

State of New Mexico

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

For The Fiscal Year Ended June 30, 2012

Animas Independent School District # 6
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Animas Independent School District No. 6
DIRECTORY OF OFFICIALS
June 30, 2012

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, 2012, 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, 2012, 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 statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, each major fund, and the aggregate remaining fund information of Animas Independent School District No. 6 as of June 30, 2012, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General, Title I, Entitlement, 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, 2012, 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 30, 2012, 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.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and on the combining, individual fund and budgetary comparisons statements presented as other supplementary information. The accompanying financial information listed as other supplemental data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Stone, McGee & Co CPAs

October 30, 2012

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, 2012. Please read it in conjunction with the District's financial statements, which are listed in the table of contents.

Financial Highlights

- The District's net assets decreased \$70,345 or 1%.
- During the year, the District had \$3,557,779 in governmental expenditures, compared to \$3,634,730 the prior year, a decrease of \$76,951 or 2%.
- The District's general revenues, net of special items, decreased \$130,617 or 3%.

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 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 2012 and 2011 is as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Change</u>
Cash and cash equivalents	\$ 727,468	\$ 624,821	\$ 102,647
Other current assets	122,286	142,134	(19,848)
Capital assets, net of depreciation	<u>2,878,015</u>	<u>3,038,138</u>	<u>(160,123)</u>
Total assets	<u>\$ 3,727,769</u>	<u>\$ 3,805,093</u>	<u>\$ (77,324)</u>
Current liabilities	\$ 10,347	\$ 14,814	\$ (4,467)
Long-term liabilities	<u>17,041</u>	<u>19,553</u>	<u>(2,512)</u>
Total liabilities	<u>\$ 27,388</u>	<u>\$ 34,367</u>	<u>\$ (6,979)</u>
Net assets	<u>\$ 3,700,381</u>	<u>\$ 3,770,726</u>	<u>\$ (70,345)</u>

The net assets decreased 1% in 2012. This decrease is primarily due to the decrease in Capital grants. 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 \$545,168 to \$586,546.

A comparison of changes in net assets between 2012 and 2011 is as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 70,146	\$ 66,219
Operating grants	876,652	958,792
Capital grants		67,440
General revenues:		
Property taxes	76,800	71,219
State formula grants	2,540,636	2,524,149
Other general revenues	<u>16,279</u>	<u>23,311</u>
Total revenues	<u>\$ 3,580,513</u>	<u>\$ 3,711,130</u>

Expenses:		
Instruction	\$ 1,811,422	\$ 1,857,811
Support Services – Students	220,501	196,207
Support Services – Instruction	18,203	36,036
General Administration	152,966	185,234
School Administration	237,426	237,935
Central Services	65,347	68,004
Operation of Plant	491,041	481,542
Food Services	109,381	112,005
Transportation	<u>451,492</u>	<u>459,956</u>
 Total expenses	 <u>\$ 3,557,779</u>	 <u>\$ 3,634,730</u>
 Increase (decrease) in net assets	 <u>\$ (70,345)</u>	 <u>\$ 76,400</u>

Total revenues net of special items, decreased \$ 130,617 or 3%. This decrease is due to fewer Capital grants received in 2012. Expenses decreased \$ \$76,951 or 2%. 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 \$2,540,636, 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 \$39,070 or 6%, primarily due to increased funding, and decreased expenses to fund mandated programs.

The District's SB-9 Fund increased \$50,576 or 27%, 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, 2012, the District had \$ 13,816,293 invested in capital assets, as shown below.

This represents a net increase of \$ 145,710 or 1%.

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 380,943	\$ 380,943
Construction in progress	-0-	-0-
Building and improvements	12,139,439	12,032,637
Equipment	<u>1,295,911</u>	<u>1,257,003</u>
	<u>\$13,816,293</u>	<u>\$ 13,670,583</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, 2012 the District's liability for accumulated leave decreased to \$17,041.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget for fiscal year 2012-2013 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, 2012

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 727,468
Property taxes receivable	24,987
Due from other governments	95,279
Inventory	2,020
Capital assets:	
Land	380,943
Buildings and improvements	12,139,439
Furniture and fixtures and equipment	1,295,911
Construction in progress	
Less accumulated depreciation	(10,938,278)
Total capital assets, net of depreciation	\$ 2,878,015
Total assets	\$ 3,727,769
Liabilities	
Accounts payable	\$ 10,347
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	17,041
Total liabilities	\$ 27,388
Net Assets	
Invested in capital assets	\$ 2,878,015
Restricted for:	
Debt service	3,749
Other purposes	232,071
Unrestricted	586,546
Total net assets	\$ 3,700,381

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, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Revenue and Changes in Net Assets</u>
<u>Functions/Programs</u>				<u>Total Governmental Activities</u>
Governmental activities:				
Instruction	\$ 1,811,422	\$ 12,099	\$ 174,922	\$ -
Support services - Students	220,501			
Support services - Instruction	18,203		7,650	
General administration	152,966			
School administration	237,426		55,280	
Central services	65,347			
Operation of plant	491,041	41,370	116,166	
Food services	109,381	16,677	88,013	
Transportation	451,492		434,621	
	<u>\$ 3,557,779</u>	<u>\$ 70,146</u>	<u>\$ 876,652</u>	<u>\$ -</u>
Total governmental activities				\$ (2,610,981)

General revenues:		
Property taxes:		
Levied for general purposes	\$	14,361
Levied for debt service		62,439
Levied for capital improvements		
State aid - formula grants		2,447,557
Recoveries and refunds		14,794
Earnings on investments		<u>1,485</u>
 Total general revenues and special items	\$	<u>2,540,636</u>
 Change in net assets	\$	(70,345)
 Net assets - beginning		<u>3,770,726</u>
 Net assets - ending	\$	<u><u>3,700,381</u></u>

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

Animas Independent School District # 6
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Title I	Entitlement
Assets			
Cash and investments	\$ 497,739	\$ -	\$ -
Property taxes receivable	763		
Due from other governments		66,021	29,258
Interfund receivable	115,432		
Inventory			
Total assets	\$ 613,934	\$ 66,021	\$ 29,258
Liabilities and Fund Balance			
Interfund payable	\$ -	\$ 66,021	\$ 29,258
Accounts payable	10,347		
Deferred revenue	376		
Total liabilities	\$ 10,723	\$ 66,021	\$ 29,258
Fund balance:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ -
Restricted for:			
Education			
Food service			
Debt service			
Unassigned	603,211		
Total fund balance	\$ 603,211	\$ -	\$ -
Total liabilities and fund balance	\$ 613,934	\$ 66,021	\$ 29,258

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

<u>SB-9</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 185,190	\$ 44,539	\$ 727,468
4,071	20,153	24,987
		95,279
		115,432
	2,020	2,020
<u>\$ 189,261</u>	<u>\$ 66,712</u>	<u>\$ 965,186</u>
\$ -	\$ 20,153	\$ 115,432
2,445		12,792
		376
<u>\$ 2,445</u>	<u>\$ 20,153</u>	<u>\$ 128,600</u>
\$ -	\$ 2,020	\$ 2,020
186,816	27,560	214,376
	13,230	13,230
	3,749	3,749
		603,211
<u>\$ 186,816</u>	<u>\$ 46,559</u>	<u>\$ 836,586</u>
<u>\$ 189,261</u>	<u>\$ 66,712</u>	<u>\$ 965,186</u>

Animas Independent School District # 6
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2012

Total governmental fund balances	\$	836,586
<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.		2,878,015
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		2,821
Long-term liabilities, including bonds payable, compensated absences and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable		<u>(17,041)</u>
<i>Net Assets of Governmental Activities</i>	\$	<u><u>3,700,381</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, 2012

	General Fund	Title I	Entitlement
Revenues:			
Property taxes	\$ 14,565	\$ -	\$ -
Fees and charges	41,370		
State aid	2,891,133		
Federal aid	14,597	54,694	67,923
Miscellaneous	16,279		
	<u>\$ 2,977,944</u>	<u>\$ 54,694</u>	<u>\$ 67,923</u>
Expenditures:			
Current:			
Instruction	\$ 1,434,900	\$ 54,694	\$ 12,643
Support services - Students	169,895		
Support services - Intstruction	13,633		
General administration	152,350		
School administration	172,783		55,280
Central services	63,506		
Operation of plant	445,772		
Food service			
Transportation	436,751		
Capital outlay	49,284		
	<u>\$ 2,938,874</u>	<u>\$ 54,694</u>	<u>\$ 67,923</u>
Revenues over (under) expenditures	\$ 39,070	\$ -	\$ -
Other financing sources (uses):			
Operating transfers in			
Operating transfers out			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 39,070	\$ -	\$ -
Fund balance, June 30, 2011	<u>564,141</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012	<u>\$ 603,211</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>
\$ 63,053	\$ -	\$ 77,618
	28,776	70,146
101,823	26,919	3,019,875
	167,120	304,334
		16,279
<u>\$ 164,876</u>	<u>\$ 222,815</u>	<u>\$ 3,488,252</u>
\$ -	\$ 93,003	\$ 1,595,240
	7,650	177,545
		13,633
616		152,966
		228,063
		63,506
17,258	14,343	477,373
	109,381	109,381
		436,751
96,426		145,710
<u>\$ 114,300</u>	<u>\$ 224,377</u>	<u>\$ 3,400,168</u>
\$ 50,576	\$ (1,562)	\$ 88,084
		-
		\$ -
\$ 50,576	\$ (1,562)	\$ 88,084
136,240	48,121	748,502
<u>\$ 186,816</u>	<u>\$ 46,559</u>	<u>\$ 836,586</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, 2012

Net change in fund balances-total governmental funds	\$	88,084
 <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		145,710
Depreciation expense		(305,833)
 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		(818)
 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.		
		2,512
<i>Change in Net Assets of Governmental Activities</i>	<u>\$</u>	<u>(70,345)</u>

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 12,788	\$ 12,788	\$ 14,597	\$ 1,809
State sources	2,847,942	2,901,248	2,891,133	(10,115)
Local sources	62,914	62,914	70,391	7,477
Interest income	1,500	1,500	1,485	(15)
Total revenues	\$ 2,925,144	\$ 2,978,450	\$ 2,977,606	\$ (844)
Expenditures:				
Current:				
Instruction	\$ 1,541,056	\$ 1,549,590	\$ 1,449,909	\$ 99,681
Support services - Students	174,180	174,180	175,879	(1,699)
Support services - Instruction	24,296	24,296	19,253	5,043
General administration	168,954	168,954	160,852	8,102
School administration	187,325	188,725	172,905	15,820
Central services	70,960	76,400	63,412	12,988
Operation of plant	673,074	675,083	445,938	229,145
Transportation	400,828	436,751	436,751	-
Capital outlay	162,500	162,500	17,102	145,398
Non-operating	1,335	1,335		1,335
Total expenditures	\$ 3,404,508	\$ 3,457,814	\$ 2,942,001	\$ 515,813
Net change in fund balance	\$ (479,364)	\$ (479,364)	\$ 35,605	\$ 514,969
Fund balance, July 1, 2011	479,364	479,364	577,566	98,202
Fund balance, June 30, 2012	\$ -	\$ -	\$ 613,171	\$ 613,171

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 64,483	\$ 58,037	\$ 47,732	\$ (10,305)
Expenditures:				
Current:				
Instruction	\$ 64,483	\$ 58,037	\$ 54,694	\$ 3,343
Support services - Instruction	-	-	-	-
Total expenditures	\$ 64,483	\$ 58,037	\$ 54,694	\$ 3,343
Net change in fund balance	\$ -	\$ -	\$ (6,962)	\$ (6,962)
Fund balance, July 1, 2011	-	-	(59,059)	(59,059)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (66,021)	\$ (66,021)
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 - ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 62,038	\$ 67,927	\$ 42,610	\$ (25,317)
Expenditures:				
Current:				
Instruction	\$ 6,758	\$ 12,647	\$ 12,643	\$ 4
School administration	55,280	55,280	55,280	-
Total expenditures	\$ 62,038	\$ 67,927	\$ 67,923	\$ 4
Net change in fund balance	\$ -	\$ -	\$ (25,313)	\$ (25,313)
Fund balance, July 1, 2011	-	-	(3,945)	(3,945)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (29,258)	\$ (29,258)

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 41,345	\$ 43,293	\$ 1,948
Local sources	<u>56,744</u>	<u>56,744</u>	<u>61,644</u>	<u>4,900</u>
Total revenues	<u>\$ 56,744</u>	<u>\$ 98,089</u>	<u>\$ 104,937</u>	<u>\$ 6,848</u>
Expenditures:				
Current:				
General administration	\$ -	\$ 650	\$ 616	\$ 34
Operation of plant	124,118	164,813	56,494	108,319
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>\$ 134,118</u>	<u>\$ 175,463</u>	<u>\$ 57,110</u>	<u>\$ 118,353</u>
Net change in fund balance	\$ (77,374)	\$ (77,374)	\$ 47,827	\$ 125,201
Fund balance, July 1, 2011	<u>77,374</u>	<u>77,374</u>	<u>137,363</u>	<u>59,989</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,190</u>	<u>\$ 185,190</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, 2012

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 33,983</u>
Liabilities and Fund Equity	
Deposits held for others	<u>\$ 33,983</u>
Total liabilities	<u>\$ 33,983</u>

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

Animas Independent School District No. 6
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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.

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).

Entitlement – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17, 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 constraints 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, 2012, 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, 2012 \$270,853 of the governments bank balance of \$944,211 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 270,853
Uninsured and collateral held by pledging banks trust department not in District’s name	<u>-0-</u>
Total	<u>\$ 270,853</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	423,358	423,358
Uninsured and uncollateralized	<u>270,853</u>	<u>88,093</u>
	<u>\$ 944,211</u>	<u>\$ 761,451</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, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</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	\$ 12,032,637	\$ 106,802	\$	\$ 12,139,439
Furniture and equipment	<u>1,257,003</u>	<u>38,908</u>	<u>-0-</u>	<u>1,295,911</u>
Total other capital assets at historical cost	<u>\$ 13,289,640</u>	<u>\$ 145,710</u>	<u>\$ -0-</u>	<u>\$ 13,435,350</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ (9,750,710)	\$ (280,407)	\$	\$(10,031,117)
Furniture and equipment	<u>(881,735)</u>	<u>(25,426)</u>	<u>-0-</u>	<u>(907,161)</u>
Total accumulated depreciation	<u>\$ (10,632,445)</u>	<u>\$ (305,833)</u>	<u>\$ -0-</u>	<u>\$(10,938,278)</u>
Other capital assets, net	<u>\$ 2,657,195</u>	<u>\$ (160,123)</u>	<u>\$ -0-</u>	<u>\$ 2,497,072</u>
Total capital assets, net	<u>\$ 3,038,138</u>	<u>\$ (160,123)</u>	<u>\$ -0-</u>	<u>\$ 2,878,015</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 4,570
Instruction	218,694
Support services – students	42,956
School administration	9,363
Central services	1,841
Operation of plant	13,668
Transportation	<u>14,741</u>
	<u>\$ 305,833</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Compensated absences	\$ 19,553	\$ 9,150	\$ 11,662	\$ 17,041	\$ -0-
	<u>\$ 19,553</u>	<u>\$ 9,150</u>	<u>\$ 11,662</u>	<u>\$ 17,041</u>	<u>\$ -0-</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, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June</u> <u>30, 2012</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Toshiba Business Solutions	\$ 15,851	\$ -0-	\$ 15,851	\$ -0-	\$ -0-

Note 5 Pension Plan – Educational Retirement Board

Plan Description

Substantially all of 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

Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. Animas Independent School District No. 6 has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 Animas Independent School District No. 6 contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 Animas Independent School District No. 6 will contribute 10.9% 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. Animas Independent School District No. 6's contributions to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were \$144,823, \$184,586, and \$233,595, 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.

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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>
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, 2012, 2011 and 2010 were \$28,025 and \$27,498 and \$26,584, 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, 2012 is as follows:

	<u>General Fund</u>	<u>Entitlement</u>	<u>Title I Fund</u>	<u>SB-9</u>
Revenues over (under) expenditures (GAAP) basis	\$ 39,070	\$ -0-	\$ -0-	\$ 50,576
Increases (decreases):				
Revenue accruals (net)	(338)	(25,313)	(6,962)	(59,939)
Expenditures accrual (net)	<u>(3,127)</u>	<u>-0-</u>	<u>-0-</u>	<u>57,190</u>
Revenues over (under) expenditures (NON-GAAP) budgetary basis	<u>\$ 35,605</u>	<u>\$ (25,313)</u>	<u>\$ (6,962)</u>	<u>\$ 47,827</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, 2012.

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	\$ 186,816
Cafeteria	15,197
Athletics	15,408
Other funds	<u>14,650</u>
	<u>\$ 232,071</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 \$235,820, of which \$220,412 is restricted by enabling legislation.

Note 13 Inter-fund Activity

Inter-fund balances at June 30, 2012 consisted of the following:

	<u>Inter-fund Payable</u>			<u>Total</u>
	<u>Entitlement Stimulus</u>	<u>Title I</u>	<u>All Others</u>	
<u>Inter-fund Receivable</u>				
General	\$ 29,258	\$ 66,021	\$ 20,153	\$ 115,432
Total	<u>\$ 29,258</u>	<u>\$ 66,021</u>	<u>\$ 20,153</u>	<u>\$ 115,432</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:

General Fund:	
Support services - students	\$ 1,699

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).

Incentive for 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.

Education Achievement Program -

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, 2012

	Special Revenue Funds			
	Cafeteria	Athletics	Preschool	Migrant Education
Assets				
Cash and investments	\$ 13,177	\$ 15,408	\$ -	\$ -
Due from other governments			3,117	1,522
Property taxes receivable				
Interfund receivables				
Inventory	2,020			
Total assets	\$ 15,197	\$ 15,408	\$ 3,117	\$ 1,522
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 3,117	\$ 1,522
Accounts payable				
Deferred revenue				
Total liabilities	\$ -	\$ -	\$ 3,117	\$ 1,522
Fund balances:				
Nonspendable:				
Inventory	\$ 2,020	\$ -	\$ -	\$ -
Restricted for:				
Education		15,408		
Food service	13,177			
Debt service				
Unassigned				
Total fund balances	\$ 15,197	\$ 15,408	\$ -	\$ -
Total liabilities and fund balances	\$ 15,197	\$ 15,408	\$ 3,117	\$ 1,522

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

Special Revenue Funds					
<u>Teacher Training</u>	<u>2010 GO Bonds Student Library</u>	<u>Idea B Risk Pool</u>	<u>School Improvement</u>	<u>Microsoft Settlement</u>	<u>2008 Library Bond</u>
\$ - 7,423	\$ - 4,068	\$ - 441	\$ 4,163	\$ 5	\$ 784
<u>\$ 7,423</u>	<u>\$ 4,068</u>	<u>\$ 441</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>
\$ 7,423	\$ 4,068	\$ 441	\$ -	\$ -	\$ -
<u>\$ 7,423</u>	<u>\$ 4,068</u>	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ - 4,163	\$ - 5	\$ - 784
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>
<u>\$ 7,423</u>	<u>\$ 4,068</u>	<u>\$ 441</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>

Animas School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2012

	Special Revenue Funds			
	Technology For Education	Teacher Mentoring	Elementary Breakfast	2008 GO Bond
Assets				
Cash and investments	\$ 3,271	\$ 3,929	\$ 53	\$ -
Due from other governments				3,582
Property taxes receivable				
Interfund receivables				
Inventory				
Total assets	<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ 53</u>	<u>\$ 3,582</u>
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ -	\$ 3,582
Accounts Payable				
Deferred revenue				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,582</u>
Fund balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education	3,271	3,929		
Food service			53	
Debt service				
Unassigned				
Total fund balances	<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ 53</u>	<u>\$ -</u>
	<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ 53</u>	<u>\$ 3,582</u>

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

<u>Debt Service Funds</u> <u>Debt Service</u>	<u>Total</u>
\$ 3,749	\$ 44,539 20,153 - - 2,020
<u>\$ 3,749</u>	<u>\$ 66,712</u>
\$ -	\$ 20,153 - -
<u>\$ -</u>	<u>\$ 20,153</u>
\$ -	\$ 2,020 - 27,560 13,230 3,749 -
3,749	-
<u>\$ 3,749</u>	<u>\$ 46,559</u>
<u>\$ 3,749</u>	<u>\$ 66,712</u>

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, 2012

	Special Revenue Funds			
	Cafeteria	Athletics	Discretionary	Preschool
Revenues:				
Fees and charges	\$ 16,677	\$ 12,099	\$ -	\$ -
Property taxes				
State aid				
Federal aid	88,013		36,958	3,117
Total revenues	\$ 104,690	\$ 12,099	\$ 36,958	\$ 3,117
Expenditures:				
Current:				
Instruction	\$ -	\$ 8,970	\$ 36,958	\$ 3,117
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				
Food services	109,381			
Capital outlay				
Total expenditures	\$ 109,381	\$ 8,970	\$ 36,958	\$ 3,117
Net change in fund balances	\$ (4,691)	\$ 3,129	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ (4,691)	\$ 3,129	\$ -	\$ -
Fund balance, July 1, 2011	19,888	12,279		
Fund balance, June 30, 2012	\$ 15,197	\$ 15,408	\$ -	\$ -

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

Special Revenue Funds

<u>NM Hwy Department</u>	<u>Teacher Training</u>	<u>Education Achievement</u>	<u>2010 GO Bonds Student Library</u>	<u>Idea B Risk Pool</u>	<u>School Improvement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,343	10,764	26,751	4,068	441	-
<u>\$ 14,343</u>	<u>\$ 10,764</u>	<u>\$ 26,751</u>	<u>\$ 4,068</u>	<u>\$ 441</u>	<u>\$ -</u>
\$ -	\$ 10,764	\$ 26,751	\$ -	\$ 441	\$ -
14,343			4,068		
<u>\$ 14,343</u>	<u>\$ 10,764</u>	<u>\$ 26,751</u>	<u>\$ 4,068</u>	<u>\$ 441</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	4,163
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</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, 2012

	Special Revenue Funds			
	Microsoft Settlement	2008 Library Bond	Technology For Education	Teacher Mentoring
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				
Food services				
Capital outlay				
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	5	784	3,271	3,929
Fund balance, June 30, 2012	\$ 5	\$ 784	\$ 3,271	\$ 3,929

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

Special Revenue Funds				Debt Service Funds	
<u>2009 Dual Credit Instruction</u>	<u>Elementary Breakfast</u>	<u>2008 GO Bond</u>	<u>Education Job Fund</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,776
4,926		3,582			-
			1,076		26,919
					167,120
<u>\$ 4,926</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>\$ 222,815</u>
\$ 4,926	\$ -	\$ -	\$ 1,076	\$ -	\$ 93,003
		3,582			7,650
					-
					-
					14,343
					109,381
					-
<u>\$ 4,926</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>\$ 224,377</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,562)
					-
					-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,562)
	53			3,749	48,121
<u>\$ -</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 46,559</u>

Animas Independent School District # 6
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2012

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 466,900	\$ 2,131	\$ 5,728
Property taxes receivable	763		
Interfund receivable	115,432		
Total assets	\$ 583,095	\$ 2,131	\$ 5,728
 Liabilities and Fund Balance			
Accounts payable	\$ 10,347	\$ -	\$ -
Interfund payable			
Deferred revenue	376		
Total liabilities	\$ 10,723	\$ -	\$ -
Fund balance:			
Unassigned	\$ 572,372	\$ 2,131	\$ 5,728
Total fund balance	\$ 572,372	\$ 2,131	\$ 5,728
Total liabilities and fund balance	\$ 583,095	\$ 2,131	\$ 5,728

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 22,980	\$ 497,739
	763
	<u>115,432</u>
<u>\$ 22,980</u>	<u>\$ 613,934</u>
\$ -	\$ 10,347
	-
	<u>376</u>
<u>\$ -</u>	<u>\$ 10,723</u>
<u>\$ 22,980</u>	<u>\$ 603,211</u>
<u>\$ 22,980</u>	<u>\$ 603,211</u>
<u>\$ 22,980</u>	<u>\$ 613,934</u>

Animas Independent School District # 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Fiscal Year Ended June 30, 2012

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 14,565	\$ -	\$ -
Fees and charges	18,250		
State aid	2,447,557	434,621	8,955
Federal aid	14,597		
Miscellaneous	16,279		
Total revenues	\$ 2,511,248	\$ 434,621	\$ 8,955
Expenditures:			
Current:			
Instruction	\$ 1,424,865	\$ -	\$ 10,035
Support services - Students	169,895		
Support services - Intstruction	13,633		
General administration	152,350		
School administration	172,783		
Central services	63,506		
Operation of plant	411,847		
Transportation		436,751	
Capital outlay	49,284		
Total expenditures	\$ 2,458,163	\$ 436,751	\$ 10,035
Net change in fund balances	\$ 53,085	\$ (2,130)	\$ (1,080)
Fund balance, July 1, 2011	519,287	4,261	6,808
Fund balance, June 30, 2012	\$ 572,372	\$ 2,131	\$ 5,728

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 14,565
23,120	41,370
	2,891,133
	14,597
	16,279
<u>\$ 23,120</u>	<u>\$ 2,977,944</u>
\$ -	\$ 1,434,900
	169,895
	13,633
	152,350
	172,783
	63,506
33,925	445,772
	436,751
	49,284
<u>\$ 33,925</u>	<u>\$ 2,938,874</u>
\$ (10,805)	\$ 39,070
<u>33,785</u>	<u>564,141</u>
<u>\$ 22,980</u>	<u>\$ 603,211</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 12,788	\$ 12,788	\$ 14,597	\$ 1,809
State sources	2,439,884	2,448,733	2,447,557	(1,176)
Local sources	32,914	32,914	47,271	14,357
Interest income	1,500	1,500	1,485	(15)
Total revenues	\$ 2,487,086	\$ 2,495,935	\$ 2,510,910	\$ 14,975
Expenditures:				
Current:				
Instruction	\$ 1,533,826	\$ 1,533,826	\$ 1,439,874	\$ 93,952
Support services - Students	174,180	174,180	175,879	(1,699)
Support services - Instruction	23,200	23,200	19,253	3,947
General administration	168,954	168,954	160,852	8,102
School administration	187,325	188,725	172,905	15,820
Central services	70,960	76,400	63,412	12,988
Operation of plant	621,202	623,211	412,013	211,198
Transportation				-
Other support services	1,335	1,335		1,335
Capital outlay	156,000	156,000	17,102	138,898
Total expenditures	\$ 2,936,982	\$ 2,945,831	\$ 2,461,290	\$ 484,541
Net change in fund balance	\$ (449,896)	\$ (449,896)	\$ 49,620	\$ 499,516
Fund balance, July 1, 2011	449,896	449,896	532,712	82,816
Fund balance, June 30, 2012	\$ -	\$ -	\$ 582,332	\$ 582,332
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 53,085
Revenue accruals (net)				(338)
Expenditure accruals (net)				(3,127)
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ 49,620</u>

The accompanying notes are an integral part of these financial statements

Animas Independent School District # 6
GENERAL FUND/TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 400,828	\$ 436,751	\$ 434,621	\$ (2,130)
Local sources				-
Total revenues	\$ 400,828	\$ 436,751	\$ 434,621	\$ (2,130)
Expenditures:				
Current:				
Transportation	\$ 400,828	\$ 436,751	\$ 436,751	\$ -
Capital outlay				-
Total expenditures	\$ 400,828	\$ 436,751	\$ 436,751	\$ -
Net change in fund balance	\$ -	\$ -	\$ (2,130)	\$ (2,130)
Fund balance, July 1, 2011	-	-	4,261	4,261
Fund balance, June 30, 2012	\$ -	\$ -	\$ 2,131	\$ 2,131
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,130)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,130)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 7,230	\$ 15,764	\$ 8,955	\$ (6,809)
 Expenditures:				
Current:				
Instruction	\$ 7,230	\$ 15,764	\$ 10,035	\$ 5,729
Support services - Instruction	1,096	1,096		1,096
Total expenditures	\$ 8,326	\$ 16,860	\$ 10,035	\$ 6,825
Net change in fund balance	\$ (1,096)	\$ (1,096)	\$ (1,080)	\$ 16
Fund balance, July 1, 2011	1,096	1,096	6,808	5,712
Fund balance, June 30, 2012	\$ -	\$ -	\$ 5,728	\$ 5,728
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,080)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,080)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 30,000	\$ 30,000	\$ 23,120	\$ (6,880)
Earnings on investments				-
Total revenues	\$ 30,000	\$ 30,000	\$ 23,120	\$ (6,880)
Expenditures:				
Current:				
Operation of plant	\$ 51,872	\$ 51,872	\$ 33,925	\$ 17,947
Capital outlay	6,500	6,500		6,500
Total expenditures	\$ 58,372	\$ 58,372	\$ 33,925	\$ 24,447
Net change in fund balance	\$ (28,372)	\$ (28,372)	\$ (10,805)	\$ 17,567
Fund balance, July 1, 2011	28,372	28,372	33,785	5,413
Fund balance, June 30, 2012	\$ -	\$ -	\$ 22,980	\$ 22,980
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (10,805)	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (10,805)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 93,500	\$ 93,500	\$ 82,022	\$ (11,478)
Local sources	18,700	18,700	16,677	(2,023)
Total revenues	<u>\$ 112,200</u>	<u>\$ 112,200</u>	<u>\$ 98,699</u>	<u>\$ (13,501)</u>
Expenditures:				
Current:				
Food services	\$ 123,960	\$ 123,960	\$ 103,329	\$ 20,631
Capital outlay	10,000	10,000		10,000
Total expenditures	<u>\$ 133,960</u>	<u>\$ 133,960</u>	<u>\$ 103,329</u>	<u>\$ 30,631</u>
Net change in fund balance	\$ (21,760)	\$ (21,760)	\$ (4,630)	\$ 17,130
Fund balance, July 1, 2011	21,760	21,760	17,807	(3,953)
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,177</u>	<u>\$ 13,177</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,691)	
Revenue accruals (net)			(5,991)	
Expenditure accruals (net)			6,052	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (4,630)</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 9,650	\$ 9,650	\$ 12,099	\$ 2,449
Expenditures:				
Current:				
Instruction	20,938	20,938	8,970	11,968
Net change in fund balance	\$ (11,288)	\$ (11,288)	\$ 3,129	\$ 14,417
Fund balance, July 1, 2011	11,288	11,288	12,279	991
Fund balance, June 30, 2012	\$ -	\$ -	\$ 15,408	\$ 15,408
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 3,129	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,129	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 11,827	\$ 11,509	\$ 11,189	\$ (320)
Expenditures:				
Current:				
Instruction	\$ 11,827	\$ 11,509	\$ 10,764	\$ 745
Support services - Instruction				-
General administration				-
Total expenditures	\$ 11,827	\$ 11,509	\$ 10,764	\$ 745
Net change in fund balance	\$ -	\$ -	\$ 425	\$ 425
Fund balance, July 1, 2011	-	-	(7,848)	(7,848)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (7,423)	\$ (7,423)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			425	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 425	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,854</u>	<u>\$ 37,854</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration				-
School administration				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 37,854	\$ 37,854
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(37,854)</u>	<u>(37,854)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			37,854	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 37,854</u></u>	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 3,243	\$ 3,462	\$ 957	\$ (2,505)
Expenditures:				
Current:				
Instruction	\$ 3,243	\$ 3,462	\$ 3,117	\$ 345
General administration				-
School administration	-			-
Total expenditures	\$ 3,243	\$ 3,462	\$ 3,117	\$ 345
Net change in fund balance	\$ -	\$ -	\$ (2,160)	\$ (2,160)
Fund balance, July 1, 2011	-	-	(957)	(957)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (3,117)	\$ (3,117)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,160)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,160)	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
School administration	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	(1,522)	(1,522)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (1,522)	\$ (1,522)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

Animas Independent School District # 6
SPECIAL REVENUE FUND - TEACHER MENOTRING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011			3,929	3,929
Fund balance, June 30, 2012	\$ -	\$ -	\$ 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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011			32,714	32,714
Fund balance, June 30, 2012	\$ -	\$ -	\$ 32,714	\$ 32,714
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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	-	-	4,163	4,163
Fund balance, June 30, 2012	\$ -	\$ -	\$ 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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 44,144	\$ 26,751	\$ (17,393)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>44,144</u>	<u>26,751</u>	<u>17,393</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY STUDENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011			53	53
Fund balance, June 30, 2012	\$ -	\$ -	\$ 53	\$ 53
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				
Revenue accruals (net)				
Expenditure accruals (net)			-	
Other financing uses (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 - 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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 130	\$ 130
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 130	\$ 130
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(130)</u>	<u>(130)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			130	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 130</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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011			784	784
Fund balance, June 30, 2012	\$ -	\$ -	\$ 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 - NM HIGHWAY DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 14,343	\$ 14,343	\$ -
Expenditures:				
Current:				
Operation of plant	\$ -	\$ 14,343	\$ 14,343	\$ -
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ 14,343</u>	<u>\$ 14,343</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - 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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 1,221	\$ 1,221
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 1,221	\$ 1,221
Fund balance, July 1, 2011	-	-	(1,221)	(1,221)
Fund balance, June 30, 2012	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,221	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,221	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 5,774	\$ 5,774
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction				-
General administration				-
School administration				-
Central services				-
Operation of plant				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 5,774	\$ 5,774
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(5,774)</u>	<u>(5,774)</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			5,774	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 5,774</u></u>	

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 441	\$ 511	\$ 70
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>441</u>	<u>441</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 70	\$ 70
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>(511)</u>	<u>(511)</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (441)</u>	<u>\$ (441)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			70	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 70</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Fund balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - 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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 5,281	\$ 8,495	\$ 3,214
Expenditures:				
Current:				
Instruction	-	5,281	4,926	355
Net change in fund balance	\$ -	\$ -	\$ 3,569	\$ 3,569
Fund balance, July 1, 2011	-	-	(3,569)	(3,569)
Fund balance, June 30, 2012	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,569	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,569	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 3,582	\$ 5,793	\$ 2,211
Expenditures:				
Current:				
Support services - Instruction	-	3,582	3,582	-
Net change in fund balance	\$ -	\$ -	\$ 2,211	\$ 2,211
Fund balance, July 1, 2011	-	-	(5,793)	(5,793)
Fund balance, June 30, 2012	\$ -	\$ -	\$ (3,582)	\$ (3,582)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,211	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,211	

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, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 1,076	\$ 9,041	\$ 7,965
Expenditures:				
Current:				
Instruction	\$ -	\$ 1,076	\$ 1,076	\$ -
General administration	-	-	-	-
Total expenditures	\$ -	\$ 1,076	\$ 1,076	\$ -
Net change in fund balance	\$ -	\$ -	\$ 7,965	\$ 7,965
Fund balance, July 1, 2011	-	-	(7,965)	(7,965)
Fund balance, June 30, 2012	\$ -	\$ -	\$ -	\$ -
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
SPECIAL REVENUE FUND - 2010 GO BONDS 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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 6,196	\$ 6,196	\$ -	\$ (6,196)
Expenditures:				
Current:				
Support services - Instruction	<u>6,196</u>	<u>6,196</u>	<u>4,068</u>	<u>2,128</u>
Net change in fund balance	\$ -	\$ -	\$ (4,068)	\$ (4,068)
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,068)</u>	<u>\$ (4,068)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(4,068)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (4,068)</u>	

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

Animas Independent School District #6
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Administration	\$ 40	\$ 40	\$ -	\$ 40
Reserve	3,709	3,709		3,709
Total expenditures	\$ 3,749	\$ 3,749	\$ -	\$ 3,749
Net change in fund balance	\$ (3,749)	\$ (3,749)	\$ -	\$ 3,749
Fund balance, July 1, 2011	3,749	3,749	3,749	-
Fund balance, June 30, 2012	\$ -	\$ -	\$ 3,749	\$ 3,749
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
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets				
Cash and investments:				
Animas High School	\$ 22,075	\$ 31,166	\$ 33,800	\$ 19,441
Administration	<u>14,754</u>	<u>6,192</u>	<u>6,404</u>	<u>14,542</u>
Total Assets	<u><u>\$ 36,829</u></u>	<u><u>\$ 37,358</u></u>	<u><u>\$ 40,204</u></u>	<u><u>\$ 33,983</u></u>
Liabilities				
Deposits held for others:				
Animas High School	\$ 22,075	\$ 31,166	\$ 33,800	\$ 19,441
Administration	<u>14,754</u>	<u>6,192</u>	<u>6,404</u>	<u>14,542</u>
Total Liabilities	<u><u>\$ 36,829</u></u>	<u><u>\$ 37,358</u></u>	<u><u>\$ 40,204</u></u>	<u><u>\$ 33,983</u></u>

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

Animas Independent School District # 6
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2012

	Western Bank
Checking	\$ 944,211
Total on deposit	\$ 944,211
Less: FDIC insurance	(250,000)
Total uninsured public funds	\$ 694,211
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 347,106
Pledged Securities:	
Torrance Cnty, NM 891400MM2 1-15-2015	\$ 270,088
Texico NM Sch Dist 002 88005BY5 8-1-12	30,130
Vaughn NM 922382BQ8 7-1-2013	123,140
Total pledged securities	\$ 423,358
Pledged securities over (under) requirement	\$ 76,253

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, 2012

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Payroll Clearing	Checking	\$ 117,652	\$ -
Cafeteria	Checking	14,623	13,230
Operational	Checking	332,444	275,691
Teacherage	Checking	27,051	22,980
School Fund	Checking	36,498	33,983
Athletics	Checking	15,784	15,408
Investment	Checking	400,159	400,159
IRS	Checking	-	-
 Total cash and investments		 <u>\$ 944,211</u>	 <u>\$ 761,451</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, 2012

	<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, 2011	\$ 532,712	\$ 33,785	\$ 4,261	\$ 6,809	\$ 17,807
Add: Current year receipts	2,510,910	23,120	434,621	8,954	98,699
Prior year warrants voided					
Less: Current year expenditures	(2,461,289)	(33,925)	(436,751)	(10,038)	(103,329)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2012	<u>\$ 582,333</u>	<u>\$ 22,980</u>	<u>\$ 2,131</u>	<u>\$ 5,725</u>	<u>\$ 13,177</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, 2012

	<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, 2011	\$ 12,279	\$ (113,047)	\$ (13,739)	\$ 5	\$ 2,838
Add: Current year receipts	12,099	142,202	41,567		14,288
Prior year warrants voided					
Less: Current year expenditures	(8,970)	(136,938)	(27,828)		(12,574)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2012	<u>\$ 15,408</u>	<u>\$ (107,783)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 4,552</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, 2012

	Capital Improvement SB-9	Debt Service	Agency	Total
Total cash and investments as of July 1, 2011	\$ 137,363	\$ 3,749	\$ 36,829	\$ 661,651
Add: Current year receipts	104,937		37,358	3,428,755
Prior year warrants voided				-
Less: Current year expenditures	(57,109)		(40,204)	(3,328,955)
Abatements				-
Receivables/payables				-
Transfers				-
Total cash and investments as of June 30, 2012	<u>\$ 185,191</u>	<u>\$ 3,749</u>	<u>\$ 33,983</u>	<u>\$ 761,451</u>

Animas Independent School District No. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2012

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

Animas Independent School District #6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2012

Current Status

Findings – Financial Statement Audit

2011-1 Expenditures incurred in excess of budgetary authority

Repeated

Findings and Questioned Costs – Major Federal Award Programs

None

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

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

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

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Animas Independent School District No. 6 as of and for the year ended June 30, 2012, which collectively comprise Animas Independent School District No. 6's basic financial statements and have issued our report thereon dated October 30, 2012. 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, 2012 and have issued our report thereon dated October 30, 2012. 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

Management of Animas Independent School District No. 6 is responsible for establishing and maintaining effective 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 Responses as finding 2011-1.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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 30, 2012

Stone, McGee & Co.
Certified Public Accountants

Animas Independent School District No. 6
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Animas Independent School District No. 6.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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. Animas Independent School District No. 6 expended less than \$500,000 in federal funds

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:

General Fund – Support Services Students \$1699

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. We will continue to review expenditures at year end for the necessary budget adjustments.

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 October 11, 2012. Present at this exit conference were:

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