

State of New Mexico

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

For The Fiscal Year Ended June 30, 2015

Animas Independent School District No. 6  
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Animas Independent School District No. 6  
**DIRECTORY OF OFFICIALS**  
June 30, 2015

**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

Timothy Keller, 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, 2015, 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, 2015, 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, 2015, 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, 2015, 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.

The Schedule of Vendor Information, listed as other information in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2015, 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 29, 2015

Stone, McGee & Co.  
Certified Public Accountants



Animas Independent School District # 6  
**STATEMENT OF NET POSITION**  
June 30, 2015

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 522,245
Property taxes receivable	6,420
Due from other governments	182,116
Inventory	1,411
Capital assets:	
Land	380,943
Buildings and improvements	12,366,717
Furniture and fixtures and equipment	1,445,171
Construction in progress	-
Less accumulated depreciation	(11,736,944)
Total capital assets, net of depreciation	\$ 2,455,887
Total assets	\$ 3,168,079
<b>Deferred Outflows of Resources</b>	
Related to pensions	\$ 190,163
<b>Liabilities</b>	
Accounts payable	\$ 14,038
Long-term liabilities:	
Portion due or payable after one year:	
Net pension liability	3,037,152
Compensated absences	21,815
Total liabilities	\$ 3,073,005
<b>Deferred Inflows of Resources</b>	
Related to pensions	\$ 496,972
<b>Net Position</b>	
Net investment in capital assets	\$ 2,455,887
Restricted for:	
Debt service	3,749
Other purposes	177,395
Unrestricted	(2,848,766)
Total net position	\$ (211,735)

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, 2015

	<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>	
<b><u>Functions/Programs</u></b>				
Governmental activities:				
Instruction	\$ 1,482,357	\$ 8,786	\$ 178,985	\$ -
Support services - Students	221,654			
Support services - Instruction	7,522			
General administration	151,098			
School administration	203,787		67,697	
Central services	88,417			
Operation of plant	596,285	30,885	22,820	
Food services	94,499	17,735	83,475	
Transportation	384,760		338,577	
Total governmental activities	<u>\$ 3,230,379</u>	<u>\$ 57,406</u>	<u>\$ 691,554</u>	<u>\$ -</u>

General revenues:	
Property taxes:	
Levied for general purposes	\$ 15,424
Levied for debt service	-
Levied for capital improvements	65,639
State aid - formula grants	2,290,217
Recoveries and refunds	12,994
Earnings on investments	119
Loss on disposition of assets	
	<hr/>
Total general revenues and special items	\$ 2,384,393
	<hr/>
Change in net position	\$ (97,026)
	<hr/>
Net position - beginning of year, as originally stated	\$ 3,270,171
Restatement	(3,384,880)
	<hr/>
Net position - beginning of year, as restated	\$ (114,709)
Change in net position	(97,026)
	<hr/>
Net position - end of year	\$ (211,735)
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The accompanying notes are an integral part of these financial statements.

Animas Independent School District #6  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2015

	General Fund	Title I	Entitlement
<b>Assets</b>			
Cash and investments	\$ 386,310	\$ -	\$ -
Property taxes receivable	1,074		
Inventory			
Due from other governments		80,156	36,215
Interfund receivable	182,116		
 Total assets	\$ 569,500	\$ 80,156	\$ 36,215
 <b>Liabilities</b>			
Accounts payable	\$ 13,572	\$ -	\$ -
Interfund payable		80,156	36,215
 Total liabilities	\$ 13,572	\$ 80,156	\$ 36,215
 <b>Deferred Inflows of Resources</b>			
Unavailable revenue	\$ 430	\$ -	\$ -
 Total deferred inflows of resources	\$ 430	\$ -	\$ -
 Fund balances:			
Nonspendable:			
Inventories	\$ -	\$ -	\$ -
Restricted for:			
Education	2,501		
Operation of plant	36,417		
Food service			
Debt service			
Unassigned	516,580		
 Total fund balances	\$ 555,498	\$ -	\$ -
 Total liabilities, deferred inflows of resources and fund balances	\$ 569,500	\$ 80,156	\$ 36,215

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

<u>Reads to Lead</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 135,935	\$ 522,245
	5,346	6,420
	1,411	1,411
30,464	35,281	182,116
<u>30,464</u>	<u>35,281</u>	<u>182,116</u>
<u>\$ 30,464</u>	<u>\$ 177,973</u>	<u>\$ 894,308</u>
\$ -	\$ 466	\$ 14,038
<u>30,464</u>	<u>35,281</u>	<u>182,116</u>
<u>\$ 30,464</u>	<u>\$ 35,747</u>	<u>\$ 196,154</u>
<u>\$ -</u>	<u>\$ 2,624</u>	<u>\$ 3,054</u>
<u>\$ -</u>	<u>\$ 2,624</u>	<u>\$ 3,054</u>
\$ -	\$ 1,411	\$ 1,411
	91,573	94,074
		36,417
	42,869	42,869
	3,749	3,749
		<u>516,580</u>
<u>\$ -</u>	<u>\$ 139,602</u>	<u>\$ 695,100</u>
<u>\$ 30,464</u>	<u>\$ 177,973</u>	<u>\$ 894,308</u>

Animas Independent School District # 6  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
 June 30, 2015

Total governmental fund balances	\$	695,100
<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.		2,455,887
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred inflows of resources related to pensions		(496,972)
Deferred outflows of resources related to pensions		190,163
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		3,054
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:		
Net pension liability		(3,037,152)
Compensated absences payable		(21,815)
		(21,815)
<i>Net Position of Governmental Activities</i>	\$	(211,735)

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, 2015

	General Fund	Title I	Entitlement
Revenues:			
Property taxes	\$ 15,970	\$ -	\$ -
Fees and charges	31,364		
State aid	2,639,132		
Federal aid	5,857	91,500	62,107
Miscellaneous	12,823		
	<u>\$ 2,705,146</u>	<u>\$ 91,500</u>	<u>\$ 62,107</u>
Total revenues			
Expenditures:			
Current:			
Instruction	\$ 1,136,915	\$ 91,500	\$ -
Support services - Students	171,030		
Support services - Intstruction	5,602		
General administration	152,790		
School administration	132,162		62,107
Central services	88,755		
Operation of plant	504,741		
Food service	28,888		
Transportation	344,577		
Capital outlay	73,668		
	<u>\$ 2,639,128</u>	<u>\$ 91,500</u>	<u>\$ 62,107</u>
Total expenditures			
Revenues over (under) expenditures	\$ 66,018	\$ -	\$ -
Other financing sources (uses):			
Operating transfers in			
Operating transfers out			
Net change in fund balances	\$ 66,018	\$ -	\$ -
Fund balance, June 30, 2014	<u>489,480</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2015	<u>\$ 555,498</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Reads to Lead</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ -	\$ 67,864	\$ 83,834
	26,042	57,406
49,993	28,968	2,718,093
	104,214	263,678
	290	13,113
<u>\$ 49,993</u>	<u>\$ 227,378</u>	<u>\$ 3,136,124</u>
\$ 49,993	\$ 34,002	\$ 1,312,410
		171,030
		5,602
	675	153,465
	5,590	199,859
		88,755
	61,340	566,081
	66,700	95,588
		344,577
	101,646	175,314
<u>\$ 49,993</u>	<u>\$ 269,953</u>	<u>\$ 3,112,681</u>
\$ -	\$ (42,575)	\$ 23,443
		-
		\$ -
<u>\$ -</u>	<u>\$ (42,575)</u>	<u>\$ 23,443</u>
	182,177	671,657
<u>\$ -</u>	<u>\$ 139,602</u>	<u>\$ 695,100</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, 2015

Net change in fund balances-total governmental funds	\$	23,443
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*Amounts reported for governmental activities in the statement of activities are different because:*

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

Capital outlay		175,314
Depreciation expense		(336,138)

Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

Pension contributions		190,163
Cost of benefits earned net of employee contributions		(149,244)

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:

Property taxes subject to the 60 day availability period		(2,771)
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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.

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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.

2,207

*Change in Net Position of Governmental Activities*

\$ (97,026)

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ -	\$ 5,857	\$ 5,857
State sources	2,636,851	2,640,249	2,639,132	(1,117)
Local sources	47,745	47,745	60,008	12,263
Interest income	1,000	1,000	122	(878)
<b>Total revenues</b>	<b>\$ 2,685,596</b>	<b>\$ 2,688,994</b>	<b>\$ 2,705,119</b>	<b>\$ 16,125</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,442,818	\$ 1,390,962	\$ 1,135,028	\$ 255,934
Support services - Students	181,278	196,278	171,030	25,248
Support services - Instruction	11,000	11,000	5,602	5,398
General administration	182,834	182,834	154,538	28,296
School administration	127,958	151,961	132,106	19,855
Central services	103,991	103,991	88,755	15,236
Operation of plant	565,371	581,571	502,690	78,881
Transportation	344,526	344,577	344,577	-
Food services	681	681		681
Capital outlay	44,580	44,580	28,888	15,692
	75,000	75,000	74,594	406
<b>Total expenditures</b>	<b>\$ 3,080,037</b>	<b>\$ 3,083,435</b>	<b>\$ 2,637,808</b>	<b>\$ 445,627</b>
Net change in fund balance	\$ (394,441)	\$ (394,441)	\$ 67,311	\$ 461,752
Fund balance, July 1, 2014	394,441	394,441	501,115	106,674
Fund balance, June 30, 2015	\$ -	\$ -	\$ 568,426	\$ 568,426
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis				\$ 66,018
Revenue accruals (net)				(27)
Expenditure accruals (net)				1,320
Net change in fund balance, NON-GAAP budgetary basis				<b>\$ 67,311</b>

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ 100,065</u>	<u>\$ 106,549</u>	<u>\$ 105,118</u>	<u>\$ (1,431)</u>
 Expenditures:				
Current:				
Instruction	<u>\$ 100,065</u>	<u>\$ 106,549</u>	<u>\$ 91,500</u>	<u>\$ 15,049</u>
Support services - Instruction				<u>-</u>
Total expenditures	<u>\$ 100,065</u>	<u>\$ 106,549</u>	<u>\$ 91,500</u>	<u>\$ 15,049</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,618</u>	<u>\$ 13,618</u>
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(93,774)</u>	<u>(93,774)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (80,156)</u></u>	<u><u>\$ (80,156)</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			<u>\$ -</u>	
Revenue accruals (net)			<u>13,618</u>	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 13,618</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 53,474	\$ 64,210	\$ 58,245	\$ (5,965)
Expenditures:				
Current:				
Instruction	\$ 53,474	\$ 64,210	\$ 62,107	\$ 2,103
School administration				-
Total expenditures	<u>\$ 53,474</u>	<u>\$ 64,210</u>	<u>\$ 62,107</u>	<u>\$ 2,103</u>
Net change in fund balance	\$ -	\$ -	\$ (3,862)	\$ (3,862)
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(32,353)</u>	<u>(32,353)</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,215)</u>	<u>\$ (36,215)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(3,862)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (3,862)</u>	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 50,000	\$ 50,000	\$ 30,960	\$ (19,040)
Expenditures:				
Current:				
Instruction	\$ 50,000	\$ 50,000	\$ 49,993	\$ 7
General administration				-
School administration				-
Total expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,993</u>	<u>\$ 7</u>
Net change in fund balance	\$ -	\$ -	\$ (19,033)	\$ (19,033)
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(11,431)</u>	<u>(11,431)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (30,464)</u></u>	<u><u>\$ (30,464)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(19,033)	
Expenditure accruals (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (19,033)</u></u>	

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

Animas Independent School District # 6  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2015

	<u>Agency</u>
<b>Assets</b>	
Cash and investments	<u>\$ 26,788</u>
<b>Liabilities and Fund Equity</b>	
Deposits held for others	<u>\$ 26,788</u>
Total liabilities	<u>\$ 26,788</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, 2015

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).

Reads to Lead – to account for resources administered by NMPED to improve reading skills of pre-kindergarten to third grade children within the District. HR 2614.

### **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, 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 has deferred outflows of resources related to pensions as discussed in Note 5.

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 Fund</u>	<u>SB-9 Fund</u>	<u>Total</u>
Property taxes not received within sixty days	\$ 430	\$ 2,624	\$ 3,054

In addition, the District reports deferred inflows of resources related to pensions, as discussed in Note 5.

**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, 2015, was \$.455 per \$1,000 for non-residential property and \$.229 for residential property. The District's tax rate for debt service was \$-0- per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$2.00 per \$1,000 for residential and 2.00 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, 2015 \$-0- of the governments bank balance of \$712,786 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	462,786	299,033
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 712,786</u>	<u>\$ 549,033</u>

The District does not have a risk policy beyond that required State Statute.



Note 3 Capital Assets

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</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	\$ 12,366,717	\$	\$	\$ 12,366,717
Furniture and equipment	<u>1,269,857</u>	<u>175,314</u>	<u>-0-</u>	<u>1,445,171</u>
Total other capital assets at historical cost	<u>\$ 13,636,574</u>	<u>\$ 175,314</u>	<u>\$ -0-</u>	<u>\$ 13,811,888</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$(10,466,452)	\$ (202,655)	\$	\$(10,669,107)
Furniture and equipment	<u>(934,354)</u>	<u>(133,483)</u>	<u>-0-</u>	<u>(1,067,837)</u>
Total accumulated depreciation	<u>\$(11,400,806)</u>	<u>\$ (336,138)</u>	<u>\$ -0-</u>	<u>\$(11,736,944)</u>
Other capital assets, net	<u>\$ 2,235,768</u>	<u>\$ (160,824)</u>	<u>\$ -0-</u>	<u>\$ 2,074,944</u>
Total capital assets, net	<u>\$ 2,616,711</u>	<u>\$ (160,824)</u>	<u>\$ -0-</u>	<u>\$ 2,455,887</u>

Depreciation expense was charged to the governmental activities as follows:

Support services – instruction	\$ 1,920
Instruction	195,875
Support services – students	53,005
School administration	8,430
Central services	1,289
Operation of plant	35,002
Transportation	<u>40,617</u>
	<u>\$ 336,138</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2015:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	Deletions	Balance <u>June 30, 2015</u>	Amount Due Within One <u>Year</u>
Compensated absences	\$ 24,022	\$ 17,963	\$ 20,170	\$ 21,815	\$ -0-
	<u>\$ 24,022</u>	<u>\$ 17,963</u>	<u>\$ 20,170</u>	<u>\$ 21,815</u>	<u>\$ -0-</u>

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

Note 5 **Pension Plan**

Summary of Significant Accounting Policies  
General Information about the Pension Plan

**Plan Description** – ERB was created by the State’s Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees’ Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the State’s public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico Legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

**Benefits Provided** – A member’s retirement benefit is determined by a formula which includes three component parts: the member’s final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member’s salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member’s age and earned service credit add up to the sum or 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member’s age and earned service credit add up to the sum of 80 or more; the

member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions** – The contribution requirements of defined benefit plan members and the Animas Independent School District No. 6 are established in state statute under Chapter 10, Article 11, NMSA, 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees

earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the Animas Independent School District No. 6 were \$190,163 for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension** - The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the Animas Independent School District No. 6 reported a liability of \$3,037,152 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .05323 percent, which was a decrease of .00377 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Animas Independent School District No. 6 recognized pension expense of \$149,244. At the June 30, 2015, the Animas Independent School District No. 6 reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ -	\$ (45,240)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(276,076)
Changes in proportion and differences between Animas Independent School District No. 6 contributions and proportionate share of contributions	-	(175,656)
Animas Independent School District No. 6 contributions subsequent to the measurement date	<u>190,163</u>	<u>-</u>
Total	<u>\$ 190,163</u>	<u>\$ (496,972)</u>

\$190,163 reported as deferred outflows of resources related to pensions resulting from Animas Independent School District No. 6 contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and

deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 145,724
2017	145,724
2018	136,520
2019	69,004

**Actuarial assumptions** – as described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLA's for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%

Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) Application of key economic projections (inflation, real growth, dividends, etc.), and 3) Structural themes (supply and demand imbalances, capital flows, etc). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30 year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-Term Expected Real Rate of Return</u>	<u>2013 Long-Term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasury's	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

**Discount Rate** – A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit

payments of current pension plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**Sensitivity of the Animas Independent School District No. 6 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the District's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
Animas Independent School District No. 6 proportionate share of the net pension liability	\$ 4,132,397	\$ 3,037,152	\$ 2,122,209

**Pension Plan Fiduciary Net Position** – Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

Note 6 Retiree Health Care Plan

Plan Description

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

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

at least two years; and (4) former governing authority members who served at least four years.

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

### Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans, 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 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, 2015, 2014, and 2013 were \$27,361, \$29,343, and \$30,953 respectively, which equal the required contributions for each year.



Note 7 Risk Management

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

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$5,000,000 with a \$1,000,000 stop loss.

Note 8 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 9 Deficit Unreserved Fund Balance

Deficit fund balances are the result of the application of generally accepted accounting principles to cash basis budgeting, and the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received, the deficit fund balance are reduced. The District had no deficit fund balances at June 30, 2015.

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	\$ 70,277
Cafeteria	44,280
Athletics	9,134
Other funds	<u>53,704</u>
	<u>\$ 177,395</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 \$177,395, of which \$168,261 is restricted by enabling legislation.

Note 12 Inter-fund Activity

Inter-fund balances at June 30, 2015 consisted of the following:

	<u>Inter-fund Payable</u>				
	<u>Title I</u>	<u>Entitlement</u>	<u>Reads to Lead</u>	<u>Other Funds</u>	<u>Total</u>
<u>Inter-fund Receivable</u>					
General	<u>\$ 80,156</u>	<u>\$ 36,215</u>	<u>\$ 30,464</u>	<u>\$ 35,281</u>	<u>\$ 182,116</u>
Total	<u>\$ 80,156</u>	<u>\$ 36,215</u>	<u>\$ 30,464</u>	<u>\$ 35,281</u>	<u>\$ 182,116</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 29, 2015, the date which the financial statements were available to be issued.

Note 15    Restatement

During the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board Statements No. 67 and 68. These statements require the recognition of a net pension liability for the unfunded pension liabilities as currently measured by the Education Retirement Board.

As a part of this measurement, the District is required to restate its net position for the estimated liability at June 30, 2014, in the amount of \$3,384,880.

## **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.

**SB-9** - to account for the Two Mill Levy approved by the voters of the District for plant maintenance and improvements, and is a special revenue fund.

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

**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, 2015

	Special Revenue Funds			
	Cafeteria	Athletics	Preschool	Migrant Education
<b>Assets</b>				
Cash and investments	\$ 43,335	\$ 9,134	\$ -	\$ -
Inventory	1,411			
Property taxes receivable				
Interfund receivable				
Due from other governments			5,590	1,522
<b>Total assets</b>	<b><u>\$ 44,746</u></b>	<b><u>\$ 9,134</u></b>	<b><u>\$ 5,590</u></b>	<b><u>\$ 1,522</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 466	\$ -	\$ -	\$ -
Interfund payable			5,590	1,522
<b>Total liabilities</b>	<b><u>\$ 466</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,590</u></b>	<b><u>\$ 1,522</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
<b>Total deferred inflows of resources</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Fund balance:</b>				
<b>Nonspendable:</b>				
Inventories	\$ 1,411	\$ -	\$ -	\$ -
<b>Restricted for:</b>				
Education		9,134		
Food service	42,869			
Debt service				
Unassigned				
<b>Total fund balances</b>	<b><u>\$ 44,280</u></b>	<b><u>\$ 9,134</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 44,746</u></b>	<b><u>\$ 9,134</u></b>	<b><u>\$ 5,590</u></b>	<b><u>\$ 1,522</u></b>

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

Special Revenue Funds

<u>Teacher Training</u>	<u>USDA 2010</u>	<u>School Improvement</u>	<u>Microsoft</u>	<u>2008 Library Bond</u>	<u>Technology For Education</u>
\$ -	\$ -	\$ 4,173	\$ 5	\$ 784	\$ 3,271
<u>13,932</u>	<u>12,500</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u><u>\$ 13,932</u></u>	<u><u>\$ 12,500</u></u>	<u><u>\$ 4,173</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 784</u></u>	<u><u>\$ 3,271</u></u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>13,932</u>	<u>12,500</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u><u>\$ 13,932</u></u>	<u><u>\$ 12,500</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>	<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>\$ 4,173</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 784</u></u>	<u><u>\$ 3,271</u></u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,173</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 784</u></u>	<u><u>\$ 3,271</u></u>
<u><u>\$ 13,932</u></u>	<u><u>\$ 12,500</u></u>	<u><u>\$ 4,173</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 784</u></u>	<u><u>\$ 3,271</u></u>

Animas Independent School District #6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (continued)**  
June 30, 2015

	Special Revenue Funds			
	Teacher Mentoring	Dual Credit	Elementary Breakfast	SB-9
<b>Assets</b>				
Cash and investments	\$ 3,929	\$ -	\$ -	\$ 67,555
Inventory				
Property taxes receivable				5346
Interfund receivable				
Due from other governments		291	1,446	
<b>Total assets</b>	<b>\$ 3,929</b>	<b>\$ 291</b>	<b>\$ 1,446</b>	<b>\$ 72,901</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interfund payable		291	1,446	
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 291</b>	<b>\$ 1,446</b>	<b>\$ -</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	\$ -	\$ -	\$ -	\$ 2,624
<b>Total deferred inflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,624</b>
<b>Fund balance:</b>				
<b>Nonspendable:</b>				
Inventories	\$ -	\$ -	\$ -	\$ -
<b>Restricted for:</b>				
Education	3,929			70,277
Food service				
Debt service				
Unassigned				
<b>Total fund balances</b>	<b>\$ 3,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,277</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,929</b>	<b>\$ 291</b>	<b>\$ 1,446</b>	<b>\$ 72,901</b>

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



Debt Service Fund		Total
<u>Debt Service</u>		<u>          </u>
\$ 3,749		\$ 135,935
		1,411
		5,346
		-
		<u>35,281</u>
<u>\$ 3,749</u>		<u>\$ 177,973</u>
\$ -		\$ 466
		<u>35,281</u>
<u>\$ -</u>		<u>\$ 35,747</u>
\$ -		\$ 2,624
<u>\$ -</u>		<u>\$ 2,624</u>
\$ -		\$ 1,411
		91,573
		42,869
3,749		3,749
		<u>-</u>
<u>\$ 3,749</u>		<u>\$ 139,602</u>
<u>\$ 3,749</u>		<u>\$ 177,973</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, 2015

	Special Revenue Funds			
	Cafeteria	Athletics	Preschool	Teacher Training
Revenues:				
Fees and charges	\$ 17,735	\$ 8,307	\$ -	\$ -
Property taxes				
State aid				
Federal aid	66,769		5,590	13,932
Miscellaneous		290		
Total revenues	\$ 84,504	\$ 8,597	\$ 5,590	\$ 13,932
Expenditures:				
Current:				
Instruction	\$ -	\$ 12,705	\$ -	\$ 13,932
Support services - Instruction				
General administration				
School administration			5,590	
Central services				
Operation of plant				
Food services	62,441			
Capital outlay				
Total expenditures	\$ 62,441	\$ 12,705	\$ 5,590	\$ 13,932
Net change in fund balances	\$ 22,063	\$ (4,108)	\$ -	\$ -
Other financing sources (uses):				
Operating transfers in				
Operating transfers out				
Net change in fund balances	\$ 22,063	\$ (4,108)	\$ -	\$ -
Fund balance, July 1, 2014	22,217	13,242		
Fund balance, June 30, 2015	\$ 44,280	\$ 9,134	\$ -	\$ -

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

Special Revenue Funds

USDA 2010	School Improvement	Microsoft	2008 Library Bond	Technology For Education	Teacher Mentoring	Dual Credit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						1,942
12,500						
<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,942</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,942
12,500						
<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,942</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	4,173	5	784	3,271	3,929	
<u>\$ -</u>	<u>\$ 4,173</u>	<u>\$ 5</u>	<u>\$ 784</u>	<u>\$ 3,271</u>	<u>\$ 3,929</u>	<u>\$ -</u>

Animas Independent School District # 6  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (concluded)**  
For The Fiscal Year Ended June 30, 2015

	Special Revenue Funds			Debt Service Funds	Total
	Elementary Breakfast	Rural Achievement	SB-9	Debt Service	
Revenues:					
Fees and charges	\$ -	\$ -	\$ -	\$ -	\$ 26,042
Property taxes			67,864		67,864
State aid	4,206		22,820		28,968
Federal aid		5,423			104,214
Miscellaneous					290
Total revenues	<u>\$ 4,206</u>	<u>\$ 5,423</u>	<u>\$ 90,684</u>	<u>\$ -</u>	<u>\$ 227,378</u>
Expenditures:					
Current:					
Instruction	\$ -	\$ 5,423	\$ -	\$ -	\$ 34,002
Support services - Instruction					-
General administration			675		675
School administration					5,590
Central services					-
Operation of plant			61,340		61,340
Food services	4,259				66,700
Capital outlay			89,146		101,646
Total expenditures	<u>\$ 4,259</u>	<u>\$ 5,423</u>	<u>\$151,161</u>	<u>\$ -</u>	<u>\$ 269,953</u>
Net change in fund balances	\$ (53)	\$ -	\$ (60,477)	\$ -	\$ (42,575)
Other financing sources (uses):					
Operating transfers in					-
Operating transfers out					-
Net change in fund balances	\$ (53)	\$ -	\$ (60,477)	\$ -	\$ (42,575)
Fund balance, July 1, 2014	<u>53</u>		<u>130,754</u>	<u>3,749</u>	<u>182,177</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,277</u>	<u>\$ 3,749</u>	<u>\$ 139,602</u>

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

Animas Independent School District #6  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
June 30, 2015

	Operational	Transportation	Instructional Materials
<b>Assets</b>			
Cash and investments	\$ 347,392	\$ -	\$ 2,501
Taxes receivable	1,074		
Due from other governments			
Interfund receivable	182,116	-	-
 Total assets	\$ 530,582	\$ -	\$ 2,501
 <b>Liabilities</b>			
Accounts payable	\$ 13,572	\$ -	\$ -
Interfund payable			
 Total liabilities	\$ 13,572	\$ -	\$ -
 <b>Deferred Inflows of Resources</b>			
Unavailable revenue	\$ 430	\$ -	\$ -
 Total deferred inflows of resources	\$ 430	\$ -	\$ -
 Fund balance:			
Restricted for:			
Education	\$ -	\$ -	\$ 2,501
Operation of plant			
Unassigned	516,580	-	-
 Total fund balances	\$ 516,580	\$ -	\$ 2,501
 Total liabilities, deferred inflows of resources, and fund balances	\$ 530,582	\$ -	\$ 2,501

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

<u>Teacherage</u>	<u>Total</u>
\$ 36,417	\$ 386,310 1,074 -
<u>                    </u>	<u>182,116</u>
<u><u>\$ 36,417</u></u>	<u><u>\$ 569,500</u></u>
\$ -	\$ 13,572 -
<u>                    </u>	<u>                    </u>
<u><u>\$ -</u></u>	<u><u>\$ 13,572</u></u>
\$ -	\$ 430
<u>                    </u>	<u>                    </u>
<u><u>\$ -</u></u>	<u><u>\$ 430</u></u>
\$ - 36,417	\$ 2,501 36,417 516,580
<u>                    </u>	<u>                    </u>
<u><u>\$ 36,417</u></u>	<u><u>\$ 555,498</u></u>
<u><u>\$ 36,417</u></u>	<u><u>\$ 569,500</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, 2015

	Operational	Transportation	Instructional Materials
Revenues:			
Property taxes	\$ 15,970	\$ -	\$ -
Fees and charges	479		
State aid	2,290,217	338,577	10,338
Federal aid	5,857		
Miscellaneous	12,823		
Total revenues	\$ 2,325,346	\$ 338,577	\$ 10,338
Expenditures:			
Current:			
Instruction	\$ 1,129,078	\$ -	\$ 7,837
Support services - Students	171,030		
Support services - Intstruction	5,602		
General administration	152,790		
School administration	132,162		
Central services	88,755		
Operation of plant	487,536		
Transportation	6,000	338,577	
Food services	28,888		
Capital outlay	73,668		
Total expenditures	\$ 2,275,509	\$ 338,577	\$ 7,837
Net change in fund balances	\$ 49,837	\$ -	\$ 2,501
Fund balance, July 1, 2014	466,743		
Fund balance, June 30, 2015	\$ 516,580	\$ -	\$ 2,501

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

<u>Teacherage</u>	<u>General Fund Total</u>
\$ -	\$ 15,970
30,885	31,364
	2,639,132
	5,857
	<u>12,823</u>
<u>\$ 30,885</u>	<u>\$ 2,705,146</u>
\$ -	\$ 1,136,915
	171,030
	5,602
	152,790
	132,162
	88,755
17,205	504,741
	344,577
	28,888
	<u>73,668</u>
<u>\$ 17,205</u>	<u>\$ 2,639,128</u>
\$ 13,680	\$ 66,018
<u>22,737</u>	<u>489,480</u>
<u>\$ 36,417</u>	<u>\$ 555,498</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Federal sources	\$ -	\$ -	\$ 5,857	\$ 5,857
State sources	2,289,934	2,291,334	2,290,217	(1,117)
Local sources	20,745	20,745	29,123	8,378
Interest income	1,000	1,000	122	(878)
<b>Total revenues</b>	<b>\$ 2,311,679</b>	<b>\$ 2,313,079</b>	<b>\$ 2,325,319</b>	<b>\$ 12,240</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 1,434,427	\$ 1,380,624	\$ 1,127,191	\$ 253,433
Support services - Students	181,278	196,278	171,030	25,248
Support services - Instruction	11,000	11,000	5,602	5,398
General administration	182,834	182,834	154,538	28,296
School administration	127,958	151,961	132,106	19,855
Central services	103,991	103,991	88,755	15,236
Operation of plant	518,527	534,727	485,485	49,242
Transportation	6,000	6,000	6,000	-
Other support services	681	681		681
Food services	44,580	44,580	28,888	15,692
Capital outlay	75,000	75,000	74,594	406
<b>Total expenditures</b>	<b>\$ 2,686,276</b>	<b>\$ 2,687,676</b>	<b>\$ 2,274,189</b>	<b>\$ 413,487</b>
Net change in fund balance	\$ (374,597)	\$ (374,597)	\$ 51,130	\$ 425,727
Fund balance, July 1, 2014	374,597	374,597	478,378	103,781
Fund balance, June 30, 2015	\$ -	\$ -	\$ 529,508	\$ 529,508
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis				\$ 49,837
Revenue accruals (net)				(27)
Expenditure accruals (net)				1,320
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ 51,130</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 338,526	\$ 338,577	\$ 338,577	\$ -
Local sources				-
Total revenues	\$ 338,526	\$ 338,577	\$ 338,577	\$ -
Expenditures:				
Current:				
Transportation	\$ 338,526	\$ 338,577	\$ 338,577	\$ -
Capital outlay				-
Total expenditures	\$ 338,526	\$ 338,577	\$ 338,577	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	-	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ -	\$ -
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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	<u>\$ 8,391</u>	<u>\$ 10,338</u>	<u>\$ 10,338</u>	<u>\$ -</u>
 Expenditures:				
Current:				
Instruction	\$ 8,391	\$ 10,338	\$ 7,837	\$ 2,501
Support services - Instruction				-
Total expenditures	<u>\$ 8,391</u>	<u>\$ 10,338</u>	<u>\$ 7,837</u>	<u>\$ 2,501</u>
Net change in fund balance	\$ -	\$ -	\$ 2,501	\$ 2,501
Fund balance, July 1, 2014				-
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,501</u></u>	<u><u>\$ 2,501</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,501	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 2,501</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 27,000	\$ 27,000	\$ 30,885	\$ 3,885
Earnings on investments				-
Total revenues	\$ 27,000	\$ 27,000	\$ 30,885	\$ 3,885
Expenditures:				
Current:				
Operation of plant	\$ 46,844	\$ 46,844	\$ 17,205	\$ 29,639
Capital outlay				-
Total expenditures	\$ 46,844	\$ 46,844	\$ 17,205	\$ 29,639
Net change in fund balance	\$ (19,844)	\$ (19,844)	\$ 13,680	\$ 33,524
Fund balance, July 1, 2014	19,844	19,844	22,737	2,893
Fund balance, June 30, 2015	\$ -	\$ -	\$ 36,417	\$ 36,417
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 13,680	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 13,680	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 60,000	\$ 60,000	\$ 59,596	\$ (404)
Local sources	<u>12,450</u>	<u>12,450</u>	<u>17,735</u>	<u>5,285</u>
Total revenues	<u>\$ 72,450</u>	<u>\$ 72,450</u>	<u>\$ 77,331</u>	<u>\$ 4,881</u>
Expenditures:				
Current:				
Food services	\$ 94,257	\$ 94,257	\$ 54,822	\$ 39,435
Capital outlay				-
Total expenditures	<u>\$ 94,257</u>	<u>\$ 94,257</u>	<u>\$ 54,822</u>	<u>\$ 39,435</u>
Net change in fund balance	\$ (21,807)	\$ (21,807)	\$ 22,509	\$ 44,316
Fund balance, July 1, 2014	<u>21,807</u>	<u>21,807</u>	<u>20,826</u>	<u>(981)</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 43,335</u></u>	<u><u>\$ 43,335</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 22,063	
Revenue accruals (net)			(7,173)	
Expenditure accruals (net)			7,619	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 22,509</u></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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 7,100	\$ 7,100	\$ 8,597	\$ 1,497
Expenditures:				
Current:				
Instruction	<u>20,140</u>	<u>20,140</u>	<u>12,705</u>	<u>7,435</u>
Net change in fund balance	\$ (13,040)	\$ (13,040)	\$ (4,108)	\$ 8,932
Fund balance, July 1, 2014	<u>13,040</u>	<u>13,040</u>	<u>13,242</u>	<u>202</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,134</u>	<u>\$ 9,134</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,108)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (4,108)</u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - TEACHER/PRINCIPAL TRAINING**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 11,807	\$ 14,892	\$ 9,767	\$ (5,125)
Expenditures:				
Current:				
Instruction	\$ 11,807	\$ 14,892	\$ 13,932	\$ 960
Support services - Instruction				-
General administration				-
Total expenditures	\$ 11,807	\$ 14,892	\$ 13,932	\$ 960
Net change in fund balance	\$ -	\$ -	\$ (4,165)	\$ (4,165)
Fund balance, July 1, 2014	-	-	(9,767)	(9,767)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (13,932)	\$ (13,932)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(4,165)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,165)	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 17,477	\$ 22,820	\$ 5,343
Local sources	64,943	64,943	67,801	2,858
Total revenues	<u>\$ 64,943</u>	<u>\$ 82,420</u>	<u>\$ 90,621</u>	<u>\$ 8,201</u>
Expenditures:				
Current:				
General administration	\$ 700	\$ 700	\$ 675	\$ 25
Operation of plant	108,770	108,770	61,340	47,430
Capital outlay	81,669	99,146	89,146	10,000
Total expenditures	<u>\$ 191,139</u>	<u>\$ 208,616</u>	<u>\$ 151,161</u>	<u>\$ 57,455</u>
Net change in fund balance	\$ (126,196)	\$ (126,196)	\$ (60,540)	\$ 65,656
Fund balance, July 1, 2014	<u>126,196</u>	<u>126,196</u>	<u>128,095</u>	<u>1,899</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,555</u>	<u>\$ 67,555</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (60,477)	
Revenue accruals (net)			(63)	
Expenditure accruals (net)			<u>                    </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (60,540)</u>	

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



Animas Independent School District # 6  
**SPECIAL REVENUE FUND - MIGRANT CHILDREN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
School administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(1,522)</u>	<u>(1,522)</u>
Fund balance, June 30, 2015	<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>	

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

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 7,497	\$ 7,497
Expenditures:				
Current:				
Support services - Instruction	_____	_____	_____	_____ -
Net change in fund balance	\$ -	\$ -	\$ 7,497	\$ 7,497
Fund balance, July 1, 2014	_____	_____	(7,497)	(7,497)
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			7,497	
Expenditure accruals (net)			_____ -	
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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014			3,271	3,271
Fund balance, June 30, 2015	\$ -	\$ -	\$ 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	4,173	4,173
Fund balance, June 30, 2015	\$ -	\$ -	\$ 4,173	\$ 4,173
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 - 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	3,929	3,929
Fund balance, June 30, 2015	\$ -	\$ -	\$ 3,929	\$ 3,929
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 4,259	\$ 2,760	\$ (1,499)
Expenditures:				
Current:				
Food services	-	4,259	4,259	-
Net change in fund balance	\$ -	\$ -	\$ (1,499)	\$ (1,499)
Fund balance, July 1, 2014			53	53
Fund balance, June 30, 2015	\$ -	\$ -	\$ (1,446)	\$ (1,446)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (53)	
Revenue accruals (net)			(1,446)	
Expenditure accruals (net)			-	
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,499)	

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, 2015

	<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, 2014	<u>-</u>	<u>-</u>	<u>784</u>	<u>784</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784</u>	<u>\$ 784</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 - 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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ 15,930	\$ 15,930
Expenditures:				
Current:				
Operation of plant	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 15,930	\$ 15,930
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>(15,930)</u>	<u>(15,930)</u>
Fund balance, June 30, 2015	<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)			15,930	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 15,930</u></u>	

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



Animas Independent School District # 6  
**SPECIAL REVENUE FUND - PRESCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,938	\$ 6,528	\$ -	\$ (6,528)
Expenditures:				
Current:				
Instruction	\$ 2,788	\$ 6,378	\$ 5,590	\$ 788
Support services - Instruction				-
School administration	150	150		150
Total expenditures	\$ 2,938	\$ 6,528	\$ 5,590	\$ 938
Net change in fund balance	\$ -	\$ -	\$ (5,590)	\$ (5,590)
Fund balance, July 1, 2014	-	-		-
Fund balance, June 30, 2015	\$ -	\$ -	\$ (5,590)	\$ (5,590)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(5,590)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (5,590)	

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - 2009 DUAL CREDIT INSTRUCTION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 1,942	\$ 2,841	\$ 899
Expenditures:				
Current:				
Instruction	-	1,942	1,942	-
Net change in fund balance	\$ -	\$ -	\$ 899	\$ 899
Fund balance, July 1, 2014	-	-	(1,190)	(1,190)
Fund balance, June 30, 2015	\$ -	\$ -	\$ (291)	\$ (291)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			899	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 899	

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

Animas Independent School District # 6  
**SPECIAL REVENUE FUND - RURAL EDUCATION ACHIEVEMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 14,848	\$ 14,848	\$ 5,423	\$ (9,425)
Expenditures:				
Current:				
Instruction	14,848	14,848	5,423	9,425
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	-	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ -	\$ -
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 - USDA 2010**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 12,500	\$ -	\$ (12,500)
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Capital outlay		12,500	12,500	-
Total expenditures	\$ -	\$ 12,500	\$ 12,500	\$ -
Net change in fund balance	\$ -	\$ -	\$ (12,500)	\$ (12,500)
Fund balance, July 1, 2014	-	-	-	-
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,500)</u>	<u>\$ (12,500)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(12,500)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (12,500)</u>	

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

Animas Independent School District #6  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Administration	\$ -	\$ -	\$ -	\$ -
Reserve	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	3,749	3,749
Fund balance, June 30, 2015	<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)			-	
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 No. 6  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF  
 THE EDUCATIONAL RETIREMENT BOARD (ERB) PLAN  
 LAST 10 FISCAL YEARS\***

	2015
Animas Independent School District No. 6's proportion of the net pension liability	.05323%
Animas Independent School District No. 6's proportionate share of the net pension liability	\$ 3,037,152
Animas Independent School district No. 6's covered employee payroll	\$ 1,367,950
Animas Independent School District No. 6's proportionate share of the net pension liability as a percentage of its covered-employee payroll	222%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

\*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Animas Independent School District No. 6 will present information for those years for which information is available.

Animas Independent School District No. 6  
**SCHEDULE OF CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN**  
**\*LAST 10 FISCAL YEARS**

	2015
Contractually required contributions	\$ 190,163
Contributions in relation to contractually required contribution	(190,163)
Contribution deficiency (excess)	\$ -
Animas Independent School District No. 6's covered-employee payroll	\$ 1,367,950
Contributions as a percentage of covered-employee payroll	13.90%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Animas Independent School District No. 6 will present information for those years for which information is available.



Animas Independent School District No. 6  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Fiscal Year Ended June 30, 2015

**Changes in benefit terms** – The Cola and retirement eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

**Changes of Assumptions**

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for the fiscal years 2014 and 2013:

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.5%
  - c. Minor changes in demographic assumptions
  - d. Population growth per year from 075% to .50%
  
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

Animas Independent School District # 6  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Assets</b>				
Cash and investments:				
Animas High School	\$ 21,123	\$ 44,442	\$ 46,574	\$ 18,991
Administration	<u>8,556</u>	<u>18,002</u>	<u>18,761</u>	<u>7,797</u>
Total Assets	<u><u>\$ 29,679</u></u>	<u><u>\$ 62,444</u></u>	<u><u>\$ 65,335</u></u>	<u><u>\$ 26,788</u></u>
<b>Liabilities</b>				
Deposits held for others:				
Animas High School	\$ 21,123	\$ 44,442	\$ 46,574	\$ 18,991
Administration	<u>8,556</u>	<u>18,002</u>	<u>18,761</u>	<u>7,797</u>
Total Liabilities	<u><u>\$ 29,679</u></u>	<u><u>\$ 62,444</u></u>	<u><u>\$ 65,335</u></u>	<u><u>\$ 26,788</u></u>

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

Animas Independent School District # 6  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
 June 30, 2015

	<u>Western Bank</u>
Checking	<u>\$ 712,786</u>
Total on deposit	\$ 712,786
Less: FDIC insurance	<u>(250,000)</u>
Total uninsured public funds	<u>\$ 462,786</u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>\$ 231,393</u>
Pledged Securities:	
Dona Ana Cnty NM 257579CW0 9/1/24	\$ 360,046
Rio Ranch NM Pub Sch 767171KD2 8/1/23	<u>269,164</u>
Total pledged securities	<u>\$ 629,210</u>
Pledged securities over (under) requirement	<u>\$ 397,817</u>

Securities pledged are held by the Federal Home Loan Bank in Irving, Texas, with safekeeping receipts held by the District.

Animas Independent School District # 6  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
 June 30, 2015

	Type of Account	Bank Balance	Reconciled Balance
<u>Western Bank</u>			
Payroll Clearing	Checking	\$ 114,156	\$ -
Cafeteria	Checking	43,690	41,890
Operational	Checking	280,855	234,796
Teacherage	Checking	36,517	36,418
School Fund	Checking	28,286	26,788
Athletics	Checking	9,275	9,134
Investment	Checking	200,007	200,007
IRS	Checking	-	-
Total cash and investments		\$ 712,786	\$ 549,033

Animas Independent School District # 6  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION**  
For The Fiscal Year Ended June 30, 2015

	<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, 2014	\$ 478,378	\$ 22,737	\$ -	\$ -	\$ 20,826
Add: Current year receipts	2,325,319	30,885	338,577	10,338	77,331
Prior year warrants voided					
Less: Current year expenditures	(2,274,187)	(17,205)	(338,577)	(7,837)	(54,820)
Chargebacks/(Overdrafts)					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2015	<u>\$ 529,510</u>	<u>\$ 36,417</u>	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 43,337</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, 2015

	<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, 2014	\$ 13,242	\$ (137,416)	\$ -	\$ 5	\$ (7,918)
Add: Current year receipts	8,597	173,131	5,423		44,058
Prior year warrants voided					
Less: Current year expenditures	(12,705)	(185,627)	(5,423)		(56,192)
Abatements					
Receivables/payables					
Transfers					
Total cash and investments as of June 30, 2015	<u>\$ 9,134</u>	<u>\$ (149,912)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ (20,052)</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, 2015

	<u>State Direct</u>	<u>Capital Improvement SB-9</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Total</u>
Total cash and investments as of July 1, 2014	\$ (15,930)	\$ 128,095	\$ 3,749	\$ 29,679	
Add: Current year receipts	15,930	90,621		62,444	\$ 535,447
Prior year warrants voided					3,182,654
Less: Current year expenditures		(151,160)		(65,335)	-
Abatements					(3,169,068)
Receivables/payables					-
Transfers					-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investments as of June 30, 2015	<u>\$ -</u>	<u>\$ 67,556</u>	<u>\$ 3,749</u>	<u>\$ 26,788</u>	<u>\$ 549,033</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, 2015

Current Status

**Findings – Financial Statement Audit**

2014-001 Personnel files not complete

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, C.P.A.

1311 N. GRANT ST.  
P.O. BOX 2828  
SILVER CITY, NEW MEXICO 88062  
TELEPHONE (575) 388-1777  
(575) 538-3795  
FAX (575) 388-5040  
E-MAIL: admin@stone-mcgee.com

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

Timothy Keller, 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, 2015, 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 29, 2015.

**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 2015-001.

#### 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 29, 2015

Stone, McGee & Co.  
Certified Public Accountants

Animas Independent School District No. 6  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Fiscal Year Ended June 30, 2015

**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**

2015-001 Per Diem and Mileage Act Compliance (Other Noncompliance)

Condition – In a sample of 25 travel reimbursement requests, we note one instance where the meals were reimbursed in excess of the \$30 per day allowed by the Per Diem and Mileage Act. The overpayment totaled \$114.

Criteria – The Per Diem and Mileage Act, Sections 10-8-1 to 10-8-8 of NMSA 1978 establish the documentation requirements for reimbursement of travel costs, as well as the rate of reimbursement. These requirements include the reimbursement for travel costs only where the travel request is properly signed and approved, evidenced by appropriate back-up receipts, and in an amount within the rates allowed.

Effect – The District has violated the aforementioned statutes and regulations, and has allowed expenditures in excess of the maximum allowable under the Per Diem and Mileage Act.

Cause – This transaction was paid by procurement card, and was not subject to approval prior to payment. As such, the liability rested with the District, so the procurement card company was paid.

Recommendation – The District should reimburse employees and Board members for authorized travel in accordance with the provisions of the Per Diem and Mileage Act. If the meal is paid by procurement card, the District should seek reimbursement of the amounts paid in excess of \$30 per day from the employee involved.

Agency Response – The District has already taken steps to comply with the Per Diem and Mileage Act, including establishing a policy for use of the procurement card for meals, and for requesting reimbursement from the employee if the meals paid for exceed the maximum allowable under the Per Diem and Mileage Act.

**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 23, 2015. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Levi Klump	Board Member	Animas Schools
William Swift	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., CPAs
Mike Stone	Shareholder	Stone, McGee & Co., CPAs