

State of New Mexico

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

For The Fiscal Year Ended June 30, 2011

Animas Independent School District # 6
TABLE OF CONTENTS
 June 30, 2011

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Directory of officials	1
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	2-3
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	4-9
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	10
Statement of Activities	11-12
<i>Fund Financial Statements:</i>	
Balance Sheet--Governmental Funds	13-14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds	16-17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis) General and Major Special Revenue Funds:	
General fund	19
Title I	20
ARRA Entitlement Stimulus	21
SB-9	22
Statement of Fiduciary Assets and Liabilities-Agency Funds	23
Notes to Basic Financial Statements	24-39
OTHER SUPPLEMENTARY INFORMATION:	

Fund Descriptions	40-41
Combining Balance Sheet--Nonmajor Governmental Funds	42-46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Governmental Funds	47-51
Combining Balance Sheet--General Fund	52-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--General Fund	54-55
Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
General Fund:	
Operational	56
Transportation	57
Instructional Materials	58
Teacherage	59
Special Revenue Funds:	
Cafeteria	60
Athletics	61
Teacher/Principal Training	62
Entitlement	63
Preschool	64
Migrant Children	65
Teacher Mentoring	66
Technology for Education	67
Incentive for School Improvement	68
Educational Achievement Program	69
Breakfast For Elementary Students	70
Title I Stimulus	71
2008 Library Book Bonds	72
Safe and Drug Free Schools	73
ARRA Preschool Stimulus	74
State Equalization Stimulus	75
Elementary School Breakfast	76
IDEA B Risk Pool	77
Microsoft Settlement	78
2009 Dual Credit Instruction	79
2008 GO Bond Student Library Fund	80
Education Job Fund	81
 Debt Service fund	 82

OTHER SUPPLEMENTAL DATA

Schedule of Changes in Assets and Liabilities--Agency Funds	83
Schedule of Depository Collateral	84
Schedule of Individual Deposit Accounts and Investments	85
Schedule of Cash Receipts and Disbursements--by School District Classification	86-88
Schedule of Joint Powers Agreement	89
Schedule of Expenditure of Federal Awards	90
Notes to Schedule of Expenditure of Federal Awards	91

ADDITIONAL REPORTING REQUIREMENTS:

Summary Schedule of Prior Audit Findings	92
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93-94
Independent Auditors 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	95-96
Schedule of Findings and Questioned Costs	97-98

Animas Independent School District No. 6
DIRECTORY OF OFFICIALS
June 30, 2011

BOARD OF EDUCATION

William Hurt	President
Levi Klump	Vice-President
Mike Pompeo	Secretary
Jared Fralie	Member
William Swift	Member

SCHOOL OFFICIALS

Betsy Ward	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, 2011, 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, 2011, 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, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, ARRA Entitlement Stimulus, and SB-9 funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Animas Independent School District No. 6 as of June 30, 2011, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of

the General Fund, the non-major special revenue funds and the Debt Service Fund for the year the ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2011, 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

October 20, 2011

Stone, McGee & Co.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Animas Independent School District No. 6's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the District's financial statements, which are listed in the table of contents.

Financial Highlights

- The district's net assets increased \$76,400, or 2%.
- During the year, the District had \$3,634,730 in governmental expenditures, compared to \$4,421,414 the prior year, a decrease of \$786,684 or 22%.
- The District's general revenues, net of special items, decreased \$337,955 or 9%.

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 2011 and 2010 is as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Change</u>
Cash and cash equivalents	\$ 624,821	\$ 291,191	\$ 333,630
Other current assets	142,134	164,623	(22,489)
Capital assets, net of depreciation	<u>3,038,138</u>	<u>3,263,809</u>	<u>(225,671)</u>
Total assets	<u>\$ 3,805,093</u>	<u>\$ 3,719,623</u>	<u>\$ 85,470</u>
Current liabilities	\$ 14,814	\$ 13,211	\$ (1,603)
Long-term liabilities	<u>19,553</u>	<u>12,086</u>	<u>(7,467)</u>
Total liabilities	<u>\$ 34,367</u>	<u>\$ 25,297</u>	<u>\$ (9,070)</u>
Net assets	<u>\$ 3,770,726</u>	<u>\$ 3,694,326</u>	<u>\$ 76,400</u>

The net assets increased 2% in 2011. This increase is primarily due to the decrease in spending. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements, increased from \$257,682 to \$545,168.

A comparison of changes in net assets between 2011 and 2010 is as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 66,219	\$ 65,968
Operating grants	958,792	1,216,596
Capital grants	67,440	45,525
General revenues:		
Property taxes	71,219	74,591
State formula grants	2,524,149	2,627,177
Other general revenues	<u>23,311</u>	<u>19,228</u>
Total revenues	<u>\$ 3,711,130</u>	<u>\$ 4,049,085</u>

Expenses:		
Instruction	\$ 1,857,811	\$ 2,439,493
Support Services – Students	196,207	154,198
Support Services – Instruction	36,036	102,641
General Administration	185,234	194,896
School Administration	237,935	249,259
Central Services	68,004	68,801
Operation of Plant	481,542	594,736
Food Services	112,005	129,909
Transportation	<u>459,956</u>	<u>487,481</u>
Total expenses	<u>\$ 3,634,730</u>	<u>\$ 4,421,414</u>
Increase (decrease) in net assets	<u>\$ 76,400</u>	<u>\$ (372,329)</u>

Total revenues net of special items, decreased \$337,955 or 9%. This decrease is due to fewer operating grants received in 2011. Expenses decreased \$786,684 or 22%. This decrease is within the bounds of normal operations. As shown in the Statement of Activities, the amount that taxpayers and the State Equalization Guarantee ultimately financed for these activities was \$2,618,679, because direct grants and charges for services financed the remainder.

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

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

THE DISTRICT'S FUNDS

The District's general fund balance increased \$294,696 or 52%, primarily due to increased funding, and decreased expenses to fund mandated programs.

The District's SB-9 Fund increased \$11,287 or 8%, 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, 2011, the District had \$13,670,583 invested in capital assets, as shown below.

This represents a net increase of \$43,055 or <1%.

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 380,943	\$ 380,943
Construction in progress	-0-	-0-
Building and improvements	12,032,637	11,936,211
Equipment	<u>1,257,003</u>	<u>1,310,374</u>
	<u>\$ 13,670,583</u>	<u>\$ 13,627,528</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, 2011 the District's liability for accumulated leave increased to \$19,553.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget for fiscal year 2011-2012 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 and stimulus 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, 2011

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 624,821
Property taxes receivable	3,905
Due from other governments	136,148
Inventory	2,081
Capital assets:	
Land	380,943
Buildings and improvements	12,032,637
Furniture and fixtures and equipment	1,257,003
Construction in progress	
Less accumulated depreciation	(10,632,445)
Total capital assets, net of depreciation	\$ 3,038,138
Total assets	\$ 3,805,093
Liabilities	
Accounts payable	\$ 14,814
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	19,553
Total liabilities	\$ 34,367
Net Assets	
Invested in capital assets	\$ 3,038,138
Restricted for:	
Debt service	3,749
Other purposes	183,671
Unrestricted	545,168
Total net assets	\$ 3,770,726

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, 2011

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Assets</u>
<u>Functions/Programs</u>					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
Instruction	\$ 1,857,811	\$ 18,547	\$ 261,974	\$ 8,910	\$ (1,568,380)
Support services - Students	196,207				(196,207)
Support services - Instruction	36,036		10,793		(25,243)
General administration	185,234		45,500		(139,734)
School administration	237,935		124,611		(113,324)
Central services	68,004		500		(67,504)
Operation of plant	481,542	27,177	5,107	58,530	(390,728)
Food services	112,005	20,495	92,993		1,483
Transportation	459,956		417,314		(42,642)
Total governmental activities	\$ 3,634,730	\$ 66,219	\$ 958,792	\$ 67,440	\$ (2,542,279)

General revenues:	
Property taxes:	
Levied for general purposes	\$ 14,165
Levied for debt service	52
Levied for capital improvements	57,002
State aid - formula grants	2,524,149
Recoveries and refunds	14,406
Gain on disposition of property	<u>8,905</u>
 Total general revenues and special items	 <u>\$ 2,618,679</u>
 Change in net assets	 \$ 76,400
Net assets - beginning	<u>3,694,326</u>
Net assets - ending	<u><u>\$ 3,770,726</u></u>

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

Animas Independent School District # 6
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2011

	General Fund	Title I	ARRA Entitlement Stimulus
Assets			
Cash and investments	\$ 441,418	\$ -	\$ -
Property taxes receivable	629		
Due from other governments		59,059	37,854
Interfund receivable	136,148		
Inventory			
	\$ 578,195	\$ 59,059	\$ 37,854
Total assets	\$ 578,195	\$ 59,059	\$ 37,854
Liabilities and Fund Balance			
Interfund payable	\$ -	\$ 59,059	\$ 37,854
Accounts payable	13,474		
Deferred revenue	580		
	\$ 14,054	\$ 59,059	\$ 37,854
Total liabilities	\$ 14,054	\$ 59,059	\$ 37,854
Fund balance:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ -
Restricted for:			
Education			
Food service			
Debt service			
Unassigned	564,141		
	\$ 564,141	\$ -	\$ -
Total fund balance	\$ 564,141	\$ -	\$ -
Total liabilities and fund balance	\$ 578,195	\$ 59,059	\$ 37,854

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

<u>SB-9</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 137,363	\$ 46,040	\$ 624,821
3,276		3,905
	39,235	136,148
	2,081	136,148
		2,081
<u>\$ 140,639</u>	<u>\$ 87,356</u>	<u>\$ 903,103</u>
\$ -	\$ 39,235	\$ 136,148
1,340		14,814
3,059		3,639
<u>\$ 4,399</u>	<u>\$ 39,235</u>	<u>\$ 154,601</u>
\$ -	\$ 2,081	\$ 2,081
136,240	24,484	160,724
	17,807	17,807
	3,749	3,749
		564,141
<u>\$ 136,240</u>	<u>\$ 48,121</u>	<u>\$ 748,502</u>
<u>\$ 140,639</u>	<u>\$ 87,356</u>	<u>\$ 903,103</u>

Animas Independent School District # 6
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2011

Total governmental fund balances	\$	748,502
<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.		3,038,138
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		3,639
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		(19,553)
<i>Net Assets of Governmental Activities</i>	\$	<u><u>3,770,726</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**
For The Fiscal Year Ended June 30, 2011

	General Fund	Title I	ARRA Entitlement Stimulus
Revenues:			
Property taxes	\$ 13,909	\$ -	\$ -
Fees and charges	34,867		
State aid	2,959,965		
Federal aid	14,209	87,539	37,854
Miscellaneous	25,224		
Total revenues	\$ 3,048,174	\$ 87,539	\$ 37,854
Expenditures:			
Current:			
Instruction	\$ 1,376,660	\$ 87,539	\$ 37,854
Support services - Students	159,519		
Support services - Intstruction	19,128		
General administration	139,154		
School administration	101,095		
Central services	65,975		
Operation of plant	447,278		
Food service			
Transportation	444,669		
Capital outlay			
Total expenditures	\$ 2,753,478	\$ 87,539	\$ 37,854
Revenues over (under) expenditures	\$ 294,696	\$ -	\$ -
Other financing sources (uses):			
Operating transfers in			
Operating transfers out			
Net change in fund balances	\$ 294,696	\$ -	\$ -
Fund balance, June 30, 2010	269,445		
Fund balance, June 30, 2011	<u>\$ 564,141</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>SB-9</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ 56,828	\$ 52	\$ 70,789
	31,352	66,219
58,530	9,362	3,027,857
	382,922	522,524
<u>14,448</u>		<u>39,672</u>
<u>\$ 129,806</u>	<u>\$ 423,688</u>	<u>\$ 3,727,061</u>
\$ -	\$ 122,046	\$ 1,624,099
		159,519
	10,793	29,921
579	45,501	185,234
	124,611	225,706
	500	66,475
21,514	5,107	473,899
	112,005	112,005
		444,669
<u>96,426</u>		<u>96,426</u>
<u>\$ 118,519</u>	<u>\$ 420,563</u>	<u>\$ 3,417,953</u>
\$ 11,287	\$ 3,125	\$ 309,108
	2,940	2,940
	(2,940)	\$ (2,940)
<u>11,287</u>	<u>3,125</u>	<u>309,108</u>
<u>124,953</u>	<u>44,996</u>	<u>439,394</u>
<u>\$ 136,240</u>	<u>\$ 48,121</u>	<u>\$ 748,502</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, 2011

Net change in fund balances-total governmental funds	\$	309,108
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense:		
Capital outlay		96,426
Depreciation expense		(305,736)
 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		430
 Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.		
		(16,361)
 Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and there- fore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.		
		(7,467)
 <i>Change in Net Assets of Governmental Activities</i>	 \$	 76,400

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 15,903	\$ 15,903	\$ 14,209	\$ (1,694)
State sources	3,058,613	2,975,158	2,951,055	(24,103)
Local sources	57,586	57,586	71,329	13,743
Interest income	100	100		(100)
Total revenues	\$ 3,132,202	\$ 3,048,747	\$ 3,036,593	\$ (12,154)
Expenditures:				
Current:				
Instruction	\$ 1,663,275	\$ 1,583,062	\$ 1,366,976	\$ 216,086
Support services - Students	167,232	167,232	161,108	6,124
Support services - Instruction	24,492	24,492	19,128	5,364
General administration	154,640	154,640	135,667	18,973
School administration	202,335	202,335	100,992	101,343
Central services	69,808	69,808	65,975	3,833
Operation of plant	544,812	556,040	449,790	106,250
Transportation	457,743	447,273	444,669	2,604
Capital outlay	1,471	1,471		1,471
Non-operating	22,000	18,000		18,000
Total expenditures	\$ 3,307,808	\$ 3,224,353	\$ 2,744,305	\$ 480,048
Net change in fund balance	\$ (175,606)	\$ (175,606)	\$ 292,288	\$ 467,894
Fund balance, July 1, 2010	175,606	175,606	285,278	109,672
Fund balance, June 30, 2011	\$ -	\$ -	\$ 577,566	\$ 577,566
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 294,696
Revenue accruals (net)				(11,581)
Expenditure accruals (net)				9,173
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ 292,288</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 64,870	\$ 87,540	\$ 62,831	\$ (24,709)
Expenditures:				
Current:				
Instruction	\$ 64,870	\$ 87,540	\$ 87,539	\$ 1
Support services - Instruction				-
Total expenditures	\$ 64,870	\$ 87,540	\$ 87,539	\$ 1
Net change in fund balance	\$ -	\$ -	\$ (24,708)	\$ (24,708)
Fund balance, July 1, 2010	-	-	(34,351)	(34,351)
Fund balance, June 30, 2011	\$ -	\$ -	\$ (59,059)	\$ (59,059)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(24,708)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (24,708)	

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 37,854	\$ 28,442	\$ (9,412)
Expenditures:				
Current:				
Instruction	\$ -	\$ 37,854	\$ 37,854	\$ -
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 37,854</u>	<u>\$ 37,854</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (9,412)	\$ (9,412)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>(28,442)</u>	<u>(28,442)</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (37,854)</u></u>	<u><u>\$ (37,854)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(9,412)	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (9,412)</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Local sources	<u>59,905</u>	<u>103,198</u>	<u>72,380</u>	<u>(30,818)</u>
Total revenues	<u>\$ 59,905</u>	<u>\$ 103,198</u>	<u>\$ 72,380</u>	<u>\$ (30,818)</u>
Expenditures:				
Current:				
General administration	\$ 650	\$ 650	\$ 579	\$ 71
Operation of plant	163,536	206,829	58,070	148,759
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>\$ 174,186</u>	<u>\$ 217,479</u>	<u>\$ 58,649</u>	<u>\$ 158,830</u>
Net change in fund balance	\$ (114,281)	\$ (114,281)	\$ 13,731	\$ 128,012
Fund balance, July 1, 2010	<u>114,281</u>	<u>114,281</u>	<u>123,632</u>	<u>9,351</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,363</u>	<u>\$ 137,363</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 11,287	
Revenue accruals (net)			(57,426)	
Expenditure accruals (net)			<u>59,870</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 13,731</u>	

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

Animas Independent School District # 6
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2011

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 36,829</u>
 Liabilities and Fund Equity	
Deposits held for others	<u>\$ 36,829</u>
Total liabilities	<u>\$ 36,829</u>

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

Animas Independent School District No. 6
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

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.

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 governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

During the year ended June 30, 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the contracts placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

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, 2011, was \$.50 per \$1,000 for non-residential property and \$.472 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 \$1.89 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, 2011 \$157,984 of the governments bank balance of \$806,126 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	157,984
Uninsured and collateral held by pledging banks trust department not in District's name		<u>-0-</u>
Total		<u>\$ 157,984</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	398,142	398,142
Uninsured and uncollateralized	<u>157,984</u>	<u>13,508</u>
	<u>\$ 806,126</u>	<u>\$ 661,650</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, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</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	\$ 96,426	\$	\$ 12,032,637
Furniture and equipment	<u>1,310,374</u>	<u>-0-</u>	<u>53,371</u>	<u>1,257,003</u>
Total other capital assets at historical cost	<u>\$ 13,246,585</u>	<u>\$ 96,426</u>	<u>\$ 53,371</u>	<u>\$ 13,289,640</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ (9,511,670)	\$ (239,040)	\$	\$ (9,750,710)
Furniture and equipment	<u>(852,049)</u>	<u>(66,696)</u>	<u>37,010</u>	<u>(881,735)</u>
Total accumulated depreciation	<u>\$ (10,363,719)</u>	<u>\$ (305,736)</u>	<u>\$ 37,010</u>	<u>\$ (10,632,445)</u>
Other capital assets, net	<u>\$ 2,882,866</u>	<u>\$ (209,310)</u>	<u>\$ (16,361)</u>	<u>\$ 2,657,195</u>
Total capital assets, net	<u>\$ 3,263,809</u>	<u>\$ (209,310)</u>	<u>\$ (16,361)</u>	<u>\$ 3,038,138</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 6,115
Instruction	226,245
Support services – students	36,688
School administration	12,229
Central services	1,529
Operation of plant	7,643
Transportation	<u>15,287</u>
	<u>\$ 305,736</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2011:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Compensated absences	\$ 12,085	\$ 27,945	\$ 20,477	\$ 19,553
	<u>\$ 12,085</u>	<u>\$ 27,945</u>	<u>\$ 20,477</u>	<u>\$ 19,553</u>

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

The District entered into an operating lease agreement with Toshiba Business Solutions on June 21, 2006. The terms of the agreement are monthly payments of \$1,441.00, beginning June 21, 2006. The maturity date is June 21, 2012. The payments are made from the General Fund.

A summary of activity in the lease is as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June</u> <u>30, 2011</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Toshiba Business Solutions	\$ 33,145	\$ -0-	\$ 17,292	\$ 15,851	\$ 15,851

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 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The 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. Effective July 1, 2011 plan members are 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 are required to contribute 11.15% of their gross salary. The Animas Independent School District No. 6 is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the 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, 2011, 2010 and 2009, were \$184,586, \$233,595, and \$227,931 respectively, which equal the amount of the required contributions for each fiscal year.

Note 6 Retiree Health Care Plan

Plan Description

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

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

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

Funding Policy

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

(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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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, 2011, 2010 and 2009 were \$27,498 and \$26,584 and \$25,392, 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 I 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, 2011 is as follows:

	<u>General Fund</u>	ARRA <u>Entitlement Stimulus</u>	<u>Title I Fund</u>	<u>SB-9</u>
Revenues over (under) expenditures (GAAP) basis	\$ 294,696	\$ -0-	\$ -0-	\$ 11,287
Increases (decreases):				
Revenue accruals (net)	(11,581)	(9,412)	(24,708)	(57,426)
Expenditures accrual (net)	<u>9,173</u>	<u>-0-</u>	<u>-0-</u>	<u>59,870</u>
Revenues over (under) expenditures (NON-GAAP) budgetary basis	<u>\$ 292,288</u>	<u>\$ (9,412)</u>	<u>\$ (24,708)</u>	<u>\$ 13,731</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, 2011.

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	\$ 136,240
Cafeteria	19,888
Athletics	12,279
Other funds	<u>15,264</u>
	<u>\$ 183,671</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 \$187,420, of which \$175,141 is restricted by enabling legislation.

Note 13 Inter-fund Activity

Inter-fund balances at June 30, 2011 consisted of the following:

	Inter-fund Payable			
	<u>ARRA Entitlement Stimulus</u>	<u>Title I</u>	<u>All Others</u>	<u>Total</u>
<u>Inter-fund Receivable</u>				
General	\$ 37,854	\$ 59,059	\$ 39,235	\$ 136,148
Total	<u>\$ 37,854</u>	<u>\$ 59,059</u>	<u>\$ 39,235</u>	<u>\$ 136,148</u>

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

Note 14 Budgetary Authority

The District exceeded budgeted authority in the following functional categories:

State Equalization Stimulus:		
Operation of plant	\$	107
Education Job Fund:		
Instruction	\$	278

The District has revisited its budget adjustment policy, and believes controls are now in place to alleviate these problems.

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/Preschool/Preschool Stimulus/Risk Pool – 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).

2008 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.

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

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

Teacher Training – created by P.L. 107-110 to improve teacher and principal quality and ensure that all teachers are highly qualified.

Safe and Drug Free Schools – fund used to account for federal resources administered by the New Mexico State Department of Education to provide an integrated approach in the school curriculum to aid in drug abuse education and prevention. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 103-382).

Education Jobs Fund – used to account for federal funds given to states to assist local education agencies in saving or creating education jobs (P.L. 111-126).

2009 Dual Credit Instruction – to account for State grant received to provide college credits to high school students, Authority State Grant PED.

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, 2011

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Preschool
Assets				
Cash and investments	\$ 17,807	\$ 12,279	\$ -	\$ -
Due from other governments			3,945	957
Property taxes receivable				
Interfund receivables				
Inventory	2,081			
	<u>\$ 19,888</u>	<u>\$ 12,279</u>	<u>\$ 3,945</u>	<u>\$ 957</u>
Total assets	\$ 19,888	\$ 12,279	\$ 3,945	\$ 957
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 3,945	\$ 957
Accounts payable				
Deferred revenue				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,945</u>	<u>\$ 957</u>
Total liabilities	\$ -	\$ -	\$ 3,945	\$ 957
Fund balances:				
Nonspendable:				
Inventory	\$ 2,081	\$ -	\$ -	\$ -
Restricted for:				
Education		12,279		
Food service	17,807			
Debt service				
Unassigned				
	<u>\$ 19,888</u>	<u>\$ 12,279</u>	<u>\$ -</u>	<u>\$ -</u>
Total fund balances	\$ 19,888	\$ 12,279	\$ -	\$ -
Total liabilities and fund balances	\$ 19,888	\$ 12,279	\$ 3,945	\$ 957

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

Special Revenue Funds					
<u>Migrant Education</u>	<u>Teacher Training</u>	<u>Title I Stimulus</u>	<u>Preschool Stimulus</u>	<u>State Stimulus</u>	<u>Idea B Risk Pool</u>
\$ - 1,522	\$ - 7,848	\$ - 130	\$ - 1,221	\$ - 5,774	\$ - 511
<u>\$ 1,522</u>	<u>\$ 7,848</u>	<u>\$ 130</u>	<u>\$ 1,221</u>	<u>\$ 5,774</u>	<u>\$ 511</u>
\$ 1,522	\$ 7,848	\$ 130	\$ 1,221	\$ 5,774	\$ 511
<u>\$ 1,522</u>	<u>\$ 7,848</u>	<u>\$ 130</u>	<u>\$ 1,221</u>	<u>\$ 5,774</u>	<u>\$ 511</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 1,522</u>	<u>\$ 7,848</u>	<u>\$ 130</u>	<u>\$ 1,221</u>	<u>\$ 5,774</u>	<u>\$ 511</u>

Animas School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
 June 30, 2011

	Special Revenue Funds		
	School Improvement	Microsoft Settlement	2008 Library Bond
Assets			
Cash and investments	\$ 4,163	\$ 5	\$ 784
Due from other governments			
Property taxes receivable			
Interfund receivables			
Inventory			
Total assets	\$ 4,163	\$ 5	\$ 784
 Liabilities and Fund Balance			
Interfund payable	\$ -	\$ -	\$ -
Accounts Payable			
Deferred revenue			
Total liabilities	\$ -	\$ -	\$ -
 Fund balances:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ -
Restricted for:			
Education	4,163	5	784
Food service			
Debt service			
Unassigned			
Total fund balances	\$ 4,163	\$ 5	\$ 784
	\$ 4,163	\$ 5	\$ 784

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

Special Revenue Funds

Technology For Education	Teacher Mentoring	2009 Dual Credit Instruction	Breakfast for Elementary Students	2008 GO Bond	Education Job Fund
\$ 3,271	\$ 3,929	\$ - 3,569	\$ 53	\$ - 5,793	\$ - 7,965
<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ 3,569</u>	<u>\$ 53</u>	<u>\$ 5,793</u>	<u>\$ 7,965</u>
\$ -	\$ -	\$ 3,569	\$ -	\$ 5,793	\$ 7,965
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,569</u>	<u>\$ -</u>	<u>\$ 5,793</u>	<u>\$ 7,965</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,271	3,929		53		
<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ 3,569</u>	<u>\$ 53</u>	<u>\$ 5,793</u>	<u>\$ 7,965</u>

Animas School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2011

	Debt Service Fund	
	Debt Service	Total
Assets		
Cash and investments	\$ 3,749	\$ 46,040
Due from other governments		39,235
Property taxes receivable		-
Interfund receivables		-
Inventory		2,081
Total assets	\$ 3,749	\$ 87,356
Liabilities and Fund Balance		
Interfund payable	\$ -	\$ 39,235
Accounts Payable		-
Deferred revenue		-
Total liabilities	\$ -	\$ 39,235
Fund balances:		
Nonspendable:		
Inventory	\$ -	\$ 2,081
Restricted for:		
Education		24,484
Food service		17,807
Debt service	3,749	3,749
Unassigned		-
Total fund balances	\$ 3,749	\$ 48,121
	\$ 3,749	\$ 87,356

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, 2011

	Special Revenue Funds			
	Cafeteria	Athletics	Discretionary	Entitlement
Revenues:				
Fees and charges	\$ 20,495	\$ 10,857	\$ -	\$ -
Property taxes				
State aid				
Federal aid	87,593		44,000	69,547
Total revenues	\$ 108,088	\$ 10,857	\$ 44,000	\$ 69,547
Expenditures:				
Current:				
Instruction	\$ -	\$ 9,266	\$ 44,000	\$ 12,663
Support services - Instruction				
General administration				45,000
School administration				11,884
Central services				
Operation of plant				
Food services	106,605			
Capital outlay				
Total expenditures	\$ 106,605	\$ 9,266	\$ 44,000	\$ 69,547
Net change in fund balances	\$ 1,483	\$ 1,591	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in	2,940			
Operating transfers out				
Net change in fund balances	\$ 4,423	\$ 1,591	\$ -	\$ -
Fund balance, July 1, 2010	15,465	10,688		
Fund balance, June 30, 2011	\$ 19,888	\$ 12,279	\$ -	\$ -

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

Special Revenue Funds

Preschool	Safe and Drug Free Schools	Teacher Training	Title I Stimulus	Preschool Stimulus	Education Achievement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>3,831</u>	<u>1,197</u>	<u>15,268</u>	<u>6,141</u>	<u>1,221</u>	<u>12,511</u>
<u>\$ 3,831</u>	<u>\$ 1,197</u>	<u>\$ 15,268</u>	<u>\$ 6,141</u>	<u>\$ 1,221</u>	<u>\$ 12,511</u>
\$ 3,831	\$ 1,197	\$ 15,268	\$ 6,141	\$ 1,221	\$ 12,511
<u>\$ 3,831</u>	<u>\$ 1,197</u>	<u>\$ 15,268</u>	<u>\$ 6,141</u>	<u>\$ 1,221</u>	<u>\$ 12,511</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Animas Independent School District # 6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2011

	Special Revenue Funds			
	Elementary Breakfast	State Stimulus	Idea B Risk Pool	School Improvement
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid	5,400	63,023	511	
Total revenues	<u>\$ 5,400</u>	<u>\$ 63,023</u>	<u>\$ 511</u>	<u>\$ -</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ 11,868	\$ 511	\$ -
Support services - Instruction		5,000		
General administration		500		
School administration		40,048		
Central services		500		
Operation of plant		5,107		
Food services	5,400			
Capital outlay				
Total expenditures	<u>\$ 5,400</u>	<u>\$ 63,023</u>	<u>\$ 511</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,163</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</u>

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

Special Revenue Funds

<u>Microsoft</u>	<u>2008 Library Bond</u>	<u>Technology For Education</u>	<u>Teacher Mentoring</u>	<u>2009 Dual Credit</u>	<u>Breakfast For Elementary</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				3,569	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,569</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,569	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,569</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					(2,940)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,940)
<u>5</u>	<u>784</u>	<u>3,271</u>	<u>3,929</u>	<u>-</u>	<u>2,993</u>
<u>\$ 5</u>	<u>\$ 784</u>	<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ -</u>	<u>\$ 53</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, 2011

	2008 GO Bond	Education Job Fund	Debt Service Fund	Total
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ 31,352
Property taxes			52	52
State aid	5,793			9,362
Federal aid		72,679		382,922
Total revenues	\$ 5,793	\$ 72,679	\$ 52	\$ 423,688
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ 122,046
Support services - Instruction	5,793			10,793
General administration			1	45,501
School administration		72,679		124,611
Central services				500
Operation of plant				5,107
Food services				112,005
Capital outlay				-
Total expenditures	\$ 5,793	\$ 72,679	\$ 1	\$ 420,563
Net change in fund balances	\$ -	\$ -	\$ 51	\$ 3,125
Other financing sources (uses):				
Operating transfers in				2,940
Operating transfers out				(2,940)
Net change in fund balances	\$ -	\$ -	\$ 51	\$ 3,125
Fund balance, July 1, 2010	-	-	3,698	44,996
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 48,121</u>

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

Animas Independent School District # 6
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2011

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 396,564	\$ 4,261	\$ 6,808
Property taxes receivable	629		
Interfund receivable	136,148		
Total assets	\$ 533,341	\$ 4,261	\$ 6,808
 Liabilities and Fund Balance			
Accounts payable	\$ 13,474	\$ -	\$ -
Interfund payable			
Deferred revenue	580		
Total liabilities	\$ 14,054	\$ -	\$ -
 Fund balance:			
Unassigned	\$ 519,287	\$ 4,261	\$ 6,808
Total fund balance	\$ 519,287	\$ 4,261	\$ 6,808
Total liabilities and fund balance	\$ 533,341	\$ 4,261	\$ 6,808

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 33,785	\$ 441,418
	629
	<u>136,148</u>
<u>\$ 33,785</u>	<u>\$ 578,195</u>
\$ -	\$ 13,474
	-
	<u>580</u>
<u>\$ -</u>	<u>\$ 14,054</u>
<u>\$ 33,785</u>	<u>\$ 564,141</u>
<u>\$ 33,785</u>	<u>\$ 564,141</u>
<u>\$ 33,785</u>	<u>\$ 578,195</u>

Animas Independent School District # 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Fiscal Year Ended June 30, 2011

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 13,909	\$ -	\$ -
Fees and charges	7,690		
State aid	2,533,059	417,314	9,592
Federal aid	14,209		
Miscellaneous	20,963	4,261	
	<u>\$ 2,589,830</u>	<u>\$ 421,575</u>	<u>\$ 9,592</u>
Expenditures:			
Current:			
Instruction	\$ 1,365,955	\$ -	\$ 10,705
Support services - Students	159,519		
Support services - Intstruction	19,025		103
General administration	139,154		
School administration	101,095		
Central services	65,975		
Operation of plant	436,989		
Transportation	1,396	443,273	
Capital outlay			
	<u>\$ 2,289,108</u>	<u>\$ 443,273</u>	<u>\$ 10,808</u>
Net change in fund balances	\$ 300,722	\$ (21,698)	\$ (1,216)
Fund balance, July 1, 2010	<u>218,565</u>	<u>25,959</u>	<u>8,024</u>
Fund balance, June 30, 2011	<u>\$ 519,287</u>	<u>\$ 4,261</u>	<u>\$ 6,808</u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 13,909
27,177	34,867
	2,959,965
	14,209
	25,224
<u>\$ 27,177</u>	<u>\$ 3,048,174</u>
\$ -	\$ 1,376,660
	159,519
	19,128
	139,154
	101,095
	65,975
10,289	447,278
	444,669
	-
<u>\$ 10,289</u>	<u>\$ 2,753,478</u>
\$ 16,888	\$ 294,696
16,897	269,445
<u>\$ 33,785</u>	<u>\$ 564,141</u>

Animas Independent School District # 6
GENERAL FUND/OPERATIONAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 15,903	\$ 15,903	\$ 14,209	\$ (1,694)
State sources	2,595,961	2,522,976	2,524,149	1,173
Local sources	41,586	41,586	39,891	(1,695)
Interest income	100	100		(100)
Total revenues	\$ 2,653,550	\$ 2,580,565	\$ 2,578,249	\$ (2,316)
Expenditures:				
Current:				
Instruction	\$ 1,647,835	\$ 1,567,622	\$ 1,356,271	\$ 211,351
Support services - Students	167,232	167,232	161,108	6,124
Support services - Instruction	23,000	23,000	19,025	3,975
General administration	154,640	154,640	135,667	18,973
School administration	202,335	202,335	100,992	101,343
Central services	69,808	69,808	65,975	3,833
Operation of plant	518,706	529,934	439,501	90,433
Transportation	4,000	4,000	1,396	2,604
Other support services	1,471	1,471		1,471
Capital outlay	16,000	12,000		12,000
Total expenditures	\$ 2,805,027	\$ 2,732,042	\$ 2,279,935	\$ 452,107
Net change in fund balance	\$ (151,477)	\$ (151,477)	\$ 298,314	\$ 449,791
Fund balance, July 1, 2010	151,477	151,477	234,398	82,921
Fund balance, June 30, 2011	\$ -	\$ -	\$ 532,712	\$ 532,712
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 300,722
Revenue accruals (net)				(2,671)
Expenditure accruals (net)				263
Net change in fund balance, NON-GAAP budgetary basis				\$ 298,314

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 453,743	\$ 443,273	\$ 417,314	\$ (25,959)
Local sources			4,261	4,261
	\$ 453,743	\$ 443,273	\$ 421,575	\$ (21,698)
Total revenues				
Expenditures:				
Current:				
Transportation	\$ 453,743	\$ 443,273	\$ 443,273	\$ -
Capital outlay				-
	\$ 453,743	\$ 443,273	\$ 443,273	\$ -
Total expenditures				
Net change in fund balance	\$ -	\$ -	\$ (21,698)	\$ (21,698)
Fund balance, July 1, 2010	-	-	25,959	25,959
Fund balance, June 30, 2011	\$ -	\$ -	\$ 4,261	\$ 4,261
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (21,698)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (21,698)	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 8,909	\$ 8,909	\$ 9,592	\$ 683
Expenditures:				
Current:				
Instruction	\$ 15,440	\$ 15,440	\$ 10,705	\$ 4,735
Support services - Instruction	1,492	1,492	103	1,389
Total expenditures	\$ 16,932	\$ 16,932	\$ 10,808	\$ 6,124
Net change in fund balance	\$ (8,023)	\$ (8,023)	\$ (1,216)	\$ 6,807
Fund balance, July 1, 2010	8,023	8,023	8,024	1
Fund balance, June 30, 2011	\$ -	\$ -	\$ 6,808	\$ 6,808
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,216)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,216)	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 16,000	\$ 16,000	\$ 27,177	\$ 11,177
Earnings on investments				-
Total revenues	\$ 16,000	\$ 16,000	\$ 27,177	\$ 11,177
Expenditures:				
Current:				
Operation of plant	\$ 26,106	\$ 26,106	\$ 10,289	\$ 15,817
Capital outlay	6,000	6,000		6,000
Total expenditures	\$ 32,106	\$ 32,106	\$ 10,289	\$ 21,817
Net change in fund balance	\$ (16,106)	\$ (16,106)	\$ 16,888	\$ 32,994
Fund balance, July 1, 2010	16,106	16,106	16,897	791
Fund balance, June 30, 2011	\$ -	\$ -	\$ 33,785	\$ 33,785
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 16,888	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 16,888	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 89,500	\$ 89,500	\$ 84,017	\$ (5,483)
Local sources	<u>21,400</u>	<u>21,400</u>	<u>20,495</u>	<u>(905)</u>
Total revenues	<u>\$ 110,900</u>	<u>\$ 110,900</u>	<u>\$ 104,512</u>	<u>\$ (6,388)</u>
Expenditures:				
Current:				
Food services	\$ 127,295	\$ 127,295	\$ 100,089	\$ 27,206
Capital outlay				-
Total expenditures	<u>\$ 127,295</u>	<u>\$ 127,295</u>	<u>\$ 100,089</u>	<u>\$ 27,206</u>
Net change in fund balance	\$ (16,395)	\$ (16,395)	\$ 4,423	\$ 20,818
Fund balance, July 1, 2010	<u>16,395</u>	<u>16,395</u>	<u>13,384</u>	<u>(3,011)</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,807</u>	<u>\$ 17,807</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,423	
Revenue accruals (net)			(3,576)	
Expenditure accruals (net)			6,516	
Other financing sources (net)			<u>(2,940)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 4,423</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 11,500	\$ 11,500	\$ 10,857	\$ (643)
Expenditures:				
Current:				
Instruction	21,951	21,951	9,266	12,685
Net change in fund balance	\$ (10,451)	\$ (10,451)	\$ 1,591	\$ 12,042
Fund balance, July 1, 2010	10,451	10,451	10,688	237
Fund balance, June 30, 2011	\$ -	\$ -	\$ 12,279	\$ 12,279
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,591	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,591	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 14,267	\$ 15,269	\$ 28,175	\$ 12,906
Expenditures:				
Current:				
Instruction	\$ 14,267	\$ 15,269	\$ 15,268	\$ 1
Support services - Instruction				-
General administration				-
Total expenditures	\$ 14,267	\$ 15,269	\$ 15,268	\$ 1
Net change in fund balance	\$ -	\$ -	\$ 12,907	\$ 12,907
Fund balance, July 1, 2010	-	-	(20,755)	(20,755)
Fund balance, June 30, 2011	\$ -	\$ -	\$ (7,848)	\$ (7,848)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			12,907	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,907	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 67,351	\$ 72,449	\$ 114,647	\$ 42,198
Expenditures:				
Current:				
Instruction	\$ 22,351	\$ 13,449	\$ 12,663	\$ 786
General administration	45,000	45,000	45,000	-
School administration	-	14,000	11,884	2,116
Total expenditures	\$ 67,351	\$ 72,449	\$ 69,547	\$ 2,902
Net change in fund balance	\$ -	\$ -	\$ 45,100	\$ 45,100
Fund balance, July 1, 2010	-	-	(49,045)	(49,045)
Fund balance, June 30, 2011	\$ -	\$ -	\$ (3,945)	\$ (3,945)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			45,100	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 45,100	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - PRESCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 3,467	\$ 3,831	\$ 2,874	\$ (957)
Expenditures:				
Current:				
Instruction	\$ 3,467	\$ 3,831	\$ 3,831	\$ -
General administration				-
School administration	-			-
Total expenditures	<u>\$ 3,467</u>	<u>\$ 3,831</u>	<u>\$ 3,831</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (957)	\$ (957)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (957)</u></u>	<u><u>\$ (957)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(957)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (957)</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - MIGRANT CHILDREN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 4,857</u>
Expenditures:				
Current:				
Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School administration				<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 4,857</u>
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>(6,379)</u>	<u>(6,379)</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,522)</u></u>	<u><u>\$ (1,522)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			<u>\$ -</u>	
Revenue accruals (net)			<u>4,857</u>	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 4,857</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010			3,929	3,929
Fund balance, June 30, 2011	\$ -	\$ -	\$ 3,929	\$ 3,929
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 - 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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010			3,271	3,271
Fund balance, June 30, 2011	\$ -	\$ -	\$ 3,271	\$ 3,271
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 - 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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	-	-	4,163	4,163
Fund balance, June 30, 2011	\$ -	\$ -	\$ 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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 39,256	\$ 12,511	\$ (26,745)
Expenditures:				
Current:				
Instruction	-	39,256	12,511	26,745
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	-	-	-	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -
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 - 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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010			53	53
Fund balance, June 30, 2011	\$ -	\$ -	\$ 53	\$ 53
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)			(2,940)	
Expenditure accruals (net)			-	
Other financing uses (net)			2,940	
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 - 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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 6,141	\$ 12,683	\$ 6,542
Expenditures:				
Current:				
Instruction	\$ -	\$ 6,141	\$ 6,141	\$ -
General administration				-
Total expenditures	<u>\$ -</u>	<u>\$ 6,141</u>	<u>\$ 6,141</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 6,542	\$ 6,542
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>(6,672)</u>	<u>(6,672)</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (130)</u></u>	<u><u>\$ (130)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			6,542	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 6,542</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010			784	784
Fund balance, June 30, 2011	\$ -	\$ -	\$ 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 - SAFE AND DRUG FREE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 1,197	\$ 1,197	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ 1,197	\$ 1,197	\$ -
School administration	-	-	-	-
Total expenditures	\$ -	\$ 1,197	\$ 1,197	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	-	-	-	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -
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 - ARRA PRESCHOOL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 1,263	\$ -	\$ (1,263)
Expenditures:				
Current:				
Instruction	\$ -	\$ 1,263	\$ 1,221	\$ 42
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 1,263</u>	<u>\$ 1,221</u>	<u>\$ 42</u>
Net change in fund balance	\$ -	\$ -	\$ (1,221)	\$ (1,221)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,221)</u></u>	<u><u>\$ (1,221)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,221)	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,221)</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 26,868	\$ 62,916	\$ 69,299	\$ 6,383
Expenditures:				
Current:				
Instruction	\$ 11,868	\$ 11,868	\$ 11,868	\$ -
Support services - Instruction	5,000	5,000	5,000	-
General administration	500	500	500	-
School administration	4,000	40,048	40,048	-
Central services	500	500	500	-
Operation of plant	5,000	5,000	5,107	(107)
Total expenditures	<u>\$ 26,868</u>	<u>\$ 62,916</u>	<u>\$ 63,023</u>	<u>\$ (107)</u>
Net change in fund balance	\$ -	\$ -	\$ 6,276	\$ 6,276
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>(12,050)</u>	<u>(12,050)</u>
Fund balance, June 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,774)</u></u>	<u><u>\$ (5,774)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			6,276	
Expenditure accruals (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 6,276</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - ELEMENTARY SCHOOL BREAKFAST
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,400	\$ 5,400	\$ -
Expenditures:				
Current:				
Food services	-	5,400	5,400	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	-	-	-	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ -	\$ -
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 - IDEA B RISK POOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 511	\$ -	\$ (511)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>511</u>	<u>511</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ (511)	\$ (511)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (511)</u>	<u>\$ (511)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(511)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (511)</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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2010	-	-	5	5
Fund balance, June 30, 2011	\$ -	\$ -	\$ 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 - 2009 DUAL CREDIT INSTRUCTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 4,098	\$ -	\$ (4,098)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>4,098</u>	<u>3,569</u>	<u>529</u>
Net change in fund balance	\$ -	\$ -	\$ (3,569)	\$ (3,569)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,569)</u>	<u>\$ (3,569)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(3,569)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (3,569)</u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - 2008 GO BOND STUDENT LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 9,375	\$ -	\$ (9,375)
Expenditures:				
Current:				
Support services - Instruction	<u>-</u>	<u>9,375</u>	<u>5,793</u>	<u>3,582</u>
Net change in fund balance	\$ -	\$ -	\$ (5,793)	\$ (5,793)
Fund balance, July 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,793)</u>	<u>\$ (5,793)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,793)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (5,793)</u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - EDUCATION JOB FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 72,401	\$ 64,714	\$ (7,687)
Expenditures:				
Current:				
Instruction	\$ -	\$ 72,401	\$ 72,679	\$ (278)
General administration				-
Total expenditures	\$ -	\$ 72,401	\$ 72,679	\$ (278)
Net change in fund balance	\$ -	\$ -	\$ (7,965)	\$ (7,965)
Fund balance, July 1, 2010	-	-	-	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ (7,965)	\$ (7,965)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(7,965)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (7,965)	

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, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 40	\$ 40	\$ 52	\$ 12
Expenditures:				
Current:				
Administration	\$ 40	\$ 40	\$ 1	\$ 39
Reserve	3,698	3,698		3,698
Total expenditures	\$ 3,738	\$ 3,738	\$ 1	\$ 3,737
Net change in fund balance	\$ (3,698)	\$ (3,698)	\$ 51	\$ 3,749
Fund balance, July 1, 2010	3,698	3,698	3,698	-
Fund balance, June 30, 2011	\$ -	\$ -	\$ 3,749	\$ 3,749
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 51	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 51	

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, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets				
Cash and investments:				
Animas High School	\$ 27,704	\$ 43,804	\$ 49,433	\$ 22,075
Animas Middle School	2,587	5,171	7,758	-
Animas Elementary School	1,691	14,617	1,554	14,754
Administration	<u>3,848</u>	<u>848</u>	<u>4,696</u>	<u>-</u>
 Total Assets	 <u>\$ 35,830</u>	 <u>\$ 64,440</u>	 <u>\$ 63,441</u>	 <u>\$ 36,829</u>
 Liabilities				
Deposits held for others:				
Animas High School	\$ 27,704	\$ 43,804	\$ 49,433	\$ 22,075
Animas Middle School	2,587	5,171	7,758	-
Animas Elementary School	1,691	14,617	1,554	14,754
Administration	<u>3,848</u>	<u>848</u>	<u>4,696</u>	<u>-</u>
 Total Liabilities	 <u>\$ 35,830</u>	 <u>\$ 64,440</u>	 <u>\$ 63,441</u>	 <u>\$ 36,829</u>

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

Animas Independent School District # 6
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2011

	Western Bank
Checking	\$ 806,126
Total on deposit	\$ 806,126
Less: FDIC insurance	(250,000)
Total uninsured public funds	\$ 556,126
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 278,063
Pledged Securities:	
Torrance Cnty, NM 891400MM2 1-15-2015	\$ 272,383
Vaughn NM 922382BQ8 7-1-2013	125,759
Total pledged securities	\$ 398,142
Pledged securities over (under) requirement	\$ 120,079

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, 2011

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Teacherage	Checking	\$ 33,785	\$ 33,785
Operational	Checking	575,217	560,897
Payroll Clearing	Checking	127,134	-
Athletics	Checking	12,655	12,279
Lunch Fund	Checking	18,656	17,860
IRS	Checking	-	-
School Fund	Checking	<u>38,679</u>	<u>36,829</u>
Total cash and investments		<u>\$ 806,126</u>	<u>\$ 661,650</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, 2011

	<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, 2010	\$ 234,398	\$ 16,897	\$ 25,959	\$ 8,024	\$ 13,384
Add: Current year receipts	2,578,247	27,178	421,575	9,592	104,512
Prior year warrants voided					
Less: Current year expenditures	(2,279,934)	(10,290)	(443,273)	(10,807)	(100,089)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2011	<u>\$ 532,711</u>	<u>\$ 33,785</u>	<u>\$ 4,261</u>	<u>\$ 6,809</u>	<u>\$ 17,807</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, 2011

	Capital Improvement SB-9	Debt Service	Agency	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of July 1, 2010	\$ 123,632	\$ 3,698	\$ 35,830	\$ 327,021
Add: Current year receipts	72,380	52	64,440	3,696,464
Prior year warrants voided				-
Less: Current year expenditures	(58,649)	(1)	(63,441)	(3,361,835)
Abatements				-
Receivables/payables				-
Transfers				-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and investments as of June 30, 2011	<u>\$ 137,363</u>	<u>\$ 3,749</u>	<u>\$ 36,829</u>	<u>\$ 661,650</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, 2011

	<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, 2010	\$ 10,688	\$ (145,644)	\$ (12,050)	\$ 5	\$ 12,200
Add: Current year receipts	10,857	261,107	146,524		
Prior year warrants voided					
Less: Current year expenditures	(9,266)	(228,510)	(148,213)		(9,362)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2011	<u>\$ 12,279</u>	<u>\$ (113,047)</u>	<u>\$ (13,739)</u>	<u>\$ 5</u>	<u>\$ 2,838</u>

Animas Independent School District No. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2011

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, 2011

<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	\$ 63,023
Education Jobs Fund	84.410	25.255	72,679
Rural Education	84.358	25.233	12,511
Passed through N.M. Department of Education:			
Title I Grants to Lea's	84.010	24.101	87,539
ARRA-Title I Grants to Lea's, Recovery Act	84.389	24.201	6,141
AARA-Special Education-Grants to States, Recovery Act	84.391	24.206	37,854
Special Education-Preschool Grants	84.193	24.109	3,831
AARA - Special Education-Preschool Grants	84.392	24.209	1,221
Special Education-Grants to States	84.027	24.106	114,058
Teacher Quality State Grants	84.367	24.154	15,268
Safe and Drug-Free Schools and Communities	84.186	24.157	1,197
Total U.S. Department of Education			<u>\$ 415,322</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Programs:			
Schools and Roads-Grants to States	10.665	N/A	\$ 14,209
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	47,724
School Breakfast Program	10.553	N/A	33,353
AARA-Elementary School Breakfast	10.553	24.290	5,400
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	6,516
Total U.S. Department of Agriculture			<u>\$ 107,202</u>
Total expenditures of federal awards			<u>\$ 522,524</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, 2011

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 \$6,516 in food commodities during the year ended June 30, 2011.

Note 3 Insurance Coverage

The District had the following insurance coverages during the year ended June 30, 2011:

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, 2011

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
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, 2011, which collectively comprise Animas Independent School District No. 6's basic financial statements and have issued our report thereon dated October 20, 2011. 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, 2011 and have issued our report thereon dated October 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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*.

We noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as finding 2011-1.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response, and, accordingly, we express no opinion on it.

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

Stone, McGee & Co CPAs

October 20, 2011

Stone, McGee & Co.
Certified Public Accountants

MIKE STONE, C.P.A.
LINDA STONE MCGEE, 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, 2011. 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, 2011.

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

October 20, 2011

Stone, McGee & Co.
Certified Public Accountants

Animas Independent School District No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

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, ARRA Special Education – Grants to States, CFDA No. 84.391, Special Education – Preschool Grants, CFDA No. 84.193, and ARRA Special Education – Preschool Grants, CFDA No. 84.392; ARRA State Fiscal Stabilization Fund, CFDA No. 84.394, and the Education Jobs Fund, CFDA No. 84.410.
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

2011-1 Budgetary Controls (Other)

Condition – The District incurred expenditures in excess of budgetary authority in the following funds and functions:

State Equalization Stimulus – Operation of plant \$107

Education Jobs Fund – Instruction \$278

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

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

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

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

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

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, 2011. Present at this exit conference were:

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