instruction	\$ 13,901	\$ 18,665	\$ 17,718	\$ 947
Support services - Instruction		12,210	12,162	48
General administration	732	732		732
Total expenditures	\$ 14,633	\$ 31,607	\$ 29,880	\$ 1,727
Net change in fund balance	\$ -	\$ -	\$ (20,755)	\$ (20,755)
Fund balance, July 1, 2009	-	-	-	-
Fund balance, June 30, 2010	\$ -	\$ -	\$ (20,755)	\$ (20,755)

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, 2010

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 35,830</u>
 Liabilities and Fund Equity	
Deposits held for others	<u>\$ 35,830</u>
Total liabilities	<u>\$ 35,830</u>

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

Animas Independent School District No. 6
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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).

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

Teacher Training – Created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified, 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, 2010, was \$.50 per \$1,000 for non-residential property and \$.448 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, 2010 \$-0- of the governments bank balance of \$520,561 was exposed to custodial credit risk as follows:

Uninsured and collateralized	\$	-0-
Uninsured and collateral held by pledging banks trust department not in District's name		<u>-0-</u>
Total	\$	<u>-0-</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	270,561	77,021
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 520,561</u>	<u>\$ 327,021</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, 2010 was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 380,943	\$	\$	\$ 380,943
Construction in progress	<u>-0-</u>	<u> </u>	<u> </u>	<u>-0-</u>
Total assets not being depreciated	<u>\$ 380,943</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 380,943</u>
Other capital assets:				
Buildings and improvements	\$ 11,936,211	\$	\$	\$ 11,936,211
Furniture and equipment	<u>1,300,642</u>	<u>9,732</u>	<u> </u>	<u>1,310,374</u>
Total other capital assets at historical cost	<u>\$ 13,236,853</u>	<u>\$ 9,732</u>	<u>\$ -0-</u>	<u>\$ 13,246,585</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ (9,277,055)	\$ (234,615)	\$	\$ (9,511,670)
Furniture and equipment	<u>(783,370)</u>	<u>(68,679)</u>	<u> </u>	<u>(852,049)</u>
Total accumulated depreciation	<u>\$(10,060,425)</u>	<u>\$ (303,294)</u>	<u>\$ -0-</u>	<u>\$(10,363,719)</u>
Other capital assets, net	<u>\$ 3,176,428</u>	<u>\$ (293,562)</u>	<u>\$ -0-</u>	<u>\$ 2,882,866</u>
Total capital assets, net	<u>\$ 3,557,371</u>	<u>\$ (293,562)</u>	<u>\$ -0-</u>	<u>\$ 3,263,809</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 4,570
Instruction	223,038
Support services – students	36,170
School administration	9,265
Central services	1,841
Operation of plant	13,668
Transportation	<u>14,742</u>
	<u>\$ 303,294</u>

Note 4 Long-term Debt

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

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Compensated absences	\$ 6,355	\$ 24,666	\$ 18,936	\$ 12,085
	<u>\$ 6,355</u>	<u>\$ 24,666</u>	<u>\$ 18,936</u>	<u>\$ 12,085</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, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The Animas Independent School District No. 6 was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the 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, 2010, 2009, and 2008, were \$415,124, \$375,378, and \$360,173 respectively, which equal the amount of the required contributions for each fiscal 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, 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.

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

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

Also, employers joining the program after 1/01/98 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 Animas Independent School District No. 6's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$39,877 and \$38,103 and \$37,797, 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, 2010 is as follows:

	<u>General Fund</u>	<u>Entitle- ment Fund</u>	<u>AARA Entitlement Stimulus</u>	<u>Title I Fund</u>	<u>SB-9</u>	<u>Teacher Training</u>
Revenues over (under) expenditures (GAAP) basis	\$ (138,517)	\$ -0-	\$ -0-	\$ -0-	\$ 55,649	\$ -0-
Increases (decreases):						
Revenue accruals (net)	2,851	(16,829)	(28,442)	11,938	(332)	(20,755)
Expenditures accrual (net)	<u>8,468</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Revenues over (under) expenditures (NON- GAAP) budgetary basis	<u>\$ (127,198)</u>	<u>\$ (16,829)</u>	<u>\$ (28,442)</u>	<u>\$ 11,938</u>	<u>\$ 55,317</u>	<u>\$ (20,755)</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, 2010.

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	\$ 124,953
Cafeteria	15,465
Athletics	10,688
Other funds	<u>18,030</u>
	<u>\$ 169,136</u>

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

The District reports restricted net assets of \$172,834, of which \$124,953 is restricted by enabling legislation.

Note 13 Inter-fund Activity

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

<u>Inter-fund Payable</u>						
	<u>Entitlement</u>	<u>Entitlement</u>	<u>Title I</u>	<u>Teacher</u>	<u>All Others</u>	<u>Total</u>
	<u>Stimulus</u>			<u>Training</u>		
<u>Inter-fund Receivable</u>						
Other Funds	\$	\$	\$	\$	\$ 2,940	\$ 2,940
General	<u>28,442</u>	<u>49,045</u>	<u>34,351</u>	<u>20,755</u>	<u>25,101</u>	<u>157,694</u>
Total	<u>\$ 28,442</u>	<u>\$ 49,045</u>	<u>\$ 34,351</u>	<u>\$ 20,755</u>	<u>\$ 28,041</u>	<u>\$160,634</u>

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

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.

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.

ARRA-USDA Assistance – to account for federal assistance in the operation of food services and the purchase of fund service equipment. Authority is PED Manual of Procedures.

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

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, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Title I Stimulus
Assets				
Cash and investments	\$ 13,384	\$ 10,688	\$ -	\$ -
Due from other governments			6,379	6,672
Property taxes receivable				
Interfund receivables				
Inventory	2,081			
Total assets	\$ 15,465	\$ 10,688	\$ 6,379	\$ 6,672
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 6,379	\$ 6,672
Accounts payable				
Deferred revenue				
Total liabilities	\$ -	\$ -	\$ 6,379	\$ 6,672
Fund balances:				
Reserved for inventory	\$ 2,081	\$ -	\$ -	\$ -
Reserved for debt service				
Unreserved	13,384	10,688		
Total fund balance	\$ 15,465	\$ 10,688	\$ -	\$ -
Total liabilities and fund balance	\$ 15,465	\$ 10,688	\$ 6,379	\$ 6,672

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

Special Revenue Funds

<u>State Equalization Stimulus</u>	<u>School Improvement</u>	<u>Microsoft Settlement</u>	<u>2008 Library</u>	<u>Technolgy For Education</u>	<u>Teacher Mentoring</u>
\$ - 12,050	\$ 4,163	\$ 5	\$ 784	\$ 3,271	\$ 3,929
<u>\$ 12,050</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>	<u>\$ 3,271</u>	<u>\$ 3,929</u>
\$ 12,050	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 12,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>4,163</u>	<u>5</u>	<u>784</u>	<u>3,271</u>	<u>3,929</u>
<u>\$ -</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>	<u>\$ 3,271</u>	<u>\$ 3,929</u>
<u>\$ 12,050</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>	<u>\$ 3,271</u>	<u>\$ 3,929</u>

Animas School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2010

	Special Revenue Fund	Debt Service Fund	Total
	Elementary Breakfast	Debt Service	
Assets			
Cash and investments	\$ 53	\$ 3,698	\$ 39,975
Due from other governments			25,101
Property taxes receivable			-
Interfund receivables	2,940		2,940
Inventory			2,081
Total assets	\$ 2,993	\$ 3,698	\$ 70,097
Liabilities and Fund Balance			
Interfund payable	\$ -	\$ -	\$ 25,101
Accounts Payable			-
Deferred revenue			-
Total liabilities	\$ -	\$ -	\$ 25,101
Fund balances:			
Reserved for inventory	\$ -	\$ -	\$ 2,081
Reserved for debt service		3,698	3,698
Unreserved	2,993		39,217
Total fund balance	\$ 2,993	\$ 3,698	\$ 44,996
Total liabilities and fund balance	\$ 2,993	\$ 3,698	\$ 70,097

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, 2010

	Special Revenue Funds			
	Cafeteria	Athletics	Migrant Education	Technology For Education
Revenues:				
Fees and charges	\$ 21,846	\$ 13,135	\$ -	\$ -
State aid				
Federal aid	102,741		11,758	90,539
Total revenues	\$ 124,587	\$ 13,135	\$ 11,758	\$ 90,539
Expenditures:				
Current:				
Instruction	\$ -	\$ 3,948	\$ 8,655	\$ 90,539
Support services - Instruction				
General administration				
School administration			3,103	
Operation of plant				
Food services	125,015			
Capital outlay				
Total expenditures	\$ 125,015	\$ 3,948	\$ 11,758	\$ 90,539
Net change in fund balances	\$ (428)	\$ 9,187	\$ -	\$ -
Fund balance, July 1, 2009	15,893	1,501		
Fund balance, June 30, 2010	\$ 15,465	\$ 10,688	\$ -	\$ -

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

Special Revenue Funds

Title I Stimulus	Breakfast Stimulus	Education Achievement	State Equalization Stimulus	School Improvement	Microsoft
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>31,999</u>	<u>9,732</u>	<u>10,570</u>	<u>211,040</u>		
<u>\$ 31,999</u>	<u>\$ 9,732</u>	<u>\$ 10,570</u>	<u>\$ 211,040</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 31,999	\$ -	\$ 10,570	\$ 38,539 47,195 1,618 222 123,466	\$ -	\$ -
	<u>9,732</u>				
<u>\$ 31,999</u>	<u>\$ 9,732</u>	<u>\$ 10,570</u>	<u>\$ 211,040</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				<u>4,163</u>	<u>5</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</u>	<u>\$ 5</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, 2010

	Special Revenue Funds		
	2008 Library	Technology For Education	Teacher Mentoring
Revenues:			
Fees and charges	\$ -	\$ -	\$ -
State aid		1,764	1,068
Federal aid			
Total revenues	\$ -	\$ 1,764	\$ 1,068
Expenditures:			
Current:			
Instruction	\$ -	\$ -	\$ -
Support services - Instruction			
General administration			
School administration			
Operation of plant			
Food services			
Capital outlay			
Total expenditures	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ 1,764	\$ 1,068
Fund balance, July 1, 2009	784	1,507	2,861
Fund balance, June 30, 2010	\$ 784	\$ 3,271	\$ 3,929

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

Special Revenue Funds		Debt Service Fund	
Elementary Breakfast	Discretionary	Debt Service	Total
\$ -	\$ -		\$ 34,981
5,497			8,329
	44,851		513,230
<u>\$ 5,497</u>	<u>\$ 44,851</u>	<u>\$ -</u>	<u>\$ 556,540</u>
\$ -	\$ 39,751	\$ -	\$ 224,001
	500		47,195
	3,000		2,118
	1,600		6,325
4,894			125,066
			129,909
			9,732
<u>\$ 4,894</u>	<u>\$ 44,851</u>	<u>\$ -</u>	<u>\$ 544,346</u>
\$ 603	\$ -	\$ -	\$ 12,194
2,390		3,698	32,802
<u>\$ 2,993</u>	<u>\$ -</u>	<u>\$ 3,698</u>	<u>\$ 44,996</u>

Animas Independent School District # 6
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2010

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 76,704	\$ 25,959	\$ 8,024
Property taxes receivable	642		
Interfund receivable	157,694		
Total assets	\$ 235,040	\$ 25,959	\$ 8,024
 Liabilities and Fund Balance			
Accounts payable	\$ 13,211	\$ -	\$ -
Interfund payable	2,940		
Deferred revenue	324		
Total liabilities	\$ 16,475	\$ -	\$ -
 Fund balance:			
Unreserved, reported in:			
General fund	\$ 218,565	\$ 25,959	\$ 8,024
Total fund balance	\$ 218,565	\$ 25,959	\$ 8,024
Total liabilities and fund balance	\$ 235,040	\$ 25,959	\$ 8,024

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 16,897	\$ 127,584 642 157,694
<u>\$ 16,897</u>	<u>\$ 285,920</u>
\$ -	\$ 13,211 2,940 324
<u>\$ -</u>	<u>\$ 16,475</u>
<u>\$ 16,897</u>	<u>\$ 269,445</u>
<u>\$ 16,897</u>	<u>\$ 269,445</u>
<u><u>\$ 16,897</u></u>	<u><u>\$ 285,920</u></u>

Animas Independent School District # 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 15,151	\$ -	\$ -
Fees and charges	13,642		
State aid	2,627,643	472,739	9,880
Federal aid	17,670		
Miscellaneous	19,228		
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 2,693,334	\$ 472,739	\$ 9,880
Expenditures:			
Current:			
Instruction	\$ 1,790,864	\$ -	\$ 13,740
Support services - Students	118,028		
Support services - Intstruction	38,434		280
General administration	192,178		
School administration	233,669		
Central services	66,960		
Operation of plant	398,369		
Transportation		472,739	
Capital outlay			
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 2,838,502	\$ 472,739	\$ 14,020
Net change in fund balances	\$ (145,168)	\$ -	\$ (4,140)
Fund balance, July 1, 2009	<u>363,733</u>	<u>25,959</u>	<u>12,164</u>
Fund balance, June 30, 2010	<u>\$ 218,565</u>	<u>\$ 25,959</u>	<u>\$ 8,024</u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 15,151
17,345	30,987
	3,110,262
	17,670
	19,228
\$ 17,345	\$ 3,193,298
\$ -	\$ 1,804,604
	118,028
	38,714
	192,178
	233,669
	66,960
6,554	404,923
	472,739
	-
\$ 6,554	\$ 3,331,815
\$ 10,791	\$ (138,517)
6,106	407,962
\$ 16,897	\$ 269,445

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 30,2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 17,329	\$ 17,329	\$ 17,670	\$ 341
State sources	2,740,444	2,626,732	2,627,047	315
Local sources	42,597	42,597	50,872	8,275
Interest income	1,400	1,400		(1,400)
Total revenues	\$ 2,801,770	\$ 2,688,058	\$ 2,695,589	\$ 7,531
Expenditures:				
Current:				
Instruction	\$ 1,940,257	\$ 1,870,757	\$ 1,770,215	\$ 100,542
Support services - Students	139,350	133,350	118,028	15,322
Support services - Instruction	61,874	59,874	38,434	21,440
General administration	227,755	217,255	193,216	24,039
School administration	243,931	243,931	233,650	10,281
Central services	77,054	72,554	66,960	5,594
Operation of plant	436,124	414,912	388,310	26,602
Transportation	4,000	4,000	1,100	2,900
Capital outlay	20,000	20,000	19,525	475
Non-operating	1,355	1,355		1,355
Total expenditures	\$ 3,151,700	\$ 3,037,988	\$ 2,829,438	\$ 208,550
Net change in fund balance	\$ (349,930)	\$ (349,930)	\$ (133,849)	\$ 216,081
Fund balance, July 1, 2009	349,930	349,930	368,247	18,317
Fund balance, June 30, 2010	\$ -	\$ -	\$ 234,398	\$ 234,398
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ (145,168)
Revenue accruals (net)				2,851
Expenditure accruals (net)				8,468
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ (133,849)</u>

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 416,471	\$ 473,335	\$ 473,335	\$ -
Earnings on investments				-
Total revenues	\$ 416,471	\$ 473,335	\$ 473,335	\$ -
Expenditures:				
Current:				
Transportation	\$ 416,471	\$ 473,335	\$ 473,335	\$ -
Capital outlay				-
Total expenditures	\$ 416,471	\$ 473,335	\$ 473,335	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	25,959	25,959
Fund balance, June 30, 2010	\$ -	\$ -	\$ 25,959	\$ 25,959
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
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 9,750	\$ 9,750	\$ 9,880	\$ 130
Expenditures:				
Current:				
Instruction	\$ 14,325	\$ 14,325	\$ 13,740	\$ 585
Support services - Instruction	1,492	1,492	280	1,212
Total expenditures	\$ 15,817	\$ 15,817	\$ 14,020	\$ 1,797
Net change in fund balance	\$ (6,067)	\$ (6,067)	\$ (4,140)	\$ 1,927
Fund balance, July 1, 2009	6,067	6,067	12,164	6,097
Fund balance, June 30, 2010	\$ -	\$ -	\$ 8,024	\$ 8,024
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,140)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,140)	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 18,300	\$ 18,300	\$ 17,345	\$ (955)
Earnings on investments				-
Total revenues	\$ 18,300	\$ 18,300	\$ 17,345	\$ (955)
Expenditures:				
Current:				
Operation of plant	\$ 23,001	\$ 23,001	\$ 6,554	\$ 16,447
Capital outlay				-
Total expenditures	\$ 23,001	\$ 23,001	\$ 6,554	\$ 16,447
Net change in fund balance	\$ (4,701)	\$ (4,701)	\$ 10,791	\$ 15,492
Fund balance, July 1, 2009	4,701	4,701	6,106	1,405
Fund balance, June 30, 2010	\$ -	\$ -	\$ 16,897	\$ 16,897
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 10,791	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 10,791	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 95,000	\$ 95,000	\$ 93,473	\$ (1,527)
Local sources	<u>23,150</u>	<u>23,150</u>	<u>21,846</u>	<u>(1,304)</u>
Total revenues	<u>\$ 118,150</u>	<u>\$ 118,150</u>	<u>\$ 115,319</u>	<u>\$ (2,831)</u>
Expenditures:				
Current:				
Food services	\$ 132,367	\$ 132,367	\$ 116,935	\$ 15,432
Capital outlay				-
Total expenditures	<u>\$ 132,367</u>	<u>\$ 132,367</u>	<u>\$ 116,935</u>	<u>\$ 15,432</u>
Net change in fund balance	\$ (14,217)	\$ (14,217)	\$ (1,616)	\$ 12,601
Fund balance, July 1, 2009	<u>14,217</u>	<u>14,217</u>	<u>15,000</u>	<u>783</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,384</u>	<u>\$ 13,384</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (428)	
Revenue accruals (net)			(9,268)	
Expenditure accruals (net)			<u>8,080</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (1,616)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 20,600	\$ 20,600	\$ 13,135	\$ (7,465)
Expenditures:				
Current:				
Instruction	<u>20,964</u>	<u>20,964</u>	<u>3,948</u>	<u>17,016</u>
Net change in fund balance	\$ (364)	\$ (364)	\$ 9,187	\$ 9,551
Fund balance, July 1, 2009	<u>364</u>	<u>364</u>	<u>1,501</u>	<u>1,137</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,688</u>	<u>\$ 10,688</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 9,187	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 9,187</u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	5	5
Fund balance, June 30, 2010	\$ -	\$ -	\$ 5	\$ 5
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 - 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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 45,000	\$ 50,000	\$ 10,313	\$ (39,687)
Expenditures:				
Current:				
Instruction	\$ 45,000	\$ 45,000	\$ 8,655	\$ 36,345
School administration	<u> </u>	<u>5,000</u>	<u>3,103</u>	<u>1,897</u>
Total expenditures	<u>\$ 45,000</u>	<u>\$ 50,000</u>	<u>\$ 11,758</u>	<u>\$ 38,242</u>
Net change in fund balance	\$ -	\$ -	\$ (1,445)	\$ (1,445)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>(4,934)</u>	<u>(4,934)</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,379)</u></u>	<u><u>\$ (6,379)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,445)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,445)</u></u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ 1,068	\$ 1,068
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 1,068	\$ 1,068
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>2,861</u>	<u>2,861</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,929</u></u>	<u><u>\$ 3,929</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,068	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,068</u></u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 1,764	\$ 1,764
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 1,764	\$ 1,764
Fund balance, July 1, 2009	-	-	1,507	1,507
Fund balance, June 30, 2010	\$ -	\$ -	\$ 3,271	\$ 3,271
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,764	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,764	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	4,163	4,163
Fund balance, June 30, 2010	\$ -	\$ -	\$ 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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 19,975	\$ 10,570	\$ (9,405)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>19,975</u>	<u>10,570</u>	<u>9,405</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 5,497	\$ 2,557	\$ (2,940)
Expenditures:				
Current:				
Food services	-	5,497	4,894	603
Net change in fund balance	\$ -	\$ -	\$ (2,337)	\$ (2,337)
Fund balance, July 1, 2009	-	-	2,390	2,390
Fund balance, June 30, 2010	\$ -	\$ -	\$ 53	\$ 53
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 603	
Revenue accruals (net)			(2,940)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,337)	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - TITLE I STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 19,413	\$ 38,625	\$ 25,327	\$ (13,298)
Expenditures:				
Current:				
Instruction	\$ 18,442	\$ 36,693	\$ 31,999	\$ 4,694
General administration	971	1,932		1,932
Total expenditures	<u>\$ 19,413</u>	<u>\$ 38,625</u>	<u>\$ 31,999</u>	<u>\$ 6,626</u>
Net change in fund balance	\$ -	\$ -	\$ (6,672)	\$ (6,672)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,672)</u></u>	<u><u>\$ (6,672)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(6,672)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (6,672)</u></u>	

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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	-	-	784	784
Fund balance, June 30, 2010	\$ -	\$ -	\$ 784	\$ 784
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 - 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, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 130,538	\$ 111,727	\$ (18,811)
Expenditures:				
Current:				
Instruction	\$ -	\$ 130,538	\$ 90,539	\$ 39,999
General administration				-
Total expenditures	\$ -	\$ 130,538	\$ 90,539	\$ 39,999
Net change in fund balance	\$ -	\$ -	\$ 21,188	\$ 21,188
Fund balance, July 1, 2009	-	-	(21,188)	(21,188)
Fund balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			21,188	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 21,188	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - USDA ASSISTANCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 9,933	\$ 9,732	\$ (201)
Expenditures:				
Current:				
Food services	<u>-</u>	<u>9,933</u>	<u>9,732</u>	<u>201</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - STATE EQUALIZATION STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 202,241	\$ 256,485	\$ 208,387	\$ (48,098)
Expenditures:				
Current:				
Instruction	\$ 24,771	\$ 41,771	\$ 38,539	\$ 3,232
Support services - Students	51,470	54,714	47,195	7,519
Support services - Instruction		3,000		3,000
General administration		4,500	1,618	2,882
School administration		1,500	222	1,278
Operation of plant	126,000	151,000	132,863	18,137
Total expenditures	<u>\$ 202,241</u>	<u>\$ 256,485</u>	<u>\$ 220,437</u>	<u>\$ 36,048</u>
Net change in fund balance	\$ -	\$ -	\$ (12,050)	\$ (12,050)
Fund balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,050)</u>	<u>\$ (12,050)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,653)	
Expenditure accruals (net)			<u>(9,397)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (12,050)</u>	

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

Animas Independent School District #6
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 70	\$ 70	\$ -	\$ (70)
Expenditures:				
Current:				
Administration	\$ 4	\$ 4	\$ -	\$ 4
Reserve	<u>3,766</u>	<u>3,766</u>	<u>-</u>	<u>3,766</u>
Total expenditures	<u>\$ 3,770</u>	<u>\$ 3,770</u>	<u>\$ -</u>	<u>\$ 3,770</u>
Net change in fund balance	\$ (3,700)	\$ (3,700)	\$ -	\$ 3,700
Fund balance, July 1, 2009	<u>3,700</u>	<u>3,700</u>	<u>3,698</u>	<u>(2)</u>
Fund balance, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,698</u>	<u>\$ 3,698</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>	

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

Animas Independent School District # 6
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
Assets				
Cash and investments:				
Animas High School	\$ 32,080	\$ 80,097	\$ 84,473	\$ 27,704
Animas Middle School	3,720	1,180	1,052	3,848
Animas Elementary School	1,862	5,168	4,443	2,587
Administration	<u>2,570</u>	<u>1,682</u>	<u>2,561</u>	<u>1,691</u>
 Total Assets	 <u>\$ 40,232</u>	 <u>\$ 88,127</u>	 <u>\$ 92,529</u>	 <u>\$ 35,830</u>
 Liabilities				
Deposits held for others:				
Animas High School	\$ 32,080	\$ 80,097	\$ 84,473	\$ 27,704
Animas Middle School	3,720	1,180	1,052	3,848
Animas Elementary School	1,862	5,168	4,443	2,587
Administration	<u>2,570</u>	<u>1,682</u>	<u>2,561</u>	<u>1,691</u>
 Total Liabilities	 <u>\$ 40,232</u>	 <u>\$ 88,127</u>	 <u>\$ 92,529</u>	 <u>\$ 35,830</u>

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

Animas Independent School District # 6
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2010

	<u>Western Bank</u>
Checking	\$ 520,561
Total on deposit	\$ 520,561
Less: FDIC insurance	<u>(250,000)</u>
Total uninsured public funds	<u>\$ 270,561</u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>\$ 135,281</u>
Pledged Securities:	
Torrance Cnty, NM 891400MM2 1-15-2015	\$ 271,873
Vaughn NM 922382BQ8 7-1-2013	<u>126,773</u>
Total pledged securities	<u>\$ 398,646</u>
Pledged securities over (under) requirement	<u>\$ 263,366</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, 2010

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Teacherage	Checking	\$ 17,044	\$ 16,897
Federal Projects	Checking	-	-
Operational	Checking	277,719	250,169
Payroll Clearing	Checking	156,897	-
Athletics	Checking	11,064	10,688
Lunch Fund	Checking	14,105	13,437
IRS	Checking	-	-
School Fund	Checking	<u>43,732</u>	<u>35,830</u>
 Total cash and investments		 <u><u>\$ 520,561</u></u>	 <u><u>\$ 327,021</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, 2010

	<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, 2009	\$ 368,117	\$ 6,106	\$ 25,959	\$ 12,164	\$ 15,000
Add: Current year receipts	2,695,720	17,345	473,335	9,880	115,320
Prior year warrants voided	576				
Less: Current year expenditures	(2,830,013)	(6,554)	(473,335)	(14,020)	(116,935)
Chargebacks/(Overdrafts)					
Receivables/payables	(157,694)				
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 76,706</u>	<u>\$ 16,897</u>	<u>\$ 25,959</u>	<u>\$ 8,024</u>	<u>\$ 13,385</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, 2010

	Capital Improvement SB-9	Debt Service	Agency	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of July 1, 2009	\$ 68,315	\$ 3,698	\$ 40,232	\$ 447,382
Add: Current year receipts	106,997		88,127	4,042,282
Prior year warrants voided				795
Less: Current year expenditures	(51,679)		(92,529)	(4,163,438)
Abatements				-
Receivables/payables				-
Transfers				-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of June 30, 2010	<u>\$ 123,633</u>	<u>\$ 3,698</u>	<u>\$ 35,830</u>	<u>\$ 327,021</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, 2010

	<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, 2009	\$ 1,501	\$ (104,631)	\$ -	\$ -	\$ 10,921
Add: Current year receipts	13,135	297,293	218,957		6,173
Prior year warrants voided	219				
Less: Current year expenditures	(4,167)	(338,306)	(231,007)		(4,893)
Abatements					
Receivables/payables		145,644	12,050		
Transfers					
Total cash and investments as of June 30, 2010	<u>\$ 10,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,201</u>

Animas Independent School District No. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2010

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct:			
ARRA-State Fiscal Stabilization Fund	84.394	25.250	\$ 211,040
Rural Education	84.358	25.233	10,570
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	65,850
ARRA-Title I Grants to Lea's, Recovery Act	84.389	24.201	31,999
AARA-Special Education-Grants to States, Recovery Act	84.391	24.206	28,442
Special Education-Grants to States	84.027	24.106	114,961
Migrant Education-Basic State Grant	84.011	24.103	11,758
Teacher Quality State Grants	84.367	24.154	29,880
Technology Literacy Challenge Funds	84.318	24.149	<u>90,539</u>
Total U.S. Department of Education			<u>\$ 595,039</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Programs:			
Schools and Roads-Grants to States	10.665	N/A	\$ 17,670
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	59,999
School Breakfast Program	10.553	N/A	33,474
AARA-USDA Assistance		24.218	9,732
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	<u>9,268</u>
Total U.S. Department of Agriculture			<u>\$ 130,143</u>
Total expenditures of federal awards			<u><u>\$ 725,182</u></u>

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

Animas Independent School District No. 6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2010

Note 1 Basis of Presentation

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

Note 2 Emergency Food Assistance Program

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The District received \$9,268 in food commodities during the year ended June 30, 2010.

Note 3 Insurance Coverage

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

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

Animas Independent School District #6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

Current Year Status

Findings – Financial Statement Audit

09-1 The audit was conducted without an approved audit contract

Resolved

Findings and Questioned Costs – Major Federal Award Programs

None

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

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

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

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Animas Independent School District No. 6 as of and for the year ended June 30, 2010, which collectively comprise Animas Independent School District No. 6's basic financial statements and have issued our report thereon dated September 27, 2010. We have also audited the financial statements of each of the District's non-major governmental funds and related budgetary comparisons presented as other supplementary information as of and for the year ended June 30, 2010 and have issued our report thereon dated September 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

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

Stone, McGee & Co. CPAs

September 27, 2010

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

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

Compliance

We have audited Animas Independent School District No. 6's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Animas Independent School District No. 6's major federal programs for the year ended June 30, 2010. Animas Independent School District No. 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Animas Independent School District No. 6's management. Our responsibility is to express an opinion on the Animas Independent School District No. 6's compliance based on our audit.

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

In our opinion, Animas Independent School District No. 6 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Animas Independent School District No. 6 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Animas Independent School District No. 6's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Animas Independent School District No. 6's internal control over compliance.

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

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

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

Stone, McGee & Co. CPAs

September 27, 2010

Animas Independent School District No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

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 is reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Bases on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
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. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Animas Independent School District No. 6 expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: The Special Education Cluster, consisting of Special Education – Grants to States, CFDA No. 84.027 and ARRA Special Education – Grants to States, CFDA No. 84.391; the ARRA State Fiscal Stabilization Fund, CFDA No. 84.394; and Schools and Roads – Grants to States, CFDA No. 10.665.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Animas Independent School District No. 6 was not a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

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

EXIT CONFERENCE

The contents of this report were discussed September 27, 2010. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Levi Klump	Board President	Animas Schools
Tammy Massey	Audit Committee Member	Animas Schools
Katy Estrada	Audit Committee Member	Animas Schools
Betsy Ward	Superintendent	Animas Schools
Kathy Johnson	Finance director	Animas Schools
Kay Stone	Shareholder	Stone, McGee & Co., CPA's