

State of New Mexico

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

For The Fiscal Year Ended June 30, 2013

Animas Independent School District No. 6  
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 June 30, 2013

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Animas Independent School District No. 6  
**DIRECTORY OF OFFICIALS**  
June 30, 2013

**BOARD OF EDUCATION**

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

### Report on Financial Statements

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, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Animas Independent School District No. 6's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Animas Independent School District No. 6's nonmajor governmental funds, and the budgetary comparisons for the components of the general fund, the nonmajor special revenue funds, and the debt service fund presented as other supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud

or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Animas Independent School District No. 6 as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Animas Independent School District No. 6 as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the components of the general fund, the nonmajor special revenue funds, and the debt service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-10 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 consist of inquiries 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the Animas Independent School District No. 6's financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedules presented as other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental data is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental data is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2013, on our consideration of the 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 agreement 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Animas Independent School District No. 6's internal control over financial reporting and compliance.

*Stone, McGee & Co., CPAs*

Silver City, New Mexico  
November 4, 2013

*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, 2013. 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 position increased \$2,108.
- During the year, the District had \$3,471,850 in governmental expenditures, compared to \$3,557,779 the prior year, a decrease of \$85,929 or 1%.
- The District's general revenues, net of special items, decreased \$106,555 or 1%.

### Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position 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 Position 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 Position 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 position and changes in them. You can think of the District's net position – 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 position 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 Position and the Statement of Activities, we include all the District in governmental activities, which provide the District's basic services, including education, transportation and non-instructional activities.

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

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State or Federal law or bond covenants. However, the District establishes many other funds to help 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 Position 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 Position. 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 position balances between 2013 and 2012 is as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Change</u>
Cash and cash equivalents	\$ 728,082	\$ 727,468	\$ 614
Other current assets	167,093	122,286	44,807
Capital assets, net of depreciation	<u>2,842,358</u>	<u>2,878,015</u>	<u>(35,657)</u>
Total assets	<u>\$ 3,737,533</u>	<u>\$ 3,727,769</u>	<u>\$ 9,764</u>
Current liabilities	\$ 17,106	\$ 10,347	\$ 6,759
Long-term liabilities	<u>17,936</u>	<u>17,041</u>	<u>895</u>
Total liabilities	<u>\$ 35,044</u>	<u>\$ 27,388</u>	<u>\$ 7,656</u>
Net position	<u>\$ 3,702,489</u>	<u>\$ 3,700,381</u>	<u>\$ 2,108</u>

The net position increased less than 1% in 2013. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements, increased from \$586,546 to 674,227.

A comparison of changes in net position between 2013 and 2012 is as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 57,774	\$ 70,146
Operating grants	790,814	876,652
Capital grants		
General revenues:		
Property taxes	78,127	76,800
State formula grants	2,412,483	2,540,636
Other general revenues	<u>34,476</u>	<u>16,279</u>
Total revenues	<u>\$ 3,473,958</u>	<u>\$ 3,580,513</u>

Expenses:		
Instruction	\$ 1,811,413	\$ 1,811,422
Support Services – Students	196,081	220,501
Support Services – Instruction	22,774	18,203
General Administration	125,327	152,966
School Administration	218,975	237,426
Central Services	76,139	65,347
Operation of Plant	530,900	491,041
Food Services	84,193	109,381
Transportation	<u>406,048</u>	<u>451,492</u>
Total expenses	<u>\$ 3,471,850</u>	<u>\$ 3,557,779</u>
Increase (decrease) in net position	<u>\$ 2,108</u>	<u>\$ (70,345)</u>

Total revenues net of special items, decreased \$106,555 or 1%. This decrease is due to a decrease in Operating grants and State formula grants received in 2013. Expenses decreased \$ \$85,929 or 1%. This decrease is within the bounds of normal operations. As shown in the Statement of Activities, the amount that taxpayers and the State Equalization Guarantee ultimately financed for these activities was \$2,525,086, 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 \$88,093 or 12%, primarily due to increased funding, and decreased expenses to fund mandated programs.

The District's SB-9 Fund decreased \$55,358 due to increased spending and decreased State match.

The District's TITLE I Fund increased \$47,845 or 42%, due to increased funding. 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, 2013, the District had \$13,996,276 invested in capital assets, as shown below.

This represents a net increase of \$179,983 or 1%.

	<u>2013</u>	<u>2012</u>
Land and improvements	\$ 380,943	\$ 380,943
Construction in progress	-0-	-0-
Building and improvements	12,345,476	12,139,439
Equipment	<u>1,269,857</u>	<u>1,295,911</u>
	<u>\$13,996,276</u>	<u>\$ 13,816,293</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, 2013 the District's liability for accumulated leave decreased to \$17,106.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget for fiscal year 2013-2014 is based on prior year student membership, which is an average of the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> day enrollment averages. Over the past two years, enrollment trends in the school district have shown a slight 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 POSITION**  
June 30, 2013

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 728,082
Property taxes receivable	6,893
Due from other governments	158,807
Inventory	1,393
Capital assets:	
Land	380,943
Buildings and improvements	12,345,476
Furniture and fixtures and equipment	1,269,857
Construction in progress	
Less accumulated depreciation	(11,153,918)
Total capital assets, net of depreciation	\$ 2,842,358
Total assets	\$ 3,737,533
<b>Liabilities</b>	
Accounts payable	\$ 17,106
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	17,938
Total liabilities	\$ 35,044
<b>Net Position</b>	
Net investment in capital assets	\$ 2,842,358
Restricted for:	
Debt service	3,749
Other purposes	182,155
Unrestricted	674,227
Total net position	\$ 3,702,489

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, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b><u>Functions/Programs</u></b>					
Governmental activities:					
Instruction	\$ 1,811,413	\$ 17,224	\$ 276,880	\$ 100,284	\$ (1,417,025)
Support services - Students	196,081				(196,081)
Support services - Instruction	22,774		2,125		(20,649)
General administration	125,327				(125,327)
School administration	218,975		61,875		(157,100)
Central services	76,139				(76,139)
Operation of plant	530,900	27,095	14,622		(489,183)
Food services	84,193	13,455	64,654		(6,084)
Transportation	406,048		370,658		(35,390)
	<u>\$ 3,471,850</u>	<u>\$ 57,774</u>	<u>\$ 790,814</u>	<u>\$ 100,284</u>	<u>\$ (2,522,978)</u>
Total governmental activities					



General revenues:	
Property taxes:	
Levied for general purposes	\$ 14,844
Levied for debt service	
Levied for capital improvements	63,283
State aid - formula grants	2,412,483
Recoveries and refunds	34,811
Earnings on investments	1,390
Loss on disposition of assets	<u>(1,725)</u>
 Total general revenues and special items	 <u>\$ 2,525,086</u>
 Change in net position	 \$ 2,108
Net position - beginning	<u>3,700,381</u>
Net position - ending	<u><u>\$ 3,702,489</u></u>

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

Animas Independent School District # 6  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2013

	General Fund	Title I	SB-9
<b>Assets</b>			
Cash and investments	\$ 546,963	\$ -	\$ 132,557
Property taxes receivable	1,153		5,740
Due from other governments		113,866	
Interfund receivable	158,807		
Inventory			
Total assets	\$ 706,923	\$ 113,866	\$ 138,297
<b>Liabilities and Fund Balance</b>			
Interfund payable	\$ -	\$ 113,866	\$ -
Accounts payable	14,758		2,348
Deferred revenue	861		4,491
Total liabilities	\$ 15,619	\$ 113,866	\$ 6,839
Fund balance:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ -
Restricted for:			
Education			131,458
Food service			
Debt service			
Unassigned	691,304		
Total fund balance	\$ 691,304	\$ -	\$ 131,458
Total liabilities and fund balance	\$ 706,923	\$ 113,866	\$ 138,297

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

<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 48,562	\$ 728,082
	6,893
44,941	158,807
	158,807
1,393	1,393
<u>\$ 94,896</u>	<u>\$ 1,053,982</u>
\$ 44,941	\$ 158,807
	17,106
	5,352
<u>\$ 44,941</u>	<u>\$ 181,265</u>
\$ 1,393	\$ 1,393
28,760	160,218
16,053	16,053
3,749	3,749
	691,304
<u>\$ 49,955</u>	<u>\$ 872,717</u>
<u>\$ 94,896</u>	<u>\$ 1,053,982</u>

Animas Independent School District # 6  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
 June 30, 2013

Total governmental fund balances	\$	872,717
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,842,358
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Property taxes subject to the 60 day availability period		5,352
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		(17,938)
<i>Net Position of Governmental Activities</i>	\$	<u><u>3,702,489</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, 2013

	General Fund	Title I	SB-9
Revenues:			
Property taxes	\$ 14,359	\$ -	\$ 61,237
Fees and charges	36,395		
State aid	2,818,246		41,345
Federal aid	10,692	100,121	
Miscellaneous	36,153		
<b>Total revenues</b>	<b>\$ 2,915,845</b>	<b>\$ 100,121</b>	<b>\$ 102,582</b>
Expenditures:			
Current:			
Instruction	\$ 1,406,388	\$ 100,121	\$ -
Support services - Students	155,711		
Support services - Intstruction	17,764		
General administration	124,630		697
School administration	148,445		
Central services	74,696		
Operation of plant	451,762		51,540
Food service	8,280		
Transportation	391,636		
Capital outlay	48,440		105,703
<b>Total expenditures</b>	<b>\$ 2,827,752</b>	<b>\$ 100,121</b>	<b>\$ 157,940</b>
Revenues over (under) expenditures	\$ 88,093	\$ -	\$ (55,358)
Other financing sources (uses):			
Operating transfers in			
Operating transfers out			
Net change in fund balances	\$ 88,093	\$ -	\$ (55,358)
Fund balance, June 30, 2012	603,211		186,816
Fund balance, June 30, 2013	<u>\$ 691,304</u>	<u>\$ -</u>	<u>\$ 131,458</u>

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

<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ -	\$ 75,596
21,379	57,774
122,832	2,982,423
210,345	321,158
48	36,201
\$ 354,604	\$ 3,473,152
\$ 96,389	\$ 1,602,898
	155,711
2,125	19,889
	125,327
61,875	210,320
	74,696
14,622	517,924
75,913	84,193
	391,636
100,284	254,427
\$ 351,208	\$ 3,437,021
\$ 3,396	\$ 36,131
	-
	-
\$ 3,396	\$ 36,131
46,559	836,586
\$ 49,955	\$ 872,717

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, 2013

Net change in fund balances-total governmental funds	\$	36,131
 <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		254,427
Depreciation expense		(288,359)
 Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:		
Property taxes subject to the 60 day availability period		2,531
 Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.		
		(1,725)
 Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.		
		(897)
 <i>Change in Net Position of Governmental Activities</i>	 \$	 <u><u>2,108</u></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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ 6,221	\$ 10,692	\$ 4,471
State sources	2,847,373	2,823,119	2,818,246	(4,873)
Local sources	56,961	56,961	79,225	22,264
Interest income	1,800	1,800	1,390	(410)
 Total revenues	\$ 2,906,134	\$ 2,888,101	\$ 2,909,553	\$ 21,452
 <b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,718,665	\$ 1,719,919	\$ 1,404,379	\$ 315,540
Support services - Students	160,447	167,887	155,711	12,176
Support services - Instruction	35,500	35,500	17,764	17,736
General administration	175,752	175,752	123,998	51,754
School administration	161,795	161,795	148,417	13,378
Central services	77,515	78,015	74,723	3,292
Operation of plant	517,770	520,522	443,606	76,916
Transportation	570,873	540,894	440,076	100,818
Food services	8,500	8,500	8,280	220
Capital outlay	10,000	10,000		10,000
 Total expenditures	\$ 3,436,817	\$ 3,418,784	\$ 2,816,954	\$ 601,830
 Net change in fund balance	\$ (530,683)	\$ (530,683)	\$ 92,599	\$ 623,282
 Fund balance, July 1, 2012	530,683	530,683	613,171	82,488
 Fund balance, June 30, 2013	\$ -	\$ -	\$ 705,770	\$ 705,770
 <b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis				\$ 88,093
Revenue accruals (net)				(6,292)
Expenditure accruals (net)				10,798
 Net change in fund balance, NON-GAAP budgetary basis				\$ 92,599



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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 52,233	\$ 107,943	\$ 52,276	\$ (55,667)
Expenditures:				
Current:				
Instruction	\$ 52,233	\$ 107,943	\$ 100,121	\$ 7,822
Support services - Instruction				-
Total expenditures	\$ 52,233	\$ 107,943	\$ 100,121	\$ 7,822
Net change in fund balance	\$ -	\$ -	\$ (47,845)	\$ (47,845)
Fund balance, July 1, 2012	-	-	(66,021)	(66,021)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (113,866)	\$ (113,866)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(47,845)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (47,845)	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 25,151	\$ 41,345	\$ 16,194
Local sources	62,440	62,440	61,493	(947)
Total revenues	<u>\$ 62,440</u>	<u>\$ 87,591</u>	<u>\$ 102,838</u>	<u>\$ 15,247</u>
Expenditures:				
Current:				
General administration	\$ 576	\$ 576	\$ 576	\$ -
Operation of plant	170,855	196,006	146,695	49,311
Capital outlay	65,000	65,000	8,200	56,800
Total expenditures	<u>\$ 236,431</u>	<u>\$ 261,582</u>	<u>\$ 155,471</u>	<u>\$ 106,111</u>
Net change in fund balance	\$ (173,991)	\$ (173,991)	\$ (52,633)	\$ 121,358
Fund balance, July 1, 2012	<u>173,991</u>	<u>173,991</u>	<u>185,190</u>	<u>11,199</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,557</u>	<u>\$ 132,557</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (55,358)	
Revenue accruals (net)			256	
Expenditure accruals (net)			<u>2,469</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (52,633)</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, 2013

	<u>Agency</u>
<b>Assets</b>	
Cash and investments	<u>\$ 31,072</u>
 <b>Liabilities and Fund Equity</b>	
Deposits held for others	<u>\$ 31,072</u>
Total liabilities	<u>\$ 31,072</u>

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

Animas Independent School District No. 6  
**NOTES TO FINANCIAL STATEMENTS**  
For The Fiscal Year Ended June 30, 2013

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). 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 GAAP, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relations with the District. Based on the criterion in GAAP, the District had no component units.

**B. Basis of Presentation**

*Government-wide Financial Statements:*

The Statement of Net Position 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, and non-instructional support which accounts for various student extracurricular activities. 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 positions and changes in net positions 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. Typically these funds are owned by clubs, athletic teams, and/or student organizations.

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.

### *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).

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 Positions 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 positions (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent)

associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings process is complete.

### **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. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the earnings process is complete.

#### **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 GASB 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 Position, 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 positions are reported in three parts-net investment in capital assets, net of related debt; restricted net position; and unrestricted net positions. The District first utilizes restricted resources when an expense is incurred and

for purposes for which both restricted and unrestricted net positions are available.

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 include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. 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 position 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.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a functional category basis, i.e., each budgeted 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 position 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 position – consist of net position 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 position – all other net positions that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt.”

### *Fund Statements*

During the year ended June 30, 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature

and extent of the contracts placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

## **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, 2013, was \$.489 per \$1,000 for non-residential property and \$.387 for residential property. The District's tax rate for debt service was \$-0- per \$1,000 for both residential and nonresidential property. The District's tax rate

for District improvements was \$2.00 per \$1,000 for both residential and nonresidential property. Property taxes are considered fully collectible.

**L. Inter-fund Activity**

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are eliminated in the statement of net positions. 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, 2013 \$238,968 of the governments bank balance of \$973,229 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 238,968
Uninsured and collateral held by pledging banks trust department not in District's name	<u>-0-</u>
Total	<u>\$ 238,968</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	484,261	484,261
Uninsured and uncollateralized	<u>238,968</u>	<u>24,893</u>
	<u>\$ 973,229</u>	<u>\$ 759,154</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, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</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	\$ 12,139,439	\$ 206,037	\$	\$ 12,345,476
Furniture and equipment	<u>1,295,911</u>	<u>48,390</u>	<u>74,444</u>	<u>1,269,857</u>
Total other capital assets at historical cost	<u>\$ 13,435,350</u>	<u>\$ 254,427</u>	<u>\$ 74,444</u>	<u>\$ 13,615,333</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ (10,031,117)	\$ (218,694)	\$	\$(10,249,811)
Furniture and equipment	<u>(907,161)</u>	<u>(69,665)</u>	<u>72,719</u>	<u>(904,107)</u>
Total accumulated depreciation	<u>\$ (10,938,270)</u>	<u>\$ (288,357)</u>	<u>\$ 72,719</u>	<u>\$(11,153,918)</u>
Other capital assets, net	<u>\$ 2,497,072</u>	<u>\$ (33,932)</u>	<u>\$ 1,725</u>	<u>\$ 2,461,415</u>
Total capital assets, net	<u>\$ 2,878,015</u>	<u>\$ (33,932)</u>	<u>\$ 1,725</u>	<u>\$ 2,842,358</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 2,885
Instruction	207,618
Support services – students	40,370
School administration	8,655
Central services	1,443
Operation of plant	12,976
Transportation	<u>14,412</u>
	<u>\$ 288,359</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2013:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	Deletions	Balance <u>June 30, 2013</u>	Amount Due Within One <u>Year</u>
Compensated absences	\$ <u>17,041</u>	\$ <u>6,952</u>	\$ <u>6,055</u>	\$ <u>17,938</u>	\$ <u>-0-</u>
	<u>\$ 17,041</u>	<u>\$ 6,952</u>	<u>\$ 6,055</u>	<u>\$ 17,938</u>	<u>\$ -0-</u>

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

Note 5 Pension Plan – Educational Retirement Board

Plan Description

Substantially all of 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](http://www.nmerb.org).

## Funding Policy

### Member Contributions

Plan members whose salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

### Employer Contributions

In fiscal year 2013, the Animas Independent School District No. 6 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, Animas Independent School District No. 6 will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the Animas Independent School District No. 6 are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Animas Independent School District No. 6's contributions to ERB for the fiscal years ending June 30 2013, 2012, and 2011, were \$169,694, \$144,823, and \$184,586, 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 t 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 RHCA 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 RHA 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 administrative expenses of the plan. The monthly premium rate schedule can be obtain from the RHA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans, 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Animas Independent School District No. 6's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$30,953, \$28,025, and \$27,498 respectively, which equal the required contributions for each year.



Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. No losses exceeded insurance in the past three years.

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 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, 2013.

Note 10 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 11 Restricted Net Position

Net position restricted for other purposes was as follows:

SB-9	\$ 131,458
Cafeteria	16,053
Athletics	16,608
Other funds	<u>18,036</u>
	<u>\$ 182,155</u>

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

The District reports restricted net positions of \$182,155, of which \$165,547 is restricted by enabling legislation.

Note 12 Inter-fund Activity

Inter-fund balances at June 30, 2013 consisted of the following:

	<u>Inter-fund Payable</u>		
	<u>Title I</u>	<u>All Others</u>	<u>Total</u>
<u>Inter-fund Receivable</u>			
General	<u>\$ 113,866</u>	<u>\$ 44,941</u>	<u>\$ 158,807</u>
Total	<u>\$ 113,866</u>	<u>\$ 44,941</u>	<u>\$ 158,807</u>

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

There were no inter-fund transfers during the fiscal year.

Note 13 Budgetary Authority

The District exceeded budgeted authority in the transportation component of the General Fund as follows::

General Fund:	
Transportation Component:	
Transportation	\$ 6,711

The District, during its final review of the financial statements reversed an erroneous journal entry. When the correction was made, it was too late to request a budget adjustment from New Mexico Public Education Department.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through November 4, 2013, the date which the financial statements were available to be issued

Note 15 Lease of Building

The District leases a building to a private entity. The lease requires a monthly rent of \$750.00 per month. The lease expires October 1, 2013, with a one year extension possible.

Future amounts due under the lease:

Future amounts due under the lease:

2013-2014	<u>\$ 2,250</u>
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## **SPECIAL REVENUE FUNDS**

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

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

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

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

**IDEA-B Entitlement/Preschool/Discretionary/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.

**Entitlement** – to account for federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities, Authority is Public Law 71-230, Law 105-17.

## **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, 2013

	Special Revenue Funds			
	Cafeteria	Athletics	Entitlement	Migrant Education
<b>Assets</b>				
Cash and investments	\$ 16,000	\$ 16,608	\$ -	\$ -
Due from other governments			8,669	1,522
Property taxes receivable				
Interfund receivables				
Inventory	1,393			
Total assets	\$ 17,393	\$ 16,608	\$ 8,669	\$ 1,522
<b>Liabilities and Fund Balance</b>				
Interfund payable	\$ -	\$ -	\$ 8,669	\$ 1,522
Accounts payable				
Deferred revenue				
Total liabilities	\$ -	\$ -	\$ 8,669	\$ 1,522
Fund balances:				
Nonspendable:				
Inventory	\$ 1,393	\$ -	\$ -	\$ -
Restricted for:				
Education		16,608		
Food service	16,000			
Debt service				
Unassigned				
Total fund balances	\$ 17,393	\$ 16,608	\$ -	\$ -
Total liabilities and fund balances	\$ 17,393	\$ 16,608	\$ 8,669	\$ 1,522

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

Special Revenue Funds					
<u>NM Hwy Department</u>	<u>Teacher Training</u>	<u>2008 GO Bond Student Library</u>	<u>Idea B Risk Pool</u>	<u>School Improvement</u>	<u>Microsoft Settlement</u>
\$ - 14,622	\$ - 12,473	\$ - 2,125	\$ - 327	\$ 4,163	\$ 5
<u>\$ 14,622</u>	<u>\$ 12,473</u>	<u>\$ 2,125</u>	<u>\$ 327</u>	<u>\$ 4,163</u>	<u>\$ 5</u>
\$ 14,622	\$ 12,473	\$ 2,125	\$ 327	\$ -	\$ -
<u>\$ 14,622</u>	<u>\$ 12,473</u>	<u>\$ 2,125</u>	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ - 4,163	\$ - 5
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</u>	<u>\$ 5</u>
<u>\$ 14,622</u>	<u>\$ 12,473</u>	<u>\$ 2,125</u>	<u>\$ 327</u>	<u>\$ 4,163</u>	<u>\$ 5</u>



Animas School District #6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (concluded)**  
June 30, 2013

	Special Revenue Funds		
	2008 Library Bond	Technology For Education	Teacher Mentoring
<b>Assets</b>			
Cash and investments	\$ 784	\$ 3,271	\$ 3,929
Due from other governments			
Property taxes receivable			
Interfund receivables			
Inventory			
Total assets	\$ 784	\$ 3,271	\$ 3,929
<b>Liabilities and Fund Balance</b>			
Interfund payable	\$ -	\$ -	\$ -
Accounts Payable			
Deferred revenue			
Total liabilities	\$ -	\$ -	\$ -
Fund balances:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ -
Restricted for:			
Education	784	3,271	3,929
Food service			
Debt service			
Unassigned			
Total fund balances	\$ 784	\$ 3,271	\$ 3,929
	\$ 784	\$ 3,271	\$ 3,929

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

Special Revenue Funds			Debt Service Funds	
2009 Dual Credit	Elementary Breakfast	GOB Instruction Materials	Debt Service	Total
\$ - 155	\$ 53	\$ - 5,048	\$ 3,749	\$ 48,562 44,941 - - 1,393
<u>\$ 155</u>	<u>\$ 53</u>	<u>\$ 5,048</u>	<u>\$ 3,749</u>	<u>\$ 94,896</u>
\$ 155	\$ -	\$ 5,048	\$ -	\$ 44,941 - -
<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 5,048</u>	<u>\$ -</u>	<u>\$ 44,941</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,393 28,760 16,053 3,749 -
<u>\$ -</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 49,955</u>
<u>\$ 155</u>	<u>\$ 53</u>	<u>\$ 5,048</u>	<u>\$ 3,749</u>	<u>\$ 94,896</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, 2013

	Special Revenue Funds			
	Cafeteria	Athletics	Discretionary	Entitlement
Revenues:				
Fees and charges	\$ 13,455	\$ 7,924	\$ -	\$ -
Property taxes				
State aid				
Federal aid	64,654		29,622	64,227
Miscellaneous		48		
Total revenues	\$ 78,109	\$ 7,972	\$ 29,622	\$ 64,227
Expenditures:				
Current:				
Instruction	\$ -	\$ 6,772	\$ 29,622	\$ 5,314
Support services - Instruction				
General administration				
School administration				58,913
Central services				
Operation of plant				
Food services	75,913			
Capital outlay				
Total expenditures	\$ 75,913	\$ 6,772	\$ 29,622	\$ 64,227
Net change in fund balances	\$ 2,196	\$ 1,200	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ 2,196	\$ 1,200	\$ -	\$ -
Fund balance, July 1, 2012	15,197	15,408		
Fund balance, June 30, 2013	\$ 17,393	\$ 16,608	\$ -	\$ -

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

Special Revenue Funds

Preschool	NM Hwy Department	Teacher Training	Education Achievement	2008 GO Bond Student Library	Idea B Risk Pool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,649	14,622	14,636	33,230	2,125	327
<u>\$ 3,649</u>	<u>\$ 14,622</u>	<u>\$ 14,636</u>	<u>\$ 33,230</u>	<u>\$ 2,125</u>	<u>\$ 327</u>
\$ 687	\$ -	\$ 14,636	\$ 33,230	\$ - 2,125	\$ 327
2,962	14,622				
<u>\$ 3,649</u>	<u>\$ 14,622</u>	<u>\$ 14,636</u>	<u>\$ 33,230</u>	<u>\$ 2,125</u>	<u>\$ 327</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Animas Independent School District # 6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (concluded)**  
For The Fiscal Year Ended June 30, 2013

	Special Revenue Funds			
	School Improvement	Microsoft Settlement	2008 Library Bond	Technology For Education
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ -
Property taxes				
State aid				
Federal aid				
Miscellaneous				
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, 2012	4,163	5	784	3,271
Fund balance, June 30, 2013	\$ 4,163	\$ 5	\$ 784	\$ 3,271

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

<u>Special Revenue Funds</u>				<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	
<u>Teacher Mentoring</u>	<u>2009 Dual Credit</u>	<u>Elementary Breakfast</u>	<u>GOB Instruction Materials</u>	<u>PSFA</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,379
	753		5,048	100,284		-
						122,832
						210,345
						48
<u>\$ -</u>	<u>\$ 753</u>	<u>\$ -</u>	<u>\$ 5,048</u>	<u>\$ 100,284</u>	<u>\$ -</u>	<u>\$ 354,604</u>
\$ -	\$ 753	\$ -	\$ 5,048	\$ -	\$ -	\$ 96,389
						2,125
						-
						61,875
						-
						14,622
						75,913
				100,284		100,284
<u>\$ -</u>	<u>\$ 753</u>	<u>\$ -</u>	<u>\$ 5,048</u>	<u>\$ 100,284</u>	<u>\$ -</u>	<u>\$ 351,208</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,396
						-
						-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,396
3,929		53			3,749	46,559
<u>\$ 3,929</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 49,955</u>

Animas Independent School District # 6  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
June 30, 2013

	Operational	Transportation	Instructional Materials
<b>Assets</b>			
Cash and investments	\$ 527,859	\$ -	\$ 125
Property taxes receivable	1,153		
Interfund receivable	158,807		
Total assets	\$ 687,819	\$ -	\$ 125
 <b>Liabilities and Fund Balance</b>			
Accounts payable	\$ 14,758	\$ -	\$ -
Interfund payable			
Deferred revenue	861		
Total liabilities	\$ 15,619	\$ -	\$ -
Fund balance:			
Unassigned	\$ 672,200	\$ -	\$ 125
Total fund balance	\$ 672,200	\$ -	\$ 125
Total liabilities and fund balance	\$ 687,819	\$ -	\$ 125

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 18,979	\$ 546,963 1,153 158,807
<u>\$ 18,979</u>	<u>\$ 706,923</u>
\$ -	\$ 14,758 - 861
<u>\$ -</u>	<u>\$ 15,619</u>
<u>\$ 18,979</u>	<u>\$ 691,304</u>
<u>\$ 18,979</u>	<u>\$ 691,304</u>
<u><u>\$ 18,979</u></u>	<u><u>\$ 706,923</u></u>



Animas Independent School District # 6  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
For The Fiscal Year Ended June 30, 2013

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 14,359	\$ -	\$ -
Fees and charges	9,300		
State aid	2,432,833	370,658	14,755
Federal aid	10,692		
Miscellaneous	19,837	16,316	
	<u>\$ 2,487,021</u>	<u>\$ 386,974</u>	<u>\$ 14,755</u>
Total revenues			
Expenditures:			
Current:			
Instruction	\$ 1,386,030	\$ -	\$ 20,358
Support services - Students	155,711		
Support services - Intstruction	17,764		
General administration	124,630		
School administration	148,445		
Central services	74,696		
Operation of plant	420,666		
Transportation	2,531	389,105	
Food services	8,280		
Capital outlay	48,440		
	<u>\$ 2,387,193</u>	<u>\$ 389,105</u>	<u>\$ 20,358</u>
Total expenditures			
Net change in fund balances	\$ 99,828	\$ (2,131)	\$ (5,603)
Fund balance, July 1, 2012	<u>572,372</u>	<u>2,131</u>	<u>5,728</u>
Fund balance, June 30, 2013	<u>\$ 672,200</u>	<u>\$ -</u>	<u>\$ 125</u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 14,359
27,095	36,395
	2,818,246
	10,692
	36,153
<u>\$ 27,095</u>	<u>\$ 2,915,845</u>
\$ -	\$ 1,406,388
	155,711
	17,764
	124,630
	148,445
	74,696
31,096	451,762
	391,636
	8,280
	48,440
<u>\$ 31,096</u>	<u>\$ 2,827,752</u>
\$ (4,001)	\$ 88,093
22,980	603,211
<u>\$ 18,979</u>	<u>\$ 691,304</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ 6,221	\$ 10,692	\$ 4,471
State sources	2,420,245	2,420,245	2,432,833	12,588
Local sources	32,961	32,961	35,814	2,853
Interest income	1,800	1,800	1,390	(410)
<b>Total revenues</b>	<b>\$ 2,455,006</b>	<b>\$ 2,461,227</b>	<b>\$ 2,480,729</b>	<b>\$ 19,502</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,703,910	\$ 1,699,439	\$ 1,384,021	\$ 315,418
Support services - Students	160,447	167,887	155,711	12,176
Support services - Instruction	35,500	35,500	17,764	17,736
General administration	175,752	175,752	123,998	51,754
School administration	161,795	161,795	148,417	13,378
Central services	77,515	78,015	74,723	3,292
Operation of plant	469,535	472,287	412,510	59,777
Transportation	158,500	158,500	50,971	107,529
Food services	8,500	8,500	8,280	220
Capital outlay	10,000	10,000		10,000
<b>Total expenditures</b>	<b>\$ 2,961,454</b>	<b>\$ 2,967,675</b>	<b>\$ 2,376,395</b>	<b>\$ 591,280</b>
Net change in fund balance	\$ (506,448)	\$ (506,448)	\$ 104,334	\$ 610,782
Fund balance, July 1, 2012	506,448	506,448	582,332	75,884
Fund balance, June 30, 2013	\$ -	\$ -	\$ 686,666	\$ 686,666
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis				\$ 99,828
Revenue accruals (net)				(6,292)
Expenditure accruals (net)				10,798
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ 104,334</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 412,373	\$ 382,394	\$ 370,658	\$ (11,736)
Local sources			16,316	16,316
Total revenues	<u>\$ 412,373</u>	<u>\$ 382,394</u>	<u>\$ 386,974</u>	<u>\$ 4,580</u>
Expenditures:				
Current:				
Transportation	\$ 412,373	\$ 382,394	\$ 389,105	\$ (6,711)
Capital outlay				-
Total expenditures	<u>\$ 412,373</u>	<u>\$ 382,394</u>	<u>\$ 389,105</u>	<u>\$ (6,711)</u>
Net change in fund balance	\$ -	\$ -	\$ (2,131)	\$ (2,131)
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>2,131</u>	<u>2,131</u>
Fund balance, June 30, 2013	<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			\$ (2,131)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (2,131)</u></u>	

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

Animas Independent School District # 6  
**GENERAL FUND/INSTRUCTIONAL MATERIALS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 14,755	\$ 20,480	\$ 14,755	\$ (5,725)
 Expenditures:				
Current:				
Instruction	\$ 14,755	\$ 20,480	\$ 20,358	\$ 122
Support services - Instruction	-	-	-	-
Total expenditures	\$ 14,755	\$ 20,480	\$ 20,358	\$ 122
Net change in fund balance	\$ -	\$ -	\$ (5,603)	\$ (5,603)
Fund balance, July 1, 2012	-	-	5,728	5,728
Fund balance, June 30, 2013	\$ -	\$ -	\$ 125	\$ 125
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (5,603)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (5,603)	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 24,000	\$ 24,000	\$ 27,095	\$ 3,095
Earnings on investments				-
Total revenues	\$ 24,000	\$ 24,000	\$ 27,095	\$ 3,095
Expenditures:				
Current:				
Operation of plant	\$ 48,235	\$ 48,235	\$ 31,096	\$ 17,139
Capital outlay				-
Total expenditures	\$ 48,235	\$ 48,235	\$ 31,096	\$ 17,139
Net change in fund balance	\$ (24,235)	\$ (24,235)	\$ (4,001)	\$ 20,234
Fund balance, July 1, 2012	24,235	24,235	22,980	(1,255)
Fund balance, June 30, 2013	\$ -	\$ -	\$ 18,979	\$ 18,979
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,001)	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,001)	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 86,000	\$ 86,000	\$ 58,738	\$ (27,262)
Local sources	18,350	18,350	13,455	(4,895)
Total revenues	<u>\$ 104,350</u>	<u>\$ 104,350</u>	<u>\$ 72,193</u>	<u>\$ (32,157)</u>
Expenditures:				
Current:				
Food services	\$ 110,578	\$ 110,578	\$ 69,370	\$ 41,208
Capital outlay				-
Total expenditures	<u>\$ 110,578</u>	<u>\$ 110,578</u>	<u>\$ 69,370</u>	<u>\$ 41,208</u>
Net change in fund balance	\$ (6,228)	\$ (6,228)	\$ 2,823	\$ 9,051
Fund balance, July 1, 2012	<u>6,228</u>	<u>6,228</u>	<u>13,177</u>	<u>6,949</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,196	
Revenue accruals (net)			(5,916)	
Expenditure accruals (net)			6,543	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 2,823</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 11,700	\$ 11,700	\$ 7,972	\$ (3,728)
Expenditures:				
Current:				
Instruction	25,659	25,659	6,772	18,887
Net change in fund balance	\$ (13,959)	\$ (13,959)	\$ 1,200	\$ 15,159
Fund balance, July 1, 2012	13,959	13,959	15,408	1,449
Fund balance, June 30, 2013	\$ -	\$ -	\$ 16,608	\$ 16,608
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,200	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,200	

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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 10,410	\$ 20,406	\$ 9,586	\$ (10,820)
Expenditures:				
Current:				
Instruction	\$ 10,410	\$ 20,406	\$ 14,636	\$ 5,770
Support services - Instruction				-
General administration				-
Total expenditures	\$ 10,410	\$ 20,406	\$ 14,636	\$ 5,770
Net change in fund balance	\$ -	\$ -	\$ (5,050)	\$ (5,050)
Fund balance, July 1, 2012	-	-	(7,423)	(7,423)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (12,473)	\$ (12,473)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,080)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (5,080)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 61,616	\$ 66,879	\$ 84,816	\$ 17,937
Expenditures:				
Current:				
Instruction	\$ 2,000	\$ 7,263	\$ 5,314	\$ 1,949
School administration	59,616	59,616	58,913	703
Total expenditures	<u>\$ 61,616</u>	<u>\$ 66,879</u>	<u>\$ 64,227</u>	<u>\$ 2,652</u>
Net change in fund balance	\$ -	\$ -	\$ 20,589	\$ 20,589
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(29,258)</u>	<u>(29,258)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,669)</u></u>	<u><u>\$ (8,669)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			20,589	
Expenditure accruals (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 20,589</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 3,118	\$ 3,805	\$ 6,766	\$ 2,961
Expenditures:				
Current:				
Instruction	\$ -	\$ 687	\$ 687	\$ -
General administration				-
School administration	<u>3,118</u>	<u>3,118</u>	<u>2,962</u>	<u>156</u>
Total expenditures	<u>\$ 3,118</u>	<u>\$ 3,805</u>	<u>\$ 3,649</u>	<u>\$ 156</u>
Net change in fund balance	\$ -	\$ -	\$ 3,117	\$ 3,117
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(3,117)</u>	<u>(3,117)</u>
Fund balance, June 30, 2013	<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)			3,117	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 3,117</u></u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - MIGRANT CHILDREN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2013

	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, 2012	-	-	(1,522)	(1,522)
Fund balance, June 30, 2013	\$ -	\$ -	\$ (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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>3,929</u>	<u>3,929</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,929</u>	<u>\$ 3,929</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012			3,271	3,271
Fund balance, June 30, 2013	\$ -	\$ -	\$ 3,271	\$ 3,271
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	-	-	4,163	4,163
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 16,316	\$ 34,875	\$ 33,230	\$ (1,645)
Expenditures:				
Current:				
Instruction	<u>16,316</u>	<u>34,875</u>	<u>33,230</u>	<u>1,645</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2013	<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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012			53	53
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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 - 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2012			784	784
Fund balance, June 30, 2013	\$ -	\$ -	\$ 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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 14,622	\$ 14,622	\$ -	\$ (14,622)
Expenditures:				
Current:				
Operation of plant	\$ 14,622	\$ 14,622	\$ 14,622	\$ -
Capital outlay				-
Total expenditures	<u>\$ 14,622</u>	<u>\$ 14,622</u>	<u>\$ 14,622</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ (14,622)	\$ (14,622)
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,622)</u></u>	<u><u>\$ (14,622)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(14,622)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (14,622)</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 327	\$ 441	\$ 114
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>327</u>	<u>327</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 114	\$ 114
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(441)</u>	<u>(441)</u>
Fund balance, June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (327)</u></u>	<u><u>\$ (327)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			114	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 114</u></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, 2013

	<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, 2012	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Fund balance, June 30, 2013	<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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 753	\$ 598	\$ (155)
Expenditures:				
Current:				
Instruction	-	753	753	-
Net change in fund balance	\$ -	\$ -	\$ (155)	\$ (155)
Fund balance, July 1, 2012	-	-	-	-
Fund balance, June 30, 2013	\$ -	\$ -	\$ (155)	\$ (155)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(155)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (155)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ 3,582	\$ 3,582
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 3,582	\$ 3,582
Fund balance, July 1, 2012	-	-	(3,582)	(3,582)
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			3,582	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 3,582</u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - GOB 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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 7,050	\$ -	\$ (7,050)
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,050	\$ 5,048	\$ 2,002
General administration				-
Total expenditures	\$ -	\$ 7,050	\$ 5,048	\$ 2,002
Net change in fund balance	\$ -	\$ -	\$ (5,048)	\$ (5,048)
Fund balance, July 1, 2012	-	-	-	-
Fund balance, June 30, 2013	\$ -	\$ -	\$ (5,048)	\$ (5,048)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,048)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (5,048)	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 2,129	\$ 2,129	\$ 4,068	\$ 1,939
Expenditures:				
Current:				
Support services - Instruction	<u>2,129</u>	<u>2,129</u>	<u>2,125</u>	<u>4</u>
Net change in fund balance	\$ -	\$ -	\$ 1,943	\$ 1,943
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>(4,068)</u>	<u>(4,068)</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,125)</u>	<u>\$ (2,125)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,943	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 1,943</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Administration	\$ 50	\$ 50	\$ -	\$ 50
Reserve	<u>3,699</u>	<u>3,699</u>		<u>3,699</u>
Total expenditures	<u>\$ 3,749</u>	<u>\$ 3,749</u>	<u>\$ -</u>	<u>\$ 3,749</u>
Net change in fund balance	\$ (3,749)	\$ (3,749)	\$ -	\$ 3,749
Fund balance, July 1, 2012	<u>3,749</u>	<u>3,749</u>	<u>3,749</u>	<u>-</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,749</u>	<u>\$ 3,749</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Animas Independent School District # 6  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Assets</b>				
Cash and investments:				
Animas High School	\$ 19,441	\$ 50,453	\$ 47,795	\$ 22,099
Administration	<u>14,542</u>	<u>16,187</u>	<u>21,756</u>	<u>8,973</u>
 Total Assets	 <u>\$ 33,983</u>	 <u>\$ 66,640</u>	 <u>\$ 69,551</u>	 <u>\$ 31,072</u>
 <b>Liabilities</b>				
Deposits held for others:				
Animas High School	\$ 19,441	\$ 50,453	\$ 47,795	\$ 22,099
Administration	<u>14,542</u>	<u>16,187</u>	<u>21,756</u>	<u>8,973</u>
 Total Liabilities	 <u>\$ 33,983</u>	 <u>\$ 66,640</u>	 <u>\$ 69,551</u>	 <u>\$ 31,072</u>

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

Animas Independent School District # 6  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
 June 30, 2013

	Western Bank
Checking	\$ 973,229
Total on deposit	\$ 973,229
Less: FDIC insurance	(250,000)
Total uninsured public funds	\$ 723,229
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 361,615
Pledged Securities:	
Torrance Cnty, NM 891400MF7 5/15/2016	\$ 101,781
Torrance Cnty, NM 891400MM2 1/15/2015	262,480
Vaughn NM 922382BQ8 7/1/2013	120,000
Total pledged securities	\$ 484,261
Pledged securities over (under) requirement	\$ 122,647

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, 2013

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Payroll Clearing	Checking	\$ 137,828	\$ -
Cafeteria	Checking	17,140	16,053
Operational	Checking	313,764	276,442
Teacherage	Checking	19,539	18,979
School Fund	Checking	34,921	31,072
Athletics	Checking	16,701	16,608
Investment	Checking	400,082	400,000
IRS	Checking	33,254	-
		<u>\$ 973,229</u>	<u>\$ 759,154</u>
Total cash and investments			

Animas Independent School District # 6  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2013

	<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, 2012	\$ 582,173	\$ 22,979	\$ 2,131	\$ 5,728	\$ 13,177
Add: Current year receipts	2,480,729	27,095	386,974	14,755	72,193
Prior year warrants voided	398				
Less: Current year expenditures	(2,376,635)	(31,095)	(389,105)	(20,357)	(69,370)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2013	<u>\$ 686,665</u>	<u>\$ 18,979</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 16,000</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, 2013

	<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, 2012	\$ 15,408	\$ (107,784)	\$ -	\$ 5	\$ 4,551
Add: Current year receipts	7,972	153,885	33,230		8,247
Prior year warrants voided					
Less: Current year expenditures	(6,772)	(182,959)	(33,230)		(7,925)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2013	<u>\$ 16,608</u>	<u>\$ (136,858)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 4,873</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, 2013

	State Direct	Capital Improvement SB-9	Debt Service	Agency	Total
Total cash and investments as of July 1, 2012	\$ -	\$ 185,190	\$ 3,749	\$ 33,983	
Add: Current year receipts		102,838			\$ 761,290
Prior year warrants voided				66,640	3,287,918
Less: Current year expenditures	(14,622)	(155,471)			67,038
Abatements				(69,551)	(3,287,541)
Receivables/payables					(69,551)
Transfers					-
Total cash and investments as of June 30, 2013	<u>\$ (14,622)</u>	<u>\$ 132,557</u>	<u>\$ 3,749</u>	<u>\$ 31,072</u>	<u>\$ 759,154</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 No. 6  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended June 30, 2013

Current Status

**Findings – Financial Statement Audit**

2011-1 Expenditures incurred in excess of budgetary authority

Repeated

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.

RYAN MONTOYA, C.P.A.

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

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

We have audited, in accordance with the 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, the 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 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Animas Independent School District No. 6's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the District presented as other supplementary information, and have issued our report thereon dated November 4, 2013.

**Internal Control Over financial Reporting**

In planning and performing our audit of the financial statements, we considered Animas Independent School District No. 6's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Animas Independent School District No. 6's internal control.

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 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as item 2011-1.

### **Animas Independent School District No. 6's Responses to Findings**

Animas Independent School District No. 6's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Stone, McGee & Co., CPAs*

Silver City, New Mexico  
November 4, 2013

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

Animas Independent School District No. 6  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Fiscal Year Ended June 30, 2013

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified 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 *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of 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, Transportation component – Transportation \$6,711

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. However, during final review of the year-end financial statements, we discovered an erroneous journal entry. When that journal entry was reversed, it created an over-expenditure of the aforementioned line item, and it was too late to obtain budget adjustment approval from the NM Public Education Department. 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, 2013. Present at this exit conference were:

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