

State of New Mexico

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

For The Fiscal Year Ended June 30, 2014

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Animas Independent School District No. 6
DIRECTORY OF OFFICIALS
June 30, 2014

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Loren Cushman	Superintendent
Tammy Pompeo	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, 2014, 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, components of the general fund 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, 2014, 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, 2014, 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 and the components of the general fund of the Animas Independent School District No. 6 as of June 30, 2014, 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 October 30, 2014, 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
October 30, 2014

Stone, McGee & Co.
Certified Public Accountants

Animas Independent School District # 6
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 505,768
Property taxes receivable	9,101
Due from other governments	173,464
Inventory	1,391
Capital assets:	
Land	380,943
Buildings and improvements	12,366,717
Furniture and fixtures and equipment	1,269,857
Construction in progress	
Less accumulated depreciation	(11,400,806)
Total capital assets, net of depreciation	\$ 2,616,711
Total assets	\$ 3,306,435
Liabilities	
Accounts payable	\$ 12,252
Long-term liabilities:	
Portion due or payable after one year:	
Compensated absences	24,022
Total liabilities	\$ 36,274
Net Position	
Net investment in capital assets	\$ 2,616,711
Restricted for:	
Debt service	3,749
Other purposes	183,267
Unrestricted	466,434
Total net position	\$ 3,270,161

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, 2014

<u>Functions/Programs</u>	<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>
Governmental activities:					
Instruction	\$ 1,568,657	\$ 6,207	\$ 175,094	\$ -	\$ (1,387,356)
Support services - Students	194,011				(194,011)
Support services - Instruction	13,604		7,497		(6,107)
General administration	166,676				(166,676)
School administration	219,232		80,390		(138,842)
Central services	143,833				(143,833)
Operation of plant	592,443	36,273	41,081		(515,089)
Food services	116,769	15,918	67,303		(33,548)
Transportation	410,744		376,582		(34,162)
 Total governmental activities	 \$ 3,425,969	 \$ 58,398	 \$ 747,947	 \$ -	 \$ (2,619,624)

General revenues:	
Property taxes:	
Levied for general purposes	\$ 15,245
Levied for debt service	
Levied for capital improvements	64,944
State aid - formula grants	2,099,156
Recoveries and refunds	7,045
Earnings on investments	906
Loss on disposition of assets	
	<hr/>
Total general revenues and special items	\$ 2,187,296
	<hr/>
Change in net position	\$ (432,328)
Net position - beginning	<hr/> 3,702,489
Net position - ending	<hr/> <hr/> \$ 3,270,161

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

Animas Independent School District #6
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Title I	Entitlement
Assets			
Cash and investments	\$ 327,651	\$ -	\$ -
Property taxes receivable	1,593		
Inventory			
Due from other governments		93,774	32,353
Interfund receivable	173,464		
 Total assets	\$ 502,708	\$ 93,774	\$ 32,353
 Liabilities			
Accounts payable	\$ 12,252	\$ -	\$ -
Interfund payable		93,774	32,353
 Total liabilities	\$ 12,252	\$ 93,774	\$ 32,353
 Deferred Inflows of Resources			
Unavailable revenue	\$ 976		
 Total deferred inflows of resources	\$ 976	\$ -	\$ -
 Fund balances:			
Nonspendable:			
Inventories	\$ -	\$ -	\$ -
Restricted for:			
Education			
Food service			
Debt service			
Unassigned	489,480		
 Total fund balances	\$ 489,480	\$ -	\$ -
 Total liabilities, deferred inflows of resources and fund balances	\$ 502,708	\$ 93,774	\$ 32,353

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

<u>SB-9</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 128,095 7,508	\$ 50,022 1,391 47,337	\$ 505,768 9,101 1,391 173,464 173,464
<u>\$ 135,603</u>	<u>\$ 98,750</u>	<u>\$ 863,188</u>
\$ -	\$ - 47,337	\$ 12,252 173,464
<u>\$ -</u>	<u>\$ 47,337</u>	<u>\$ 185,716</u>
<u>\$ 4,849</u>	<u>\$ -</u>	<u>\$ 5,825</u>
<u>\$ 4,849</u>	<u>\$ -</u>	<u>\$ 5,825</u>
\$ - 130,754	\$ 1,391 25,394 20,879 3,749	\$ 1,391 156,148 20,879 3,749 489,480
<u>\$ 130,754</u>	<u>\$ 51,413</u>	<u>\$ 671,647</u>
<u>\$ 135,603</u>	<u>\$ 98,750</u>	<u>\$ 863,188</u>

Animas Independent School District # 6
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 June 30, 2014

Total governmental fund balances	\$	671,647
<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.		2,616,711
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		5,825
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		(24,022)
<i>Net Position of Governmental Activities</i>	\$	<u><u>3,270,161</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, 2014

	General Fund	Title I	Entitlement
Revenues:			
Property taxes	\$ 15,130	\$ -	\$ -
Fees and charges	36,273		
State aid	2,484,649		
Federal aid	26,726	104,899	62,418
Miscellaneous	7,851		
	\$ 2,570,629	\$ 104,899	\$ 62,418
Expenditures:			
Current:			
Instruction	\$ 1,222,649	\$ 104,899	\$ -
Support services - Students	161,916		
Support services - Intstruction	4,255		
General administration	166,044		
School administration	149,407		62,418
Central services	142,444		
Operation of plant	479,933		
Food service	38,372		
Transportation	407,433		
Capital outlay			
	\$ 2,772,453	\$ 104,899	\$ 62,418
Revenues over (under) expenditures	\$ (201,824)	\$ -	\$ -
Other financing sources (uses):			
Operating transfers in			
Operating transfers out			
Net change in fund balances	\$ (201,824)	\$ -	\$ -
Fund balance, June 30, 2013	691,304		
Fund balance, June 30, 2014	\$ 489,480	\$ -	\$ -

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

<u>SB-9</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ 64,586	\$ -	\$ 79,716
	22,125	58,398
25,151	60,616	2,570,416
	82,644	276,687
	100	7,951
<u>\$ 89,737</u>	<u>\$ 165,485</u>	<u>\$ 2,993,168</u>
\$ -	\$ 62,203	\$ 1,389,751
	7,497	161,916
632		11,752
		166,676
		211,825
		142,444
68,568	15,930	564,431
	78,397	116,769
		407,433
21,241		21,241
<u>\$ 90,441</u>	<u>\$ 164,027</u>	<u>\$ 3,194,238</u>
\$ (704)	\$ 1,458	\$ (201,070)
		-
		\$ -
\$ (704)	\$ 1,458	\$ (201,070)
131,458	49,955	872,717
<u>\$ 130,754</u>	<u>\$ 51,413</u>	<u>\$ 671,647</u>

Animas Independent School District # 6
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

June 30, 2014

Net change in fund balances-total governmental funds	\$	(201,070)
 <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		21,241
Depreciation expense		(246,888)
 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		473
 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.		
		-
 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.		
		(6,084)
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(432,328)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 8,754	\$ 8,754
State sources	2,472,898	2,491,738	2,484,649	(7,089)
Local sources	59,518	59,518	58,023	(1,495)
Interest income	700	700	906	206
Total revenues	\$ 2,533,116	\$ 2,551,956	\$ 2,552,332	\$ 376
Expenditures:				
Current:				
Instruction	\$ 1,489,297	\$ 1,489,297	\$ 1,225,382	\$ 263,915
Support services - Students	178,745	178,745	161,916	16,829
Support services - Instruction	5,500	5,500	4,255	1,245
General administration	176,867	176,867	164,442	12,425
School administration	166,411	166,411	131,435	34,976
Central services	153,210	153,210	142,511	10,699
Operation of plant	518,814	518,814	481,241	37,573
Transportation	436,242	455,082	407,433	47,649
Food services	1,254	1,254		1,254
	40,753	40,753	38,372	2,381
Capital outlay				-
Total expenditures	\$ 3,167,093	\$ 3,185,933	\$ 2,756,987	\$ 428,946
Net change in fund balance	\$ (633,977)	\$ (633,977)	\$ (204,655)	\$ 429,322
Fund balance, July 1, 2013	633,977	633,977	705,770	71,793
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,115</u>	<u>\$ 501,115</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ (201,796)
Revenue accruals (net)				(18,297)
Expenditure accruals (net)				<u>15,438</u>
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ (204,655)</u>

Animas Independent School District # 6
SPECIAL REVENUE FUND - TITLE I
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ 94,139</u>	<u>\$ 111,382</u>	<u>\$ 124,991</u>	<u>\$ 13,609</u>
Expenditures:				
Current:				
Instruction	<u>\$ 94,139</u>	<u>\$ 111,382</u>	<u>\$ 104,899</u>	<u>\$ 6,483</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 94,139</u>	<u>\$ 111,382</u>	<u>\$ 104,899</u>	<u>\$ 6,483</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,092</u>	<u>\$ 20,092</u>
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(113,866)</u>	<u>(113,866)</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (93,774)</u></u>	<u><u>\$ (93,774)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			<u>\$ -</u>	
Revenue accruals (net)			<u>20,092</u>	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 20,092</u></u>	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 55,236	\$ 62,418	\$ 38,734	\$ (23,684)
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
School administration	55,236	62,418	62,418	-
Total expenditures	\$ 55,236	\$ 62,418	\$ 62,418	\$ -
Net change in fund balance	\$ -	\$ -	\$ (23,684)	\$ (23,684)
Fund balance, July 1, 2013	-	-	(8,669)	(8,669)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (32,353)	\$ (32,353)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(23,684)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (23,684)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 22,820	\$ 25,151	\$ 2,331
Local sources	63,283	63,283	63,176	(107)
Total revenues	\$ 63,283	\$ 86,103	\$ 88,327	\$ 2,224
Expenditures:				
Current:				
General administration	\$ -	\$ 650	\$ 632	\$ 18
Operation of plant	101,847	124,017	92,157	31,860
Capital outlay	81,000	81,000		81,000
Total expenditures	\$ 182,847	\$ 205,667	\$ 92,789	\$ 112,878
Net change in fund balance	\$ (119,564)	\$ (119,564)	\$ (4,462)	\$ 115,102
Fund balance, July 1, 2013	119,564	119,564	132,557	12,993
Fund balance, June 30, 2014	\$ -	\$ -	\$ 128,095	\$ 128,095
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (704)	
Revenue accruals (net)			(1,410)	
Expenditure accruals (net)			(2,348)	
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,462)	

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, 2014

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 29,679</u>
Liabilities and Fund Equity	
Deposits held for others	<u>\$ 29,679</u>
Total liabilities	<u>\$ 29,679</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, 2014

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).

Entitlement – Accounts for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a Special Revenue Fund (P.L. 94-142 and P.L. 99-457).

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, deferred outflows of resources, liabilities and deferred inflows of resources 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 and Agency Funds 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, deferred outflows of resources, liabilities and deferred inflows of resources (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 GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met and reported as deferred outflows of resources by the provider and deferred inflows of resources by the recipient. Grant revenues not collected within 60 days of year end are recorded as receivables and deferred inflows of resources. Such amounts are recorded net of estimated uncollectible amounts.

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 inflows of resources in the fund financial statements. 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government had no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Financial Position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Government has only one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Government reports unavailable revenue from the following sources:

Governmental Funds Balance Sheet

	<u>General</u> <u>Fund</u>	<u>SB-9</u> <u>Fund</u>	<u>Total</u>
Property taxes not received within sixty days	\$ 976	\$ 4,849	\$ 5,825

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

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.

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

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

L. 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, 2014, was \$.478 per \$1,000 for non-residential property and \$.368 for residential property. The District's tax rate for debt service was \$-0- per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$1.902 per \$1,000 for residential and 1.954 for nonresidential property. Property taxes are considered fully collectible.

M. 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.

N. 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, 2014 \$-0- of the governments bank balance of \$690,332 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-0-
Uninsured and collateral held by pledging banks trust department not in District's name		<u>-0-</u>
Total	\$	<u><u>-0-</u></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	440,332	285,447
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 690,332</u>	<u>\$ 535,447</u>

Note 3 The District does not have a risk policy beyond that required State Statute.
Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</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	\$ 12,345,476	\$ 21,241	\$	\$ 12,366,717
Furniture and equipment	<u>1,269,857</u>	<u> </u>	<u> </u>	<u>1,269,857</u>
Total other capital assets at historical cost	<u>\$ 13,615,333</u>	<u>\$ 21,241</u>	<u>\$ -0-</u>	<u>\$ 13,636,574</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$(10,249,811)	\$ (216,641)	\$	\$(10,466,452)
Furniture and equipment	<u>(904,107)</u>	<u>(30,247)</u>	<u> </u>	<u>(934,354)</u>
Total accumulated depreciation	<u>\$(11,153,918)</u>	<u>\$ (246,888)</u>	<u>\$ -0-</u>	<u>\$(11,400,806)</u>
Other capital assets, net	<u>\$ 2,461,415</u>	<u>\$ (225,647)</u>	<u>\$ -0-</u>	<u>\$ 2,235,768</u>
Total capital assets, net	<u>\$ 2,842,358</u>	<u>\$ (225,647)</u>	<u>\$ -0-</u>	<u>\$ 2,616,711</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 1,852
Instruction	172,822
Support services – students	32,095
School administration	7,407
Central services	1,389
Operation of plant	28,012
Transportation	<u>3,311</u>
	<u>\$ 246,888</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2014:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	Deletions	Balance <u>June 30, 2014</u>	Amount Due Within One <u>Year</u>
Compensated absences	\$ 17,938	\$ 55,180	\$ 49,096	\$ 24,022	\$ -0-
	<u>\$ 17,938</u>	<u>\$ 55,180</u>	<u>\$ 49,096</u>	<u>\$ 24,022</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.

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: 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 2014, the Animas Independent School District No. 6 was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% 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: 13.9% 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 2014, 2013, and 2012, were \$192,240, \$169,694, and \$144,823, 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.

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, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1.0% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, 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, 2014, 2013, and 2012 were \$29,343, \$30,953, and \$28,025 respectively, which equal the required contributions for each year.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts I the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred. 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, 2014.

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	\$ 135,603
Cafeteria	22,217
Athletics	13,242
Other funds	<u>12,205</u>
	<u>\$ 183,267</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 \$187,016, of which \$173,774 is restricted by enabling legislation.

Note 12 Inter-fund Activity

Inter-fund balances at June 30, 2014 consisted of the following:

	<u>Inter-fund Payable</u>			
	<u>Entitlement</u>	<u>Title I</u>	<u>All Others</u>	<u>Total</u>
<u>Inter-fund Receivable</u>				
General	\$ 32,353	\$ 93,774	\$ 47,337	\$ 173,464
Total	<u>\$ 32,353</u>	<u>\$ 93,774</u>	<u>\$ 47,337</u>	<u>\$ 173,464</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 had no budget over expenditures during the fiscal year.

Note 14 Evaluation of Subsequent Events

The District has evaluated subsequent events through October 30, 2014, the date which the financial statements were available to be issued

Note 15 Lease of Building

The District leased a building to a private entity. The lease requires a monthly rent of \$750.00 per month, through October of 2013

Amount received during the fiscal year: \$ 2,550

The lease terminated in October, 2013.

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 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.

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

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, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Reads to Leads	Migrant Education
Assets				
Cash and investments	\$ 20,826	\$ 13,242	\$ -	\$ -
Inventory	1,391			
Property taxes receivable				
Interfund receivable				
Due from other governments			11,431	1,522
Total assets	\$ 22,217	\$ 13,242	\$ 11,431	\$ 1,522
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable			11,431	1,522
Total liabilities	\$ -	\$ -	\$ 11,431	\$ 1,522
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ 1,391	\$ -	\$ -	\$ -
Restricted for:				
Education		13,242		
Food service	20,826			
Debt service				
Unassigned				
Total fund balances	\$ 22,217	\$ 13,242	\$ -	\$ -
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,217	\$ 13,242	\$ 11,431	\$ 1,522

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

Special Revenue Funds

<u>NM Hwy Dept</u>	<u>Teacher Training</u>	<u>2012 GO Bond Library</u>	<u>School Improvement</u>	<u>Microsoft</u>	<u>2008 Library Bond</u>
\$ -	\$ -	\$ -	\$ 4,163	\$ 5	\$ 784
<u>15,930</u>	<u>9,767</u>	<u>7,497</u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 15,930</u>	<u>\$ 9,767</u>	<u>\$ 7,497</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>15,930</u>	<u>9,767</u>	<u>7,497</u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 15,930</u>	<u>\$ 9,767</u>	<u>\$ 7,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u> </u>	<u> </u>	<u> </u>	<u>4,163</u>	<u>5</u>	<u>784</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>
<u>\$ 15,930</u>	<u>\$ 9,767</u>	<u>\$ 7,497</u>	<u>\$ 4,163</u>	<u>\$ 5</u>	<u>\$ 784</u>

Animas Independent School District #6
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2014

	Special Revenue Funds			
	Technology For Education	Teacher Mentoring	Dual Credit	Elementary Breakfast
Assets				
Cash and investments	\$ 3,271	\$ 3,929	\$ -	\$ 53
Inventory				
Property taxes receivable				
Interfund receivable				
Due from other governments			1,190	
Total assets	\$ 3,271	\$ 3,929	\$ 1,190	\$ 53
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable			1,190	
Total liabilities	\$ -	\$ -	\$ 1,190	\$ -
Deferred Inflows of Resources				
Unavailable revenue				
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education	3,271	3,929		
Food service				53
Debt service				
Unassigned				
Total fund balances	\$ 3,271	\$ 3,929	\$ -	\$ 53
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,271	\$ 3,929	\$ 1,190	\$ 53

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

Debt Service Fund <u>Debt Service</u>	<u>Total</u>
\$ 3,749	\$ 50,022
	1,391
	-
	-
	<u>47,337</u>
<u>\$ 3,749</u>	<u>\$ 98,750</u>
\$ -	\$ -
	<u>47,337</u>
<u>\$ -</u>	<u>\$ 47,337</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1,391
	25,394
	20,879
3,749	3,749
	-
	<u>-</u>
<u>\$ 3,749</u>	<u>\$ 51,413</u>
<u>\$ 3,749</u>	<u>\$ 98,750</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, 2014

	Special Revenue Funds			
	Cafeteria	Athletics	Reads to Leads	NM Hwy Dept
Revenues:				
Fees and charges	\$ 15,918	\$ 6,207	\$ -	\$ -
Property taxes				
State aid			33,647	15,930
Federal aid	67,303			
Miscellaneous		100		
Total revenues	\$ 83,221	\$ 6,307	\$ 33,647	\$ 15,930
Expenditures:				
Current:				
Instruction	\$ -	\$ 9,673	\$ 33,647	\$ -
Support services - Instruction				
General administration				
School administration				
Central services				
Operation of plant				15,930
Food services	78,397			
Capital outlay				
Total expenditures	\$ 78,397	\$ 9,673	\$ 33,647	\$ 15,930
Net change in fund balances	\$ 4,824	\$ (3,366)	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ 4,824	\$ (3,366)	\$ -	\$ -
Fund balance, July 1, 2013	17,393	16,608		
Fund balance, June 30, 2014	\$ 22,217	\$ 13,242	\$ -	\$ -

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

Special Revenue Funds

Teacher Training	2012 GO Bond Library	School Improvement	Microsoft	Elementary Breakfast	2008 Library Bond	Technology For Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,341	7,497					
<u>\$ 15,341</u>	<u>\$ 7,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	7,497					
<u>\$ 15,341</u>	<u>\$ 7,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>4,163</u>	<u>5</u>	<u>53</u>	<u>784</u>	<u>3,271</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,163</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 53</u></u>	<u><u>\$ 784</u></u>	<u><u>\$ 3,271</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, 2014

	Special Revenue Funds		Debt Service Funds	Total
	Teacher Mentoring	Dual Credit	Debt Service	
Revenues:				
Fees and charges	\$ -	\$ -	\$ -	\$ 22,125
Property taxes				-
State aid		3,542		60,616
Federal aid				82,644
Miscellaneous				100
Total revenues	\$ -	\$ 3,542	\$ -	\$ 165,485
Expenditures:				
Current:				
Instruction	\$ -	\$ 3,542	\$ -	\$ 62,203
Support services - Instruction				7,497
General administration				-
School administration				-
Central services				-
Operation of plant				15,930
Food services				78,397
Capital outlay				-
Total expenditures	\$ -	\$ 3,542	\$ -	\$ 164,027
Net change in fund balances	\$ -	\$ -	\$ -	\$ 1,458
Other financing sources (uses):				
Operating transfers in				-
Operating transfers out				-
Net change in fund balances	\$ -	\$ -	\$ -	\$ 1,458
Fund balance, July 1, 2013	3,929		3,749	49,955
Fund balance, June 30, 2014	<u>3,929</u>	<u>-</u>	<u>3,749</u>	<u>51,413</u>

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

Animas Independent School District #6
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2014

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 304,914	\$ -	\$ -
Taxes receivable	1,593		
Due from other governments			
Interfund receivable	173,464	-	-
 Total assets	 \$ 479,971	 \$ -	 \$ -
 Liabilities			
Accounts payable	\$ 12,252	\$ -	\$ -
Interfund payable			
 Total liabilities	 \$ 12,252	 \$ -	 \$ -
 Deferred Inflows of Resources			
Unavailable revenue	\$ 976	-	-
 Total deferred inflows of resources	 \$ 976	 \$ -	 \$ -
 Fund balance:			
Unassigned	\$ 466,743	-	-
 Total fund balances	 \$ 466,743	 \$ -	 \$ -
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 479,971	 \$ -	 \$ -

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

<u>Teacherage</u>	<u>Total</u>
\$ 22,737	\$ 327,651 1,593 -
<u> </u>	<u>173,464</u>
<u><u>\$ 22,737</u></u>	<u><u>\$ 502,708</u></u>
\$ -	\$ 12,252 -
<u> </u>	<u> </u>
<u><u>\$ -</u></u>	<u><u>\$ 12,252</u></u>
<u> </u>	<u>\$ 976</u>
<u><u>\$ -</u></u>	<u><u>\$ 976</u></u>
<u><u>\$ 22,737</u></u>	<u><u>\$ 489,480</u></u>
<u><u>\$ 22,737</u></u>	<u><u>\$ 489,480</u></u>
<u><u>\$ 22,737</u></u>	<u><u>\$ 502,708</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, 2014

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 15,130	\$ -	\$ -
Fees and charges	2,550		
State aid	2,099,156	376,582	8,911
Federal aid	26,726		
Miscellaneous	7,851		
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 2,151,413</u>	<u>\$ 376,582</u>	<u>\$ 8,911</u>
Expenditures:			
Current:			
Instruction	\$ 1,213,613	\$ -	\$ 9,036
Support services - Students	161,916		
Support services - Intstruction	4,255		
General administration	166,044		
School administration	149,407		
Central services	142,444		
Operation of plant	449,968		
Transportation	30,851	376,582	
Food services	38,372		
Capital outlay			
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 2,356,870</u>	<u>\$ 376,582</u>	<u>\$ 9,036</u>
Net change in fund balances	\$ (205,457)	\$ -	\$ (125)
Fund balance, July 1, 2013	<hr/> 672,200	<hr/>	<hr/> 125
Fund balance, June 30, 2014	<u><u>\$ 466,743</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 15,130
33,723	36,273
	2,484,649
	26,726
	7,851
<u>\$ 33,723</u>	<u>\$ 2,570,629</u>
\$ -	\$ 1,222,649
	161,916
	4,255
	166,044
	149,407
	142,444
29,965	479,933
	407,433
	38,372
	-
<u>\$ 29,965</u>	<u>\$ 2,772,453</u>
\$ 3,758	\$ (201,824)
18,979	691,304
<u>\$ 22,737</u>	<u>\$ 489,480</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 8,754	\$ 8,754
State sources	2,105,653	2,105,653	2,099,156	(6,497)
Local sources	29,698	29,698	24,300	(5,398)
Interest income	700	700	906	206
Total revenues	\$ 2,136,051	\$ 2,136,051	\$ 2,133,116	\$ (2,935)
Expenditures:				
Current:				
Instruction	\$ 1,479,794	\$ 1,479,794	\$ 1,216,346	\$ 263,448
Support services - Students	178,745	178,745	161,916	16,829
Support services - Instruction	5,500	5,500	4,255	1,245
General administration	176,867	176,867	164,442	12,425
School administration	166,411	166,411	131,435	34,976
Central services	153,210	153,210	142,511	10,699
Operation of plant	473,206	473,206	451,276	21,930
Transportation	78,500	78,500	30,851	47,649
Other support services	1,254	1,254		1,254
Food services	40,753	40,753	38,372	2,381
Capital outlay				-
Total expenditures	\$ 2,754,240	\$ 2,754,240	\$ 2,341,404	\$ 412,836
Net change in fund balance	\$ (618,189)	\$ (618,189)	\$ (208,288)	\$ 409,901
Fund balance, July 1, 2013	618,189	618,189	686,666	68,477
Fund balance, June 30, 2014	\$ -	\$ -	\$ 478,378	\$ 478,378
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ (205,429)
Revenue accruals (net)				(18,297)
Expenditure accruals (net)				15,438
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ (208,288)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 357,742	\$ 376,582	\$ 376,582	\$ -
Local sources				-
Total revenues	\$ 357,742	\$ 376,582	\$ 376,582	\$ -
Expenditures:				
Current:				
Transportation	\$ 357,742	\$ 376,582	\$ 376,582	\$ -
Capital outlay				-
Total expenditures	\$ 357,742	\$ 376,582	\$ 376,582	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	-	-
Fund balance, June 30, 2014	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	<u>\$ 9,503</u>	<u>\$ 9,503</u>	<u>\$ 8,911</u>	<u>\$ (592)</u>
Expenditures:				
Current:				
Instruction	<u>\$ 9,503</u>	<u>\$ 9,503</u>	<u>\$ 9,036</u>	<u>\$ 467</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 9,503</u>	<u>\$ 9,503</u>	<u>\$ 9,036</u>	<u>\$ 467</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (125)</u>
Fund balance, July 1, 2013			<u>125</u>	<u>125</u>
Fund balance, June 30, 2014	<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			<u>\$ (125)</u>	
Revenue accruals (net)			<u>-</u>	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (125)</u></u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 29,820	\$ 29,820	\$ 33,723	\$ 3,903
Earnings on investments				-
Total revenues	\$ 29,820	\$ 29,820	\$ 33,723	\$ 3,903
Expenditures:				
Current:				
Operation of plant	\$ 45,608	\$ 45,608	\$ 29,965	\$ 15,643
Capital outlay				-
Total expenditures	\$ 45,608	\$ 45,608	\$ 29,965	\$ 15,643
Net change in fund balance	\$ (15,788)	\$ (15,788)	\$ 3,758	\$ 19,546
Fund balance, July 1, 2013	15,788	15,788	18,979	3,191
Fund balance, June 30, 2014	\$ -	\$ -	\$ 22,737	\$ 22,737
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 3,758	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,758	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 62,000	\$ 62,000	\$ 60,987	\$ (1,013)
Local sources	<u>13,275</u>	<u>13,275</u>	<u>15,918</u>	<u>2,643</u>
Total revenues	<u>\$ 75,275</u>	<u>\$ 75,275</u>	<u>\$ 76,905</u>	<u>\$ 1,630</u>
Expenditures:				
Current:				
Food services	\$ 91,782	\$ 91,782	\$ 72,079	\$ 19,703
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
Total expenditures	<u>\$ 91,782</u>	<u>\$ 91,782</u>	<u>\$ 72,079</u>	<u>\$ 19,703</u>
Net change in fund balance	\$ (16,507)	\$ (16,507)	\$ 4,826	\$ 21,333
Fund balance, July 1, 2013	<u>16,507</u>	<u>16,507</u>	<u>16,000</u>	<u>(507)</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,826</u>	<u>\$ 20,826</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,824	
Revenue accruals (net)			(6,316)	
Expenditure accruals (net)			6,318	
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 4,826</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 24,130	\$ 24,130	\$ 6,307	\$ (17,823)
Expenditures:				
Current:				
Instruction	24,130	24,130	9,673	14,457
Net change in fund balance	\$ -	\$ -	\$ (3,366)	\$ (3,366)
Fund balance, July 1, 2013			16,608	16,608
Fund balance, June 30, 2014	\$ -	\$ -	\$ 13,242	\$ 13,242
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (3,366)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (3,366)	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 11,012	\$ 17,083	\$ 18,047	\$ 964
Expenditures:				
Current:				
Instruction	\$ 11,012	\$ 17,083	\$ 15,341	\$ 1,742
Support services - Instruction				-
General administration				-
Total expenditures	\$ 11,012	\$ 17,083	\$ 15,341	\$ 1,742
Net change in fund balance	\$ -	\$ -	\$ 2,706	\$ 2,706
Fund balance, July 1, 2013	-	-	(12,473)	(12,473)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (9,767)	\$ (9,767)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,706	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,706	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - READS TO LEADS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 49,644	\$ 22,216	\$ (27,428)
Expenditures:				
Current:				
Instruction	\$ -	\$ 49,644	\$ 33,647	\$ 15,997
General administration				-
School administration				-
Total expenditures	\$ -	\$ 49,644	\$ 33,647	\$ 15,997
Net change in fund balance	\$ -	\$ -	\$ (11,431)	\$ (11,431)
Fund balance, July 1, 2013	-	-	-	-
Fund balance, June 30, 2014	\$ -	\$ -	\$ (11,431)	\$ (11,431)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(11,431)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (11,431)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
School administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	(1,522)	(1,522)
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,522)</u></u>	<u><u>\$ (1,522)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

Animas Independent School District # 6
SPECIAL REVENUE FUND - 2012 GO BOND STUDENT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 9,262	\$ 9,262	\$ -	\$ (9,262)
Expenditures:				
Current:				
Support services - Instruction	<u>9,262</u>	<u>9,262</u>	<u>7,497</u>	<u>1,765</u>
Net change in fund balance	\$ -	\$ -	\$ (7,497)	\$ (7,497)
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,497)</u>	<u>\$ (7,497)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(7,497)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (7,497)</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013			3,271	3,271
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	<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, 2013	<u>-</u>	<u>-</u>	<u>4,163</u>	<u>4,163</u>
Fund balance, June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,163</u></u>	<u><u>\$ 4,163</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 - TEACHER MENTORING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	<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, 2013	<u>-</u>	<u>-</u>	<u>3,929</u>	<u>3,929</u>
Fund balance, June 30, 2014	<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 - 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013			53	53
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013			784	784
Fund balance, June 30, 2014	\$ -	\$ -	\$ 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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 15,963	\$ 15,963	\$ 14,622	\$ (1,341)
Expenditures:				
Current:				
Operation of plant	\$ 15,963	\$ 15,963	\$ 15,930	\$ 33
Capital outlay	-	-	-	-
Total expenditures	\$ 15,963	\$ 15,963	\$ 15,930	\$ 33
Net change in fund balance	\$ -	\$ -	\$ (1,308)	\$ (1,308)
Fund balance, July 1, 2013	-	-	(14,622)	(14,622)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (15,930)	\$ (15,930)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,308)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,308)	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 327	\$ 327
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 327	\$ 327
Fund balance, July 1, 2013	<u>-</u>	<u>-</u>	<u>(327)</u>	<u>(327)</u>
Fund balance, June 30, 2014	<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)			327	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 327</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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013	-	-	5	5
Fund balance, June 30, 2014	\$ -	\$ -	\$ 5	\$ 5
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - 2009 DUAL CREDIT INSTRUCTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 3,542	\$ 2,507	\$ (1,035)
Expenditures:				
Current:				
Instruction	-	3,542	3,542	-
Net change in fund balance	\$ -	\$ -	\$ (1,035)	\$ (1,035)
Fund balance, July 1, 2013	-	-	(155)	(155)
Fund balance, June 30, 2014	\$ -	\$ -	\$ (1,190)	\$ (1,190)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,035)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,035)	

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

Animas Independent School District # 6
SPECIAL REVENUE FUND - 2010 GO BOND MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 5,048	\$ 5,048
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 5,048	\$ 5,048
Fund balance, July 1, 2013	-	-	(5,048)	(5,048)
Fund balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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			<u>\$ 5,048</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 2,125	\$ 2,125
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 2,125	\$ 2,125
Fund balance, July 1, 2013	-	-	(2,125)	(2,125)
Fund balance, June 30, 2014	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,125	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 2,125	

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Administration	\$ -	\$ -	\$ -	\$ -
Reserve				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2013			<u>3,749</u>	<u>3,749</u>
Fund balance, June 30, 2014	<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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash and investments:				
Animas High School	\$ 22,099	\$ 40,962	\$ 41,938	\$ 21,123
Administration	<u>8,973</u>	<u>10,948</u>	<u>11,365</u>	<u>8,556</u>
 Total Assets	 <u>\$ 31,072</u>	 <u>\$ 51,910</u>	 <u>\$ 53,303</u>	 <u>\$ 29,679</u>
 Liabilities				
Deposits held for others:				
Animas High School	\$ 22,099	\$ 40,962	\$ 41,938	\$ 21,123
Administration	<u>8,973</u>	<u>10,948</u>	<u>11,365</u>	<u>8,556</u>
 Total Liabilities	 <u>\$ 31,072</u>	 <u>\$ 51,910</u>	 <u>\$ 53,303</u>	 <u>\$ 29,679</u>

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

Animas Independent School District # 6
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2014

	Western Bank
Checking	\$ 690,332
Total on deposit	\$ 690,332
Less: FDIC insurance	(250,000)
Total uninsured public funds	\$ 440,332
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 220,166
Pledged Securities:	
Torrance Cnty, NM 891400MF7 5/15/2016	\$ 100,179
Torrance Cnty, NM 891400MM2 1/15/2015	254,893
Rio Ranch NM Pub Sch 767171KD2 8/1/23	272,050
Total pledged securities	\$ 627,122
Pledged securities over (under) requirement	\$ 406,956

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, 2014

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Western Bank</u>			
Payroll Clearing	Checking	\$ 115,035	\$ -
Cafeteria	Checking	20,894	20,879
Operational	Checking	126,398	98,910
Teacherage	Checking	22,737	22,737
School Fund	Checking	29,679	29,679
Athletics	Checking	13,447	13,242
Investment	Checking	350,028	350,000
IRS	Checking	12,114	-
		<u>\$ 690,332</u>	<u>\$ 535,447</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, 2014

	<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, 2013	\$ 686,666	\$ 18,979	\$ -	\$ 126	\$ 16,000
Add: Current year receipts	2,133,116	33,723	376,582	8,911	76,905
Prior year warrants voided					
Less: Current year expenditures	(2,341,403)	(29,965)	(376,582)	(9,037)	(72,080)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2014	<u>\$ 478,379</u>	<u>\$ 22,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,825</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, 2014

	<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, 2013	\$ 16,608	\$ (136,857)	\$ -	\$ 5	\$ 4,872
Add: Current year receipts	6,307	182,099			31,895
Prior year warrants voided					
Less: Current year expenditures	(9,673)	(182,658)			(44,685)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2014	<u>\$ 13,242</u>	<u>\$ (137,416)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ (7,918)</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, 2014

	State Direct	Capital Improvement SB-9	Debt Service	Agency	Total
Total cash and investments as of July 1, 2013	\$ (14,622)	\$ 132,557	\$ 3,749	\$ 31,072	
Add: Current year receipts	14,622	88,327		51,910	\$ 759,155
Prior year warrants voided					3,004,397
Less: Current year expenditures	(15,930)	(92,789)		(53,303)	-
Abatements					(3,228,105)
Receivables/payables					-
Transfers					-
Total cash and investments as of June 30, 2014	<u>\$ (15,930)</u>	<u>\$ 128,095</u>	<u>\$ 3,749</u>	<u>\$ 29,679</u>	<u>\$ 535,447</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 Cooperative # 10
Responsible party for operations-	The District as well as the Southwest Regional Education Cooperative # 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 Cooperative # 10
Name of agency where revenues and expenditures are reported-	Southwest Regional Education Cooperative # 10

Animas Independent School District No. 6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2014

Current Status

Findings – Financial Statement Audit

2011-1 Expenditures incurred in excess of budgetary authority

Resolved

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, G.P.A.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, 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, 2014, 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 October 30, 2014.

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 2014-001.

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
October 30, 2014

Stone, McGee & Co.
Certified Public Accountants

Animas Independent School District No. 6
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2014

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

2014-001 Personnel Files (Other)

Condition – In one of nineteen certified personnel files tested, we noted that the file did not contain an official transcript of the teacher's education.

Criteria – New Mexico Public Education Department regulations require that District personnel be paid according to an approved salary schedule. This salary schedule is based, in part, on the teacher's educational achievements, and the teacher should be paid according to their slot in the salary schedule.

Effect – The possibility exists that without an official transcript upon which to base the teacher's salary, the teacher could be overpaid or underpaid.

Cause – The District requested the official transcript from the educational institution, but it was not received, and no follow-up occurred.

Recommendation – We recommend that the District, when generating teacher contracts, verify that an official transcript is in the employee's file.

Agency Response – The policy is currently being followed. This was an unusual circumstance for which provision has now been made.

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s. However, the management of Animas Independent School District No. 6 has acknowledged its responsibility for the financial statements and has taken responsibility for them.

EXIT CONFERENCE

The contents of this report were discussed October 10, 2014. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Levi Klump	Board Member	Animas Schools
Trina Kellogg	Audit Committee Member	Animas Schools
Loren Cushman	Superintendent	Animas Schools
Tammy Pompeo	Finance Director	Animas Schools
Kay Stone	Shareholder	Stone, McGee & Co., CPA's