



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2019**

## INTRODUCTORY SECTION

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ALAMOGORDO MUNICIPAL SCHOOLS  
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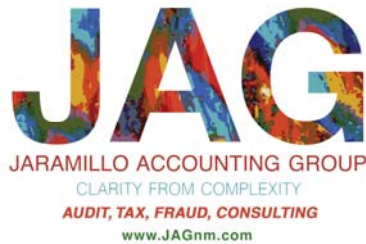
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ALAMOGORDO MUNICIPAL SCHOOLS  
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**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
OFFICIAL ROSTER  
JUNE 30, 2019**

<u>Name</u>	<u>Title</u>
<u>Board of Education</u>	
Timothy C. Wolfe	President
Angela Cadwallader	Vice President
Carol Teweleit	Secretary
David Weaver	Member
David Borunda	Member
Colonel Rashòne Tate	Holloman Air Force Base- Ex Officio Member
<u>Administrative Officials</u>	
Jerrett Perry	Superintendent
Cara Malone	Deputy Superintendent of Teaching and Learning
Colleen Tagle	Deputy Superintendent of Human Resources and Support Services

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Alamogordo Municipal School District  
Alamogordo, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

### Report on the 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 Alamogordo Municipal School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 misstatement, 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 the 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 District's internal control. Accordingly, we express no such opinion.

The Board of Education  
Alamogordo Municipal School District and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

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 District of June 30, 2019, and the respective changes in financial positions thereof and the respective budgetary comparisons for the general fund and the major special revenue funds 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 the *Management 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 the financial reporting for the placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basis financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on pages 52 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investments Accounts, and Schedule of Cash Reconciliation), other information, such as the Introductory Section and the Corrective Action Plan, which are presented for purposes of additional analysis and are not a required part of the basic financial statements.



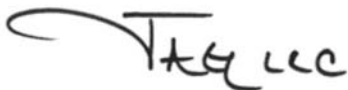
The Board of Education  
Alamogordo Municipal School District and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investments Accounts, and Schedule of Cash Reconciliation), are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investments Accounts, and Schedule of Cash Reconciliation), are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Corrective Action Plan have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 10,107,663
Receivables	3,763,821
Inventory and other assets	148,055
<b>Total current assets</b>	<b>14,019,539</b>
<b>Non-current assets</b>	
Restricted cash	11,424,091
Capital assets, net	85,528,844
<b>Total non-current assets</b>	<b>96,952,935</b>
<b>Total assets</b>	<b>110,972,474</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	30,811,390
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	2,534,631
Accrued interest	274,960
Accrued compensated absences	446,496
Bonds payable, current	4,195,000
<b>Total current liabilities</b>	<b>7,451,087</b>
<b>Non-current Liabilities</b>	
Accrued compensated absences	136,993
Bonds payable, long-term	27,870,000
Bond premium, net	774,908
Net pension liability	121,073,965
Net OPEB liability	28,955,695
<b>Total non-current liabilities</b>	<b>178,811,561</b>
<b>Total liabilities</b>	<b>186,262,648</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	10,578,858
<b>NET POSITION</b>	
Net investment in capital assets	52,688,936
Restricted for	
Debt service	5,163,575
Capital Projects	9,758,341
Special revenue	1,474,055
Other	122,277
Unrestricted (deficit)	(124,264,826)
<b>Total net position (deficit)</b>	<b>\$ (55,057,642)</b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
Instruction	\$ 45,157,900	\$ -	\$ 8,711,484	\$ -	\$ (36,446,416)
Support services					
Students	6,591,177	104,297	-	-	(6,486,880)
Instruction	4,589,602	-	-	-	(4,589,602)
General administration	2,124,138	-	-	-	(2,124,138)
School administration	2,623,914	-	-	-	(2,623,914)
Other support services	-	-	-	-	-
Central services	2,769,028	-	-	-	(2,769,028)
Operation & maintenance of plant	8,362,695	-	-	7,347,430	(1,015,265)
Student transportation	1,921,755	-	1,917,960	-	(3,795)
Food services operation	2,642,992	336,893	2,184,055	-	(122,044)
Interest on long-term debt	696,818	-	-	-	(696,818)
<b>Total primary government</b>	<b>\$ 77,480,019</b>	<b>\$ 441,190</b>	<b>\$ 12,813,499</b>	<b>\$ 7,347,430</b>	<b>(56,877,900)</b>
Property taxes:					
Levied for general purposes 313,910					
Levied for debt service 5,129,860					
Levied for capital projects 2,744,329					
State Equalization Guarantee 43,329,437					
Miscellaneous <u>228,015</u>					
<b>Total general revenues <u>51,745,551</u></b>					
<b>Change in net position (deficit) (5,132,349)</b>					
Net position - beginning (deficit) <u>(49,925,293)</u>					
<b>Net position - ending (deficit) <u>\$ (55,057,642)</u></b>					

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Operational Funds			
	11000 General	13000 Pupil Transportation	14000 Instructional Materials	24101 Title I IASA
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 4,064,302	\$ 1,734	\$ 329,737	\$ -
Accounts receivable				
Taxes	22,621	-	-	-
Due from other governments	-	-	-	966,944
Other	23	-	-	-
Interfund receivables	2,769,798	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	72,215	-	-	-
<b>Total assets</b>	<u>\$ 6,928,959</u>	<u>\$ 1,734</u>	<u>\$ 329,737</u>	<u>\$ 966,944</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 168,976	\$ -	\$ 208,463	\$ 73,700
Accrued payroll liabilities	789,919	731	-	18,938
Interfund payables	-	-	-	874,306
<b>Total liabilities</b>	<u>958,895</u>	<u>731</u>	<u>208,463</u>	<u>966,944</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - property taxes	14,781	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	72,215	-	-	-
Restricted	-	1,003	121,274	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	5,883,068	-	-	-
<b>Total fund balances</b>	<u>5,955,283</u>	<u>1,003</u>	<u>121,274</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 6,928,959</u>	<u>\$ 1,734</u>	<u>\$ 329,737</u>	<u>\$ 966,944</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

	24106 IDEA-B Entitlement	31100 Bond Building	41000 Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ 7,753,639	\$ 4,399,480	\$ 4,982,862	\$ 21,531,754
Accounts receivable					
Taxes	-	-	317,376	205,222	545,219
Due from other governments	720,190	-	-	1,531,445	3,218,579
Other	-	-	-	-	23
Interfund receivables	-	-	-	-	2,769,798
Prepaid expenditures	-	-	-	1,203	1,203
Inventory	-	-	-	74,637	146,852
<b>Total assets</b>	<u>\$ 720,190</u>	<u>\$ 7,753,639</u>	<u>\$ 4,716,856</u>	<u>\$ 6,795,369</u>	<u>\$ 28,213,428</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 5,191	\$ 959,057	\$ 135	\$ 173,323	\$ 1,588,845
Accrued payroll liabilities	47,844	-	-	88,354	945,786
Interfund payables	667,155	-	-	1,228,337	2,769,798
<b>Total liabilities</b>	<u>720,190</u>	<u>959,057</u>	<u>135</u>	<u>1,490,014</u>	<u>5,304,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue - property taxes	-	-	212,173	132,674	359,628
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	75,840	148,055
Restricted	-	6,794,582	4,504,548	5,096,841	16,518,248
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	5,883,068
<b>Total fund balances</b>	<u>-</u>	<u>6,794,582</u>	<u>4,504,548</u>	<u>5,172,681</u>	<u>22,549,371</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 720,190</u>	<u>\$ 7,753,639</u>	<u>\$ 4,716,856</u>	<u>\$ 6,795,369</u>	<u>\$ 28,213,428</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 22,549,371
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	85,528,844
Defined benefit pension and OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	30,811,390
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unearned revenue in the fund financial statements, but are considered revenue in the Statement of Activities	359,628
Accrued Interest	(274,960)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension liability	(121,073,965)
Net OPEB liability	(28,955,695)
Accrued compensated absences	(583,489)
General obligation bonds	(32,065,000)
Bond premiums	(774,908)
Defined benefit pension and OPEB plans deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,578,858)</u>
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b><u>\$ (55,057,642)</u></b>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Operational Fund		
	11000	13000	14000
	General	Pupil Transportation	Instructional Materials
<b>REVENUES</b>			
Property taxes	\$ 311,400	\$ -	\$ -
State grants	43,432,332	1,917,960	201,966
Federal grants	1,541,059	-	-
Miscellaneous	218,950	-	838
Interest	-	-	-
<b>Total revenues</b>	<u>45,503,741</u>	<u>1,917,960</u>	<u>202,804</u>
<b>EXPENDITURES</b>			
Current			
Instruction	25,388,057	-	266,788
Support services			
Students	4,818,978	-	-
Instruction	780,063	-	-
General administration	1,502,662	-	-
School administration	2,555,230	-	-
Central services	2,625,108	-	-
Operation & maintenance of plant	6,144,084	-	360
Student transportation	4,091	1,917,164	-
Other support services	-	-	-
Food services operations	96,541	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>43,914,814</u>	<u>1,917,164</u>	<u>267,148</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,588,927</u>	<u>796</u>	<u>(64,344)</u>
<b>Other financing sources</b>			
Remittal of cash balances to PED	-	-	-
Bond underwriter premium	-	-	-
Proceeds from bond issues	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	1,588,927	796	(64,344)
Fund balances, beginning of year	<u>4,366,356</u>	<u>207</u>	<u>185,618</u>
<b>Fund balances, end of year</b>	<u>\$ 5,955,283</u>	<u>\$ 1,003</u>	<u>\$ 121,274</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	24101 Title I IASA	24106 IDEA-B Entitlement	31100 Bond Building
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	1,377,218	1,683,840	-
Miscellaneous	-	-	-
Interest	-	-	5,274
<b>Total revenues</b>	<u>1,377,218</u>	<u>1,683,840</u>	<u>5,274</u>
<b>EXPENDITURES</b>			
Current			
Instruction	766,267	885,997	-
Support services			
Students	129,873	513,849	-
Instruction	288,907	18,459	-
General administration	144,055	216,961	-
School administration	6,596	856	-
Central services	41,520	47,718	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	5,221,661
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>1,377,218</u>	<u>1,683,840</u>	<u>5,221,661</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(5,216,387)</u>
<b>Other financing sources</b>			
Remittal of cash balances to PED	-	-	-
Bond underwriter premium	-	-	-
Proceeds from bond issues	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	(5,216,387)
Fund balances, beginning of year	-	-	12,010,969
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,794,582</u>

See Accompanying Notes.



**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	41000 Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 4,462,514	\$ 3,330,560	\$ 8,104,474
State grants	-	8,037,664	53,589,922
Federal grants	-	5,298,327	9,900,444
Miscellaneous	-	441,190	660,978
Interest	1,069	1,884	8,227
<b>Total revenues</b>	<u>4,463,583</u>	<u>17,109,625</u>	<u>72,264,045</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	1,558,056	28,865,165
Support services			
Students	-	1,123,189	6,585,889
Instruction	-	849,260	1,936,689
General administration	44,532	188,334	2,096,544
School administration	-	61,232	2,623,914
Central services	-	-	2,714,346
Operation & maintenance of plant	-	-	6,144,444
Student transportation	-	500	1,921,755
Other support services	-	-	-
Food services operations	-	2,529,069	2,625,610
Capital outlay	-	8,895,211	14,116,872
Debt service			
Principal	3,620,000	555,000	4,175,000
Interest	836,465	17,550	854,015
<b>Total expenditures</b>	<u>4,500,997</u>	<u>15,777,401</u>	<u>74,660,243</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(37,414)</u>	<u>1,332,224</u>	<u>(2,396,198)</u>
<b>Other financing sources</b>			
Remittal of cash balances to PED	-	-	-
Bond underwriter premium	-	-	-
Proceeds from bond issues	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(37,414)	1,332,224	(2,396,198)
Fund balances, beginning of year	<u>4,541,962</u>	<u>3,840,457</u>	<u>24,945,569</u>
<b>Fund balances, end of year</b>	<u>\$ 4,504,548</u>	<u>\$ 5,172,681</u>	<u>\$ 22,549,371</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ (2,396,198)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.	
Depreciation expense	(3,889,635)
Capital outlays	12,234,650
Revenues that do not provide current financial resources are not reported as revenues in the fund statements but are reporting in the Statement of Activities	
Change in unavailable revenue related to property tax receivable	83,625
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:	
Change in accrued interest payable	49,875
Change in accrued compensated absences	52,135
Bond proceeds	-
Principal payments on bonds	4,175,000
Premium on bond issuance	-
Amortization of bond premium	107,322
Contributions to pension plan subsequent to measurement date	4,080,871
Contributions to OPEB plan subsequent to measurement date	587,701
Pension expense	(20,357,210)
OPEB income	139,515
<b>Changes in Net Position - Total Governmental Activities</b>	<b>\$ (5,132,349)</b>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**GENERAL FUND (11000)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ 302,669	\$ 302,669	\$ 310,151	\$ (7,482)
State grants	40,877,263	43,426,211	43,432,332	(6,121)
Federal grants	787,368	1,463,120	1,541,059	(77,939)
Miscellaneous	75,000	75,000	218,950	(143,950)
Interest	-	-	-	-
<b>Total revenues</b>	<u>42,042,300</u>	<u>45,267,000</u>	<u>45,502,492</u>	<u>(235,492)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	26,522,984	27,969,350	25,387,052	2,582,298
Support services				
Students	4,707,932	5,316,824	4,818,980	497,844
Instruction	733,213	793,855	781,023	12,832
General administration	1,396,363	1,644,605	1,448,753	195,852
School administration	2,533,589	2,572,006	2,555,230	16,776
Central services	2,497,906	2,907,179	2,600,588	306,591
Operation & maintenance of plant	6,785,045	6,886,262	6,185,403	700,859
Student transportation	5,000	8,800	4,091	4,709
Other support services	43,201	43,201	-	43,201
Food services operations	-	96,542	96,541	1
Community services	-	-	-	-
Capital outlay	101,783	1,447,749	-	1,447,749
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>45,327,016</u>	<u>49,686,373</u>	<u>43,877,661</u>	<u>5,808,712</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>1,624,831</u>	<u>5,573,220</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	1,624,831	5,573,220
Fund balances - beginning of year	-	-	4,442,311	7,246,095
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,067,142</u>	<u>\$ 12,819,315</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			1,249	
Adjustments to expenditures			(37,153)	
<b>Changes in fund balances</b>			<u>\$ 1,588,927</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
PUPIL TRANSPORTATION FUND (13000)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,855,510	1,918,063	1,918,063	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>1,855,510</u>	<u>1,918,063</u>	<u>1,918,063</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,855,510	1,918,167	1,917,163	1,004
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>1,855,510</u>	<u>1,918,167</u>	<u>1,917,163</u>	<u>1,004</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>900</u>	<u>1,004</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	900	1,004
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>207</u>	<u>207</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,107</u>	<u>\$ 1,211</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			(104)	
Adjustments to expenditures			<u>-</u>	
<b>Changes in fund balances</b>			<u>\$ 796</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	201,966	228,606	201,966	26,640
Federal grants	-	-	-	-
Miscellaneous	-	-	838	(838)
Interest	-	-	-	-
<b>Total revenues</b>	<u>201,966</u>	<u>228,606</u>	<u>202,804</u>	<u>25,802</u>
<b>EXPENDITURES</b>				
Current				
Instruction	364,572	414,224	58,685	355,539
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>364,572</u>	<u>414,224</u>	<u>58,685</u>	<u>355,539</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(162,606)</u>	<u>(185,618)</u>	<u>144,119</u>	<u>(329,737)</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(162,606)</u>	<u>(185,618)</u>	<u>144,119</u>	<u>(329,737)</u>
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>185,618</u>	<u>81,580</u>
<b>Fund balances - end of year</b>	<u>\$ (162,606)</u>	<u>\$ (185,618)</u>	<u>\$ 329,737</u>	<u>\$ (248,157)</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			<u>(208,463)</u>	
<b>Changes in fund balances</b>			<u>\$ (64,344)</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**TITLE I IASA (24101)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,894,849	2,666,942	902,826	1,764,116
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>1,894,849</u>	<u>2,666,942</u>	<u>902,826</u>	<u>1,764,116</u>
<b>EXPENDITURES</b>				
Current				
Instruction	879,401	1,787,596	692,567	1,095,029
Support services				
Students	160,672	136,672	129,873	6,799
Instruction	483,211	368,271	288,907	79,364
General administration	263,312	261,200	144,055	117,145
School administration	54,020	58,970	6,596	52,374
Central services	54,233	54,233	41,520	12,713
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>1,894,849</u>	<u>2,666,942</u>	<u>1,303,518</u>	<u>1,363,424</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(400,692)</u>	<u>400,692</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	(400,692)	400,692
Fund balances - beginning of year	-	-	(492,552)	(375,132)
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (893,244)</u>	<u>\$ 25,560</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			474,392	
Adjustments to expenditures			(73,700)	
<b>Changes in fund balances</b>			<u>\$ -</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**IDEA B (24106)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,811,450	1,365,689	445,761
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>1,811,450</u>	<u>1,365,689</u>	<u>445,761</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	973,358	882,020	91,338
Support services				
Students	-	548,640	512,634	36,006
Instruction	-	17,608	18,459	(851)
General administration	-	223,204	216,961	6,243
School administration	-	946	856	90
Central services	-	47,244	47,718	(474)
Operation & maintenance of plant	-	-	-	-
Student transportation	-	450	-	450
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>1,811,450</u>	<u>1,678,648</u>	<u>132,802</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(312,959)</u>	<u>312,959</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	(312,959)	312,959
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(402,039)</u>	<u>(315,305)</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (714,998)</u>	<u>\$ (2,346)</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			318,151	
Adjustments to expenditures			<u>(5,192)</u>	
<b>Changes in fund balances</b>			<u>\$ -</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**JUNE 30, 2019**

	Agency Funds
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ <u>782,676</u>
<b>Total assets</b>	\$ <u><u>782,676</u></u>
 <b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 4,173
Deposits held in trust for others	<u>778,503</u>
<b>Total liabilities</b>	\$ <u><u>782,676</u></u>



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Alamogordo Municipal School District (the District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight, responsibility and control over the activities related to the public school education of the City of Alamogordo. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Board is authorized to establish policies and regulations for its own government, consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The Board is comprised of five members who are elected for terms of four years. The District operates 16 schools within the District, with a total enrollment of approximately 6,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the Board provides transportation and school food services for the students.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

**A. Reporting entity**

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District (the primary government) is financially accountable if (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District. Organizations for which the District is not financially accountable are also included when doing so is necessary in order to prevent the District's financial statements from being misleading. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statements No. 39 and 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Discretely presented Component Units are reported in separate columns in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the District has no component units and is not a component unit of another governmental agency.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB No. 65, Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

*Deferred outflows of resources* – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

*Deferred inflows of resources* – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

*Net position* – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column and is 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 position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state equalization, and other items not properly included among program revenues are reported instead as general revenues.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement focus, basis of accounting, and financial statement presentation (Continued)**

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt.

The District reports the following major governmental funds:

*The General Fund (11000)* is the primary operating fund of the District and accounts for all financial resources of the general government, except those required to be accounted for in other funds. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The general fund includes the Pupil Transportation Fund (13000), which is used to pay for the costs associated with transporting school-age children. It also includes the Instructional Materials Fund (14000), which is used to account for the monies received from the New Mexico Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodical, etc.) used in the education of students.

*The Title I IASA Fund (24101)* is used to account for a program funded by a federal grant to assist the District in providing supplemental education opportunities for academically disadvantaged children in the area in which they reside. Funding is allocated to the District through the New Mexico Public Education Department. Authority for the creation of this fund is Part A, Chapter I, Title I of the Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 102-383.

*The IDEA B Entitlement Fund (24106)* is used to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17. No minimum balance required according to legislation.

*The Bond Building Capital Projects Fund (31100)* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchase or improving school grounds or any combination thereof, as approved by the voters of the District. Authority for the creation of this fund is the New Mexico Public Education Department.

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Debt Service Funds account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds.

*Debt Service (41000)* – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement focus, basis of accounting, and financial statement presentation (Continued)**

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Additionally, the District reports the following agency fund:

*The Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and other State and Federal funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as bond building, SB-9 and special capital outlay funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Deposits and Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost as provided in paragraph 9 of GASB No. 72.

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JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or equity**

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Restricted Assets:** The Debt Service Fund is used to report resources set aside for the payment of long-term debt principal and interest.

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. 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 interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There is no allowance for doubtful account in the current year. The District receives monthly income from a tax levy in Otero County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2019 is considered "measurable and available" and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2019. Period of availability is deemed to be 60 days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Instructional Materials:** The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while 30% of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the 70% account for requisition of material from the adopted list.

**Inventory:** The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and

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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position or equity (Continued)**

consist of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per Section 12-6-10 NMSA 1978, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2016 are recorded at acquisition value. Information Technology Equipment, including software, is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5). The District was a Phase II government for purposes of implementing GASB Statement No. 34. However, the District does not have any infrastructure assets to report.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Library books are not capitalized because they are considered to have a useful life of less than one year.

Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide financial statements. However, infrastructure assets have not been included in the June 30, 2019 financial statements of the District since the District did not own any infrastructure assets as of June 30, 2019. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally-developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

Capital expenditures made on the District's building construction projects by the New Mexico Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements and have been included as capital assets in the District's government-wide financial statements.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position or equity (Continued)**

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20-50 years
Buildings and improvements	20-50 years
Furniture, fixtures, & equipment	5-10 years

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has pension-related deferred outflows of resources items that qualify for reporting in this category.

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has two types of items which arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue-property taxes is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the District has pension-related deferred inflows of resources items that qualify for reporting in this category.

**Unearned Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resource's measurement focus are reported as unearned revenues in the governmental fund financial statements.

**Compensated Absences:** It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Twelve-month employees may accumulate up to 20 days of vacation leave; any leave beyond these limits must be used by June 30 of the current contract year unless carryover approval is obtained from the Superintendent. Qualified employees are entitled to accumulate sick leave. There is no limit to the amount of sick leave which an employee may accumulate; however, upon termination, sick leave is not paid out to the employee. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they are matured, for example, as a result of employee resignations and retirements. In the past, the liability has been paid from the general fund.



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JUNE 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position or equity (Continued)**

**Accrued Payroll:** In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employees' summer payroll.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference from the effective interest method is minimal.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual net of debt proceeds received, are reported as debt service expenditures.

**Fund Balance:** In the governmental fund financial statements, fund balance is classified and is displayed in five components:

*Nonspendable* – Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned* – Consist of amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position or equity (Continued)**

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Minimum Fund Balance Policy:** The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds cash reserves of 5% of the general fund cash balance.

**Net Position:** Equity is classified as net position and displayed in three components:

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

*Net investment in capital assets:* 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.

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for "special revenue, debt service, and capital projects."

*Unrestricted Net Position:* All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, net pension liability calculations, and the current portion of accrued compensated absences.

**Pensions:** For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Educational Retirement Board (ERB), and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by the ERB; on the economic resource's measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position or equity (Continued)**

**Post-employment Benefits Other Than Pensions (OPEB):** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Plan (ERP) and additions to/deductions from ERP's fiduciary net position have been determined on the same basis as they are reported by ERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**E. Revenues**

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (Article 8, Section 22-8-25, NMSA 1978) is at least equal to the school district's program costs."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education, 2) basic education, 3) special education, 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments: on November 10 of the year in which the tax bill is prepared and April 10 of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied. In the governmental funds, the District records only the portion of the taxes considered to be 'measurable' and 'available'. The District records all taxes receivable on the government-wide financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Tax notices are sent to property owners by November 1 of each year to be paid in whole or in two installments by November 10 and April 10 of each year. Otero County collects County, City and School taxes and distributes them to each fund once per month, except in June when the taxes are distributed twice to close out the fiscal year.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Revenues (Continued)**

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while 30% of each allocation is available for purchases directly from vendors.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a 100% collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

**Public School Capital Outlay:** The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-2(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration, following certification by the council that the application has been approved.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local Board and the New Mexico Public Education Department.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information.** Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

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**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year and reconciled to the modified accrual GAAP financial statements. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is, therefore, presented as restricted fund balance.

Actual expenditures may not exceed the budget at the function (or “series”) level. 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 Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local Board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the PED.
2. In May or June of each year, the proposed “operating” budget will be reviewed and approved by the DBPU and certified and approved by the local Board at a public hearing of which notice has been published by the local Board, which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The Board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local Board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local Board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.

The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board and the PED.

5. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.

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**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

6. Legal budget control for expenditures is by function.
7. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the approved budget and the final budget.
8. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a cash basis and are reconciled on a GAAP basis. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits the District from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual budgetary comparison.

The accompanying statements of revenues, expenditures and changes in fund balance – budget and actual present comparisons of the legally adopted budget with actual data on a budgetary basis and reconciled to the GAAP basis.

**NOTE 3. DEPOSITS AND INVESTMENTS - CASH AND TEMPORARY INVESTMENTS**

State statutes authorize the investment of District funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2019.

Deposits of funds may be made in interest or noninterest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in nondemand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than 100% of the asking price on United States Treasury bills of the same maturity on the day of deposit.

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**NOTE 3. DEPOSITS AND INVESTMENTS - CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

All of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for all deposit accounts out of state, and up to \$250,000 for all time and saving accounts, plus up to \$250,000 for all demand deposit accounts held at a single institution in state.

*Custodial Credit Risk – Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

At June 30, 2019, \$24,042,667 of the District's bank balances of \$24,792,667 were exposed to custodial credit risk. \$15,209,363 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the District's name and \$8,114,840 was uninsured and uncollateralized.

	First American Bank	First National Bank	Wells Fargo Bank	Total
Deposits				
Checking	\$ 16,100,560	\$ 3,803,181	\$ 4,888,926	\$ 24,792,667
FDIC coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(750,000)</u>
Total uninsured public funds	<u>15,850,560</u>	<u>3,553,181</u>	<u>4,638,926</u>	<u>24,042,667</u>
Collateral requirement (50% of uninsured public funds)	7,925,280	1,776,591	2,319,463	12,021,335
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	<u>8,739,009</u>	<u>4,271,645</u>	<u>2,917,173</u>	<u>15,927,827</u>
<b>Total over collateralized</b>	<u>\$ 813,729</u>	<u>\$ 2,495,054</u>	<u>\$ 597,709</u>	<u>\$ 3,906,492</u>
<b>Uninsured and uncollateralized</b>	<u>\$ 7,111,551</u>	<u>\$ -</u>	<u>\$ 1,721,753</u>	<u>\$ 8,114,840</u>

The collateral pledged is listed on the Schedule of Pledged Collateral by Depository for Public Funds. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

**STATE OF NEW MEXICO  
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JUNE 30, 2019**

**NOTE 3. DEPOSITS AND INVESTMENTS - CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

The District utilizes internal pooled accounts for certain programs and funds. Negative cash balances arise primarily from cost-reimbursement grants. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2019. Funds 24101 through 25254 are federal funds and 27103 through 31700 are non-federal funds.

The following table presents the cash balances of negative cash funds before and after the reclassification of pooled cash from the General Fund (Fund 11000) as of June 30, 2019:

Fund	Funds with negative cash balances	Pooled cash reclassified from Fund 11000	Ending balance as reported
Fund 24101	\$ 874,306	\$ (874,306)	\$ -
Fund 24106	667,155	(667,155)	-
Fund 24109	59,812	(59,812)	-
Fund 24112	193,405	(193,405)	-
Fund 24113	5,822	(5,822)	-
Fund 24115	4,108	(4,108)	-
Fund 24118	6,791	(6,791)	-
Fund 24124	219,998	(219,998)	-
Fund 24132	9,421	(9,421)	-
Fund 24154	190,833	(190,833)	-
Fund 24160	26,976	(26,976)	-
Fund 24171	3,730	(3,730)	-
Fund 24174	37,962	(37,962)	-
Fund 24183	9,248	(9,248)	-
Fund 24189	29,730	(29,730)	-
Fund 24190	4,630	(4,630)	-
Fund 25254	45,286	(45,286)	-
Fund 27103	1,187	(1,187)	-
Fund 27107	23,583	(23,583)	-
Fund 27114	55,735	(55,735)	-
Fund 27155	9,349	(9,349)	-
Fund 28203	5,955	(5,955)	-
Fund 31700	284,776	(284,776)	-
	<u>\$ 2,769,798</u>	<u>\$ (2,769,798)</u>	<u>\$ -</u>

**Investments.** As of June 30, 2019, the District did not have investments balances.



**STATE OF NEW MEXICO  
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JUNE 30, 2019**

**NOTE 3. DEPOSITS AND INVESTMENTS - CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

Reconciliation to the Statement of Net Position

The carrying amount of deposits and investments shown above are included in the District's financial statements is as follows:

Government Funds - Balance Sheet	
Cash and cash equivalents	\$ 21,531,754
Statement of Fiduciary Assets and Liabilities - Agency Funds	
Cash and cash equivalents	<u>782,676</u>
<b>Total cash and cash equivalents</b>	<b>22,314,430</b>
Add: outstanding checks and other reconciling items	3,424,284
Less: held checks	(945,787)
Less: petty cash	<u>(260)</u>
<b>Bank balance of deposits</b>	<b><u>\$ 24,792,667</u></b>

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2019 are as follows:

	Operational Fund	Title I	IDEA-B	Debt Service	Other Governmental	Total
Property taxes	\$ 22,621	\$ -	\$ -	\$ 317,376	\$ 205,222	\$ 545,219
Intergovernmental	-	966,944	720,190	-	1,531,445	3,218,579
Other	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>
	<u>\$ 22,644</u>	<u>\$ 966,944</u>	<u>\$ 720,190</u>	<u>\$ 317,376</u>	<u>\$ 1,736,667</u>	<u>\$ 3,763,821</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$359,628 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

**NOTE 5. INTERFUND RECEIVABLES AND PAYABLES**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. The composition of interfund balances as of June 30, 2019 is as follows:

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

	<u>Receivables</u>	<u>Payables</u>
Major Funds		
General Fund	\$ 2,769,798	\$ -
Title I	-	874,306
Entitlement IDEA-B	-	667,155
Nonmajor Funds		
Special Revenue Funds	-	943,561
Capital Funds	-	284,776
	<u>\$ 2,769,798</u>	<u>\$ 2,769,798</u>

All interfund balances are intended to be repaid within one year.

There were no net operating transfers, made to close out funds and to supplement other funding sources for the year ended June 30, 2019.

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows:

	<u>Balance</u>				<u>Balance</u>
	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2019</u>
<b>Capital Assets not being depreciated</b>					
Land	\$ 3,826,619	\$ -	\$ -	\$ -	\$ 3,826,619
Construction in process	933,987	12,145,195	-	-	13,079,182
<b>Total capital assets not being depreciated</b>	<u>4,760,606</u>	<u>12,145,195</u>	<u>-</u>	<u>-</u>	<u>16,905,801</u>
<b>Capital Assets being depreciated</b>					
Land improvements	3,963,501	-	-	-	3,963,501
Buildings and building improvements	143,819,439	-	-	-	143,819,439
Furniture, fixtures, vehicles and equipment	7,843,050	89,455	(23,655)	-	7,908,850
<b>Total capital assets being depreciated</b>	<u>155,625,990</u>	<u>89,455</u>	<u>(23,655)</u>	<u>-</u>	<u>155,691,790</u>
<b>Accumulated depreciation</b>					
Land improvements	(909,087)	(171,624)	-	-	(1,080,711)
Buildings and building improvements	(76,051,053)	(3,446,310)	-	-	(79,497,363)
Furniture, fixtures, vehicles, and equipment	(6,242,627)	(271,701)	23,655	-	(6,490,673)
<b>Total accumulated depreciation</b>	<u>(83,202,767)</u>	<u>(3,889,635)</u>	<u>23,655</u>	<u>-</u>	<u>(87,068,747)</u>
Net capital assets being depreciated	<u>72,423,223</u>	<u>(3,800,180)</u>	<u>-</u>	<u>-</u>	<u>68,623,043</u>
<b>Government activities capital assets, net</b>	<u>\$ 77,183,829</u>	<u>\$ 8,345,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,528,844</u>

**STATE OF NEW MEXICO  
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**NOTE 6. CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2019 was charged to the following functions:

Depreciation expenses	
Instruction	\$ 795,746
Support services - Students	5,288
Support services - Instruction	2,652,913
Support services - General administration	27,594
Central Services	54,682
Operation & maintenance of plant	336,030
Food services	<u>17,382</u>
	<u><u>\$ 3,889,635</u></u>

**NOTE 7. LONG-TERM DEBT**

General obligation bonds are secured by and payable solely from the Debt Service Fund and the Ed Tech Debt Service Fund. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2019 are for governmental activities.

Bonds outstanding at June 30, 2019 are comprised of the following:

<u>Bond Series</u>	<u>Date of Issue</u>	<u>Date of maturity</u>	<u>Balance at June 30, 2019</u>
Series 2009 GO Bonds	4/21/2009	8/1/2020	\$ 1,000,000
Series 2011 GO Bonds	12/14/2010	8/1/2021	4,000,000
Series 2012 GO Bonds	4/18/2018	8/1/2031	5,050,000
Series 2013 GO Bonds	5/16/2012	8/1/2024	3,425,000
Series 2014 GO Bonds	3/26/2013	8/1/2025	4,100,000
Ed Tech Bond Series 2014A	3/25/2014	8/1/2026	380,000
Series 2015 GO Bonds	10/21/2014	8/1/2019	3,415,000
Series 2016 GO School Bonds	3/24/2015	8/1/2025	3,630,000
Series 2017 GO School Bonds	6/22/2016	8/1/2029	2,700,000
Series 2018 GO School Bonds	4/19/2017	8/1/2030	<u>4,365,000</u>
			<u><u>\$ 32,065,000</u></u>

**STATE OF NEW MEXICO  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Bonds payable	\$36,240,000	\$ -	\$(4,175,000)	<b>\$32,065,000</b>	\$ 4,195,000
Compensated absences	<u>635,623</u>	<u>394,362</u>	<u>(446,496)</u>	<b><u>583,489</u></b>	<u>446,496</u>
<b>Total</b>	<b><u>\$36,875,623</u></b>	<b><u>\$ 394,362</u></b>	<b><u>\$(4,621,496)</u></b>	<b><u>\$32,648,489</u></b>	<b><u>\$ 4,641,496</u></b>

**Compensated Absences.** Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. Included in the District's sick leave policy is a provision that allows an employee to receive a payout of their sick leave bank up to a maximum of 30 days at \$50 per day upon termination. At June 30, 2019, the amount accrued under this policy was \$238,732. At June 30, 2019, compensated absences decreased \$52,134 from the prior year accrual.

In prior years, the General Fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

The annual requirements to amortize the General Obligation Bonds outstanding as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 4,195,000	\$ 788,183	\$ 4,983,183
2021	3,965,000	667,870	4,632,870
2022	3,350,000	566,758	3,916,758
2023	3,600,000	482,133	4,082,133
2024	3,460,000	404,245	3,864,245
2025-2029	10,795,000	1,090,449	11,885,449
2030-2032	<u>2,700,000</u>	<u>769,275</u>	<u>3,469,275</u>
	<b><u>\$ 32,065,000</u></b>	<b><u>\$ 4,768,911</u></b>	<b><u>\$ 36,833,911</u></b>

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers' Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery, and Student Accident Insurance.

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**NOTE 8. RISK MANAGEMENT (CONTINUED)**

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible per occurrence with a maximum annual deductible of \$100,000. General liability coverage is afforded to all employees, volunteers, and Board members, and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$250,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2019, there have been no claims that have exceeded insurance coverage.

**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

**Plan description.** The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension 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 state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

**Pension benefit.** A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) 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.

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**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

**Summary of Plan Provisions for Retirement Eligibility.** 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 of 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 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 was refunded all member contributions and then becomes re-employed after July 1, 2010 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.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits
- The member's age is 67 and has earned 5 or more years of service credit.

**Forms of Payment.** 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 a lump sum to the member's surviving beneficiary.

**Benefit Options.** The Plan has three benefit options available:

- **Option A – Straight Life Benefit.** The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.

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**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

- **Option B – Joint 100% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

**Disability Benefit.** An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

**Cost of Living Adjustment (COLA).** All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is 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 1.5%. 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 1.7%.

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.

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**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

**Refund of Contributions.** Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

**Contributions.** For the fiscal years ended June 30, 2019 and 2018, educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2019	7-1-18 to 6-30-19	Over \$20K	10.70%	13.90%	24.60%	0.00%
2019	7-1-18 to 6-30-19	\$20K or less	7.90%	13.90%	21.80%	0.00%
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2019 and 2018, the District paid employee and employer contributions of \$7,096,297 and \$6,859,025, respectively, which equal the amount of the required contributions for each fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2019, the District reported a liability of \$121,073,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the ERB Board on April 21, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Therefore, the District's portion was established as of the measurement date of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, at June 30, 2018 actuarially determined. At June 30, 2018, the District's proportion was 1.01817%, which was a decrease of 0.00127% from its proportion measured at June 30, 2017.



**STATE OF NEW MEXICO  
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**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

For the year ended June 30, 2019, the District recognized pension expense of \$16,276,339. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ 88,364	\$ 2,304,232
Net differences between projected and actual earnings on pension plan investments	268,027	-
Changes in assumptions	24,952,772	-
Changes in proportion and differences between District contributions and proportionate share of contributions	833,655	316,053
District contributions subsequent to the measurement date	<u>4,080,871</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 30,223,689</u></u>	<u><u>\$ 2,620,285</u></u>

\$4,080,871 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 14,353,732
2020	9,348,032
2021	(182,759)
2022	3,528
2023	-
Thereafter	-
	<u><u>\$ 23,522,533</u></u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

**Actuarial assumptions.** The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%												
Salary increases	3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.												
Investment rate of return	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.												
Average of expected remaining service lives	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: right;">Fiscal year</td> <td style="text-align: center;"><u>2018</u></td> <td style="text-align: center;"><u>2017</u></td> <td style="text-align: center;"><u>2016</u></td> <td style="text-align: center;"><u>2015</u></td> <td style="text-align: center;"><u>2014</u></td> </tr> <tr> <td style="text-align: right;">Service life in years</td> <td style="text-align: center;">3.56</td> <td style="text-align: center;">3.65</td> <td style="text-align: center;">3.77</td> <td style="text-align: center;">3.92</td> <td style="text-align: center;">3.88</td> </tr> </table>	Fiscal year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	Service life in years	3.56	3.65	3.77	3.92	3.88
Fiscal year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>								
Service life in years	3.56	3.65	3.77	3.92	3.88								
Mortality	<p><b>Healthy males:</b> Based on the RP-2000 Combined Healthy Mortality Table with White Collar adjustments, not set back. Generational mortality improvements with Scale BB from the table’s base year of 2000.</p> <p><b>Healthy females:</b> Based on GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with Scale BB from the table’s base year of 2012.</p> <p><b>Disabled males:</b> RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p><b>Disabled females:</b> RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p><b>Active members:</b> RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table’s base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>												
Retirement age	Experience-based table rates based on age and service, adopted by the NMERB Board on April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.												
Cost-of-living increases	1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.												
Payroll growth	3.00% per year (with no allowance for membership growth).												
Contribution accumulation	The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in the past as well as the future.												
Disability incidence	Approved rates are applied to eligible members with at least 10 years of service.												

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

Actuarial assumptions and methods are set by the Plan’s Board of Trustees, based upon recommendations made by the Plan’s actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted several economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	33%	
Fixed income	26%	
Alternatives	40%	
Cash	1%	
Total	100%	7.25%

**Discount rate.** A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This rate is .21% less than the 5.90% discount rate used for June 30, 2017.

The June 30, 2018 single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.62%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The projections of cash flows used to determine the June 30, 2018 single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
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JUNE 30, 2019**

**NOTE 9. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

of 5.69%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.69%) or 1-percentage-point higher (6.69%) than the current rate.

	1 % Decrease	Current Discount Rate	1 % Increase
	4.69%	5.69%	6.69%
District's proportionate share of the net pension liability	\$ 157,349,783	\$ 121,073,965	\$ 91,475,161

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in separately issued NMERB’S financial reports. The reports can be found on NMERB’s Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html)

**NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

**Plan description.** Employees of the District are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

**Benefits provided.** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Employees covered by benefit terms.** At June 30, 2018, the Fund’s measurement date, the following State of New Mexico employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
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JUNE 30, 2019**

**NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>93,349</u>

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District were \$587,701 for the year ended June 30, 2019.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2019, the District reported a liability of \$28,955,695 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the District’s proportion was 0.66590%.

For the year ended June 30, 2019, the District recognized OPEB income of \$139,515. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ -	\$ 1,714,363
Net Difference between actual and projected earnings on OPEB plan investments	-	361,356
Changes of assumptions	-	5,405,900
Change in Proportion	-	476,954
Contributions made after the measurement date	<u>587,701</u>	<u>-</u>
Total	<u>\$ 587,701</u>	<u>\$ 7,958,573</u>

Deferred outflows of resources totaling \$587,701 represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30,

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:

2019	\$ (2,001,968)
2020	(2,001,968)
2021	(2,001,968)
2022	(1,569,039)
2023	<u>(383,630)</u>
<b>Total</b>	<b><u><u>\$ (7,958,573)</u></u></b>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2018
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

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JUNE 30, 2019**

**NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.7%
Non U.S. - emerging markets	15%	10.2%
Non U.S. - developed equities	12%	7.8%
Private equity	10%	11.8%
Credit and structured finance	10%	5.3%
Real estate	5%	4.9%
Absolute return	5%	4.1%
U.S. equity - small/mid cap	3%	7.1%

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the **current discount rate**:

<u>1% Decrease (3.08%)</u>	<u>Current Discount (4.08%)</u>	<u>1% Increase (5.08%)</u>
\$ 35,043,209	\$ 28,955,695	\$ 24,157,377

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the **current healthcare cost trend rates**:

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 24,477,714	\$ 28,955,695	\$ 32,466,532

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2019.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures of certain information concerning individual funds, including:

- A. Deficit fund balance of individual funds: The District did not have any funds with deficit fund balances.
- B. Excess of expenditures over appropriations: The following fund exceeded approved budgetary authority for the year ended June 30, 2019:

Nonmajor Funds	
Ed Tech Debt Service (43000)	
Major budgeted expenditures	
function: Support Services	<u>\$ 268</u>

- C. Designated cash appropriations in excess of available balances: The District did not have any funds with designated cash appropriations in excess of available balances for the year ended June 30, 2019.

**NOTE 13. CONCENTRATIONS**

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

**NOTE 14. COMMITMENTS**

The District had multiple construction projects ongoing as of the year ended June 30, 2019 that are to continue into the following fiscal year. The projects include the design, construction, renovation, and demolition of school buildings. At June 30, 2019, the District's and the New Mexico Public School Finance Authority's (PSFA) shares of commitments for construction was \$6,745,535 and \$13,795,929, respectively.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 15. TAX ABATEMENTS**

**Abatements of Other Governments.** The District is subject to tax abatements granted by Otero County through the Industrial Revenue Bond Act. This program has the stated purposes of promoting industry and trade other than retail trade in the county and municipalities.

**Industrial Revenue Bonds.** Under the Industrial Revenue Bond Act [3-32 NMSA 1978], the County Commission can vote to induce an industrial revenue bond in order to induce a manufacturing, industrial, or commercial enterprise to locate or expand in that region, by financing a specified project. The County may include in the agreement a stipulation of an amount or a percentage reduction of property taxes, which can be as much as 100%. This reduction or exemption is applicable for the life of the bond issue, not to exceed 30 years from the date the bonds were issued and is a significant benefit for borrowers that would not otherwise qualify for a property tax exemption under other constitutional or statutory provisions. Information relevant to disclosure of those programs for the fiscal year ended June 30, 2019 follows:

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	5019
<b>Abating Agency Name</b>	OTERO COUNTY
<b>Abating Agency Type</b>	COUNTY GOVERNMENT
<b>Tax Abatement Agreement Name</b>	RESOLUTION 04-14-15 103-41, COUNTY ORDINANCE 15-01
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	SCHOOL DISTRICT- CAP IMPROVEMENT, EDUCATIONAL TECH DEPT, DEBT SERVICE, OPERATIONAL
<b>Agency number of Affected Agency</b>	7001
<b>Agency type of Affected Agency</b>	SCHOOL DISTRICTS
<b>Recipient(s) of tax abatement</b>	BURRELL RESOURCES GROUP, LLC PARENT COMPANY OF BOW CORPORATION
<b>Tax abatement program (name and brief description)</b>	OTERO COUNTY, NEW MEXICO INDUSTRIAL REVENUE BURRELL RESOURCES GROUP, LLC
<b>Specific Tax(es) Being Abated</b>	PROPERTY TAXES, GROSS RECEIPTS, COMPENSATING TAX SECTION 4.5 B
<b>Authority under which abated tax would have been paid to Affected Agency</b>	7-38-43 DISTIRBUTION OF RECEIPTS FROM COLLECTED PROPERTY TAXES
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$42.94
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$0
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
FOR THE YEARS ENDED JUNE 30, 2019-2015  
LAST 10 FISCAL YEARS\* (UNAUDITED)

Fiscal Year Measurement Date	<b>2019</b> <b>2018</b>	2018 2017	2017 2016	2016 2015	2015 2014
District's proportion of the net pension liability	<b>1.02%</b>	1.02%	0.99%	1.01%	1.02%
District's proportionate share of the net pension liability	<b>\$121,073,965</b>	\$ 113,295,140	\$ 71,369,910	\$65,430,753	\$ 58,224,692
District's covered employee payroll	<b>\$ 29,358,783</b>	\$ 28,420,280	\$ 28,965,045	\$27,580,604	\$ 28,127,555
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>412%</b>	399%	246%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>52.17%</b>	52.95%	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
FOR THE YEARS ENDED JUNE 30, 2019-2015  
LAST 10 FISCAL YEARS\* (UNAUDITED)

	June 30,				
	2019	2018	2017	2016	2015
Statutory required contributions	<b>\$ 4,080,871</b>	\$ 3,952,838	\$ 4,031,669	\$ 3,936,409	\$ 3,991,823
Contributions in relation to contractually required contributions	<b><u>\$ 4,080,871</u></b>	<u>\$ 3,952,838</u>	<u>\$ 4,031,669</u>	<u>\$ 3,936,409</u>	<u>\$ 3,991,823</u>
Annual contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**FOR THE YEARS ENDED JUNE 30, 2019-2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	Fiscal Year Measurement Date	<b>2019</b> <b>2018</b>	2018 2017
District's proportion of the net OPEB liability		<b>0.66590%</b>	0.67629%
District's proportionate share of the net OPEB liability		<b>\$ 28,955,695</b>	\$ 30,647,251
District's covered employee payroll		<b>\$ 28,571,217</b>	\$ 28,171,856
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll		<b>101.35%</b>	108.79%
RHCA Plan fiduciary net position as a percentage of the total pension liability		<b>13.14%</b>	11.34%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years. Complete information for the District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN  
FOR THE YEARS ENDED JUNE 30, 2019-2018  
LAST 10 FISCAL YEARS\* (UNAUDITED)

	June 30,	
	2019	2018
Contractually required contribution	\$ <b>1,040,580</b>	\$ 2,147,538
Contributions in relation to the contractually required contribution	\$ <b><u>1,027,875</u></b>	\$ <u>1,077,825</u>
Contribution deficiency (excess)	\$ <b><u>12,705</u></b>	\$ <u>1,069,713</u>
Employer's covered-employee payroll	\$ <b>28,571,217</b>	\$28,171,856
Contributions as a percentage of covered-employee payroll	<b>3.60%</b>	3.83%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years. Complete information for the District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2019

**ERB PLAN**

***Changes in benefit provisions.*** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

***Changes in assumptions and methods.*** There were no modifications to the actuarial assumptions and methods reflected in the actuarial valuation at June 30, 2018.

**RHCA PLAN**

***Changes in benefit provisions.*** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

***Changes in assumptions and methods.*** The actuary removed 4,010 members that were deemed participants of non-participating employers. There were no other modifications to the assumptions and methods that were reflected in the actuarial valuation at June 30, 2018.

## **SUPPLEMENTARY INFORMATION**



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for grant funds received from the U.S. Department of Education through the New Mexico Public Education Department. These grants are to be used for purposes specified in the grant awards and may not be used for any other purpose. Grants accounted for in the Special Revenue Funds include:

**Food Services (21000)** – This fund is used to account for all financial transactions related to the food service operation. Authority for the creation of this fund is the National School Lunch Act, as amended, 42 U.S.C. 1751, 1760, 1779.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Preschool IDEA-B (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Children, Youth and Families. Authority for the creation of this fund is the Individuals with Disabilities Education Act (IDEA), Part B, Section 619, as amended, 20 U.S.C. 1419.

**IDEA-B Early Intervention (24112)** - Coordinated Early Intervention Services to provide students with services before they are identified as special education.

**Education of Homeless (24113)** – This fund is used to provide tutoring and remedial academic services to homeless children and youth within the District. Funding is by the New Mexico Public Education Department.

**IDEA-B Private School Share (24115)** – Under 34 CFR SS 300.132-300.133, an LEA must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, Preschool sub-grant funds for special education and related services (“equitable participation services”) to students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district served by the LEA. The private schools must be nonprofit institutions. Children aged three through five are considered to be parentally-placed private school children with disabilities, only if they are enrolled in a private school that meets the definition of elementary school in 34 CFF SS 300.13. New Mexico State law defines an elementary school as “a public school providing instruction for grades kindergarten through eight, unless there is a junior high school program approved by the state board [department], in which case it means a public school providing instruction for grades kindergarten through six” 22-1-3(A) NMSA 1978.

**Fresh Fruits & Vegetables (24118)** – This fund is used to assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Title I 1003g Grant (24124)** – The objective of this grant is to provide in conjunction with Title I funds for school improvement reserved under Section 1003(a) of the ESEA. School Improvement Grants under Section 1003(g) of the ESEA are used to improve student achievement in Title I schools identified for improvement, corrective action, or restructuring so as to enable those schools to make adequate yearly progress (AYP) and exit improvement status. Funding is by the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart I.

**IDEA-B Results Plan (24132)** – Funding for support activities included the Education Plan for Student Success for Elementary Schools.

**Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

**Rural & Low-Income Schools (24160)** – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

**Title I School Improvement (24162)** – This fund is used to improve student achievement in Title I Schools with a status of Priority or Focus. Authority for the creation of this fund is Title 34, Code of Federal Regulations (CFR), Parts 74-86 and 97-99.

**Carl D. Perkins Special Projects (24171 - Current) (24172 – PY Unliq. Obligations) (24174 – Secondary Current) (24176 – Secondary Redistribution) (24183 – Secondary Redistribution 2)** - The objective of this grant is to provide secondary and postsecondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Teen Dating Violence Awareness Program (24184)** – The objective of this grant is to provide support for expectant parenting teens, women, fathers, and their families for the State of New Mexico. This fund enables Alamogordo Public Schools to carry out its Teen Dating Violence Prevention and Campaign Awareness program. Authorized by U.S. Department of Health and Human Services (ISP1AH000021-02-00).

**Youth Resiliency Project (24186)** – To account for funds used to promote adolescent health through school-based Human Immunodeficiency Virus (HIV) / sexually transmitted infections prevention and school-based surveillance program in the State of New Mexico as part of the Youth Resiliency Project. Authorized by U.S. Centers for Disease Control.

**Student Support & Academic Enrichment Program (24189)** – To account for funds used to improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students. Authorized by Section 4101 of the Elementary and Secondary Education Act.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Title I – Comprehensive Support and Improvement (CSI) (24190)** – To account for funds used to support those schools identified in the lowest-performing five percent of Title I schools as identified by overall points earned on the School Grande Report Card, or that has a graduation rate (high schools only) less than 67% for two of the past three years. Funds are used to support participation in an evidence-based school improvement program or innovative school interventions designed to address Tier 1 (Core) Instruction. Authorized by the Every Student Succeeds Act, Public Law 114-95.

**Impact Aid Special Education (25145)** – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e., where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**Title XIX Medicaid (25153)** – This fund is used to account for a program providing school-based screening, diagnostic services, and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for the creation of this fund is the Social Security Act, Title XIX, as amended; Public Laws 89-97, 90-248, and 91-56; 42 U.S.C. 1396 et set., as amended

**Alamo DOD (25179)** - To provide assistance to schools with significant numbers of military dependent students. Required by the New Mexico Public Education Department Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Funding authorized by Public Law 111-84.

**DOD Education Activity (25254)** – To provide *Power Up* – 21<sup>st</sup> Century technology skills for Grades 5, 6, and 9, Mathematics and Reading Achievement for Grades 5, 6, and 9, and easing the challenges of military students for all grades. Required by the New Mexico Public Education Department Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Funding authorized by Section 574(d) of Public Law 109-364, as amended.

**Dual Credit Instructional Materials (27103)** – SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools, and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority for the creation of this fund is the New Mexico Public Education Department.

**2012 G.O. Bond Student Library Fund (27107)** – This award allows schools to acquire library books, equipment, and library sources for public school library resources for public school libraries statewide. The funding was made available through Senate Bill 66, Laws of 2012, 2<sup>nd</sup> Session, 2012 Senate and House Bill.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**New Mexico Reads to Lead (27114)** – This fund is used to purchase core reading program materials for grades K-5 in alignment with Common Core State Standards. Authority for the creation of this fund is the New Mexico Public Education Department.

**Excellence in Teaching Awards (27125)**. To account for state special appropriation funding to be used solely for Excellence in Teacher salary supplements. These salary supplements are \$5,000 or \$10,000 per teacher and may only be awarded to teachers who have met the award criteria.

**Teacher Recruitment Initiative (27128)** - Teacher recruitment awarded to all LEA's by the New Mexico PED for signing bonuses for new teachers, covering cost of travel to recruit/hire, update district web site with regards to recruitment or the cost of other advertising such as newspaper or external website.

**Breakfast for Elementary Students (27155)** – To account for Legislative Appropriation to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation. Authority for the creation of this fund is the New Mexico Public Education Department.

**Kindergarten – Three Plus (27166)** – Funds allow for an extended school year for Kindergarten through third grade students. The program focuses on acclimating young students to the structure of a classroom environment and spending additional time to prepare them for the next grade. Authority for the creation of this fund is the New Mexico Public Education Department.

**School Bus Replacement (27178)** – Is provided to the District to allow the District to purchase school buses. Authorized by Law of 2015, First Special Session, Chapter 3, Section 75, Paragraph 2.

**Pay for Performance - Group (27190)** – The New Mexico Pay for Performance Pilot (PPP) establishes group and individual-based incentive programs designed to recognize and reward New Mexico's high performing teachers and principals. By using local expertise and negotiating with local partners, PPP grantees will create innovative systems primarily to reward teachers and principals for their excellence. Authority for creating this fund are the Laws of 2014.

**K3+ 4&5 PILOT (27198)**. Provides funding for additional educational time for students in the kindergarten through fifth grade with at least 25 instructional days, beginning up to two months earlier than the regular school year.

**GRADS - Instruction (28190)** – To assist in the cost of caps and gowns for students who are graduating. Authority for the creation of this fund is the New Mexico Public Education Department.

**GRADS Plus (28203)** – To account for a program as an instructional component for teenage parents to be used for summer case management and GRADS case management period. Special Revenue Fund was established by the local Board.

**Private Direct Grants (Categorical) (29102)** – To account for local grants awarded to provide additional funding for specific projects. Authority for the creation of this fund is the New Mexico Public Education Department.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2019**

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

**Public School Capital Outlay – State (31200)** - To account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

**Capital Improvements HB-33 (31600)** – To account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of erecting, remodeling, making additions to, providing equipment for or furnishing public school buildings, purchasing or improving public school grounds.

**Capital Improvements SB-9 State (31700)** – To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Authority for the creation of this fund is the New Mexico Public Education Department.

**Capital Improvements SB-9 Local (31701)** - To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local Board. Financing is provided by the State of New Mexico’s State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**Education Technology Equipment Act (31900)** – To ensure that American children have skills they need to succeed in the information-intensive 21<sup>st</sup> century, the federal government is committed to working with the private sector to promote four major developments in American education: making modern computer technology an integral part of every classroom; providing information infrastructure; and encouraging the creation of excellent educational software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1949, Ch. 288, 63 Stat 377 and the National Defense Authorization Act for the fiscal year 1996, Public Law 104-106.

**DEBT SERVICE FUNDS**

**Debt Service Ed Tech (43000)** – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Authority for the creation of this fund is the New Mexico Public Education Department.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,312,410	\$ 3,025,116	\$ 645,336	\$ 4,982,862
Accounts receivable				
Taxes	-	163,510	41,712	205,222
Due from other governments	1,246,669	284,776	-	1,531,445
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	1,203	-	-	1,203
Inventory	74,637	-	-	74,637
	<b>\$ 2,634,919</b>	<b>\$ 3,473,402</b>	<b>\$ 687,048</b>	<b>\$ 6,795,369</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 53,109	\$ 120,214	\$ -	\$ 173,323
Accrued payroll liabilities	88,354	-	-	88,354
Interfund payables	943,561	284,776	-	1,228,337
	<b>1,085,024</b>	<b>404,990</b>	<b>-</b>	<b>1,490,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	104,653	28,021	132,674
<b>FUND BALANCES</b>				
Nonspendable	75,840	-	-	75,840
Restricted	1,474,055	2,963,759	659,027	5,096,841
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<b>1,549,895</b>	<b>2,963,759</b>	<b>659,027</b>	<b>5,172,681</b>
<b>Total fund balances</b>	<b>1,549,895</b>	<b>2,963,759</b>	<b>659,027</b>	<b>5,172,681</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,634,919</b>	<b>\$ 3,473,402</b>	<b>\$ 687,048</b>	<b>\$ 6,795,369</b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 2,701,448	\$ 629,112	\$ 3,330,560
State grants	690,234	7,347,430	-	8,037,664
Federal grants	5,298,327	-	-	5,298,327
Miscellaneous	441,190	-	-	441,190
Interest	726	1,011	147	1,884
<b>Total revenues</b>	<u>6,430,477</u>	<u>10,049,889</u>	<u>629,259</u>	<u>17,109,625</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,558,056	-	-	1,558,056
Support services				
Students	1,123,189	-	-	1,123,189
Instruction	849,260	-	-	849,260
General administration	155,311	26,754	6,269	188,334
School administration	61,232	-	-	61,232
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	500	-	-	500
Other support services	-	-	-	-
Food services operations	2,529,069	-	-	2,529,069
Community services	-	-	-	-
Capital outlay	-	8,895,211	-	8,895,211
Debt service				
Principal	-	-	555,000	555,000
Interest	-	-	17,550	17,550
<b>Total expenditures</b>	<u>6,276,617</u>	<u>8,921,965</u>	<u>578,819</u>	<u>15,777,401</u>
<b>Excess of revenues over expenditures</b>	<u>153,860</u>	<u>1,127,924</u>	<u>50,440</u>	<u>1,332,224</u>
<b>Other financing sources</b>				
Bond premium	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	153,860	1,127,924	50,440	1,332,224
Fund balances, beginning of year	<u>1,396,035</u>	<u>1,835,835</u>	<u>608,587</u>	<u>3,840,457</u>
<b>Fund balances, end of year</b>	<u>\$ 1,549,895</u>	<u>\$ 2,963,759</u>	<u>\$ 659,027</u>	<u>\$ 5,172,681</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019**

	21000	22000	24109	24112
	Food Service	Athletics	IDEA-B Preschool	IDEA-B Early Intervention
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 398,290	\$ 66,460	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	163,765	-	64,686	198,426
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	74,637	-	-	-
<b>Total assets</b>	<u>\$ 636,692</u>	<u>\$ 66,460</u>	<u>\$ 64,686</u>	<u>\$ 198,426</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	59,557	-	4,874	5,021
Interfund payables	-	-	59,812	193,405
<b>Total liabilities</b>	<u>59,557</u>	<u>-</u>	<u>64,686</u>	<u>198,426</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	74,637	-	-	-
Restricted	502,498	66,460	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>577,135</u>	<u>66,460</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 636,692</u>	<u>\$ 66,460</u>	<u>\$ 64,686</u>	<u>\$ 198,426</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	24113	24115	24118	24124
	Education of Homeless	IDEA-B Private School Share	Fresh Fruits & Vegetables	Title I 1003g Grant
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	5,822	4,108	6,791	242,743
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 5,822</u>	<u>\$ 4,108</u>	<u>\$ 6,791</u>	<u>\$ 242,743</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 20,102
Accrued payroll liabilities	-	-	-	2,643
Interfund payables	5,822	4,108	6,791	219,998
<b>Total liabilities</b>	<u>5,822</u>	<u>4,108</u>	<u>6,791</u>	<u>242,743</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 5,822</u>	<u>\$ 4,108</u>	<u>\$ 6,791</u>	<u>\$ 242,743</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	24132 IDEA-B Results Plan	24154 Teacher/Principal Training & Recruiting	24160 Rural & Low Income Schools	24162 Title I School Improvement
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	9,421	191,771	41,074	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	1,203	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 9,421</u>	<u>\$ 192,974</u>	<u>\$ 41,074</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 1,067	\$ 14,098	\$ -
Accrued payroll liabilities	-	1,074	-	-
Interfund payables	9,421	190,833	26,976	-
<b>Total liabilities</b>	<u>9,421</u>	<u>192,974</u>	<u>41,074</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	1,203	-	-
Restricted	-	(1,203)	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 9,421</u>	<u>\$ 192,974</u>	<u>\$ 41,074</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	24171	24172	24174	24176
	Carl D. Perkins Special Projects Current	Carl D. Perkins Special Projects PY Unliq. Oblig.	Carl D. Perkins Secondary Current	Carl D. Perkins Secondary Redistribution
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	3,730	-	37,962	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 3,730</u>	<u>\$ -</u>	<u>\$ 37,962</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	3,730	-	37,962	-
	<u>3,730</u>	<u>-</u>	<u>37,962</u>	<u>-</u>
<b>Total liabilities</b>	<u>3,730</u>	<u>-</u>	<u>37,962</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 3,730</u>	<u>\$ -</u>	<u>\$ 37,962</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	24183 Carl D. Perkins Secondary Redistribution 2	24184 Teen Dating Violence Awareness	24186 Youth Resiliency Project	24189 Student Support & Academic Enrichment
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	22,656	-	-	29,730
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 22,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,730</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 13,408	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	9,248	-	-	29,730
	<u>22,656</u>	<u>-</u>	<u>-</u>	<u>29,730</u>
<b>Total liabilities</b>	<u>22,656</u>	<u>-</u>	<u>-</u>	<u>29,730</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 22,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,730</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	24190 Title I Comprehensive Support & Imp.	25145 Impact Aid Special Education	25153 Title XIX Medicaid	25179 Alamo DOD
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ 157,199	\$ 484,257	\$ 201,942
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	4,630	-	72,003	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 4,630</u>	<u>\$ 157,199</u>	<u>\$ 556,260</u>	<u>\$ 201,942</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 607	\$ 3,827	\$ -
Accrued payroll liabilities	-	3,083	6,402	-
Interfund payables	4,630	-	-	-
<b>Total liabilities</b>	<u>4,630</u>	<u>3,690</u>	<u>10,229</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	153,509	546,031	201,942
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>153,509</u>	<u>546,031</u>	<u>201,942</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 4,630</u>	<u>\$ 157,199</u>	<u>\$ 556,260</u>	<u>\$ 201,942</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	25254 Education Activity DOD	27103 Dual Credit Instructional Materials	27107 2012 GO Bonds - Student Library Fund	27114 New Mexico Reads to Lead
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	45,286	1,187	23,583	61,435
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 45,286</u>	<u>\$ 1,187</u>	<u>\$ 23,583</u>	<u>\$ 61,435</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	5,700
Interfund payables	45,286	1,187	23,583	55,735
<b>Total liabilities</b>	<u>45,286</u>	<u>1,187</u>	<u>23,583</u>	<u>61,435</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 45,286</u>	<u>\$ 1,187</u>	<u>\$ 23,583</u>	<u>\$ 61,435</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	27125 Excellence in Teaching Awards	27128 Teacher Recruitment Initiative	27155 Breakfast for Elementary Students	27166 Kindergarten - Three Plus
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	9,349	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,349</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	9,349	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>9,349</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,349</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	27178	27190	27198	28190
	School Bus Replacement	Pay for Performance Group	K3+ 4&5 PILOT	GRADS - Instruction
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,695
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	1,695
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,695</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	28203	29102	
	GRADS	Private	
	Plus	Direct Grants (Categorical)	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 2,567	\$ 1,312,410
Accounts receivable			
Taxes	-	-	-
Due from other governments	6,511	-	1,246,669
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	1,203
Inventory	-	-	74,637
	<u>-</u>	<u>-</u>	<u>74,637</u>
<b>Total assets</b>	<u>\$ 6,511</u>	<u>\$ 2,567</u>	<u>\$ 2,634,919</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 53,109
Accrued payroll liabilities	-	-	88,354
Interfund payables	5,955	-	943,561
	<u>5,955</u>	<u>-</u>	<u>1,085,024</u>
<b>Total liabilities</b>	<u>5,955</u>	<u>-</u>	<u>1,085,024</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	75,840
Restricted	556	2,567	1,474,055
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>556</u>	<u>2,567</u>	<u>1,549,895</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 6,511</u>	<u>\$ 2,567</u>	<u>\$ 2,634,919</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	21000	22000	24109	24112
	Food Service	Athletics	IDEA-B Preschool	IDEA-B Early Intervention
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,184,055	-	84,093	198,426
Miscellaneous	336,893	104,297	-	-
Interest	610	116	-	-
<b>Total revenues</b>	<u>2,521,558</u>	<u>104,413</u>	<u>84,093</u>	<u>198,426</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	113,797	72,067	17,658
Support services				
Students	-	-	6,396	180,768
Instruction	-	-	-	-
General administration	-	-	1,084	-
School administration	-	-	4,546	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	2,432,935	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>2,432,935</u>	<u>113,797</u>	<u>84,093</u>	<u>198,426</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>88,623</u>	<u>(9,384)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	88,623	(9,384)	-	-
Fund balances, beginning of year	488,512	75,844	-	-
<b>Fund balances, end of year</b>	<u>\$ 577,135</u>	<u>\$ 66,460</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	24113 Education of Homeless	24115 IDEA-B Private School Share	24118 Fresh Fruits & Vegetables	24124 Title I 1003g Grant
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	12,238	4,965	16,180	390,102
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>12,238</u>	<u>4,965</u>	<u>16,180</u>	<u>390,102</u>
<b>EXPENDITURES</b>				
Current				
Instruction	8,871	-	-	165,030
Support services				
Students	2,279	4,965	-	82,863
Instruction	-	-	-	100,765
General administration	588	-	-	28,259
School administration	-	-	-	13,185
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	500	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	16,180	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>12,238</u>	<u>4,965</u>	<u>16,180</u>	<u>390,102</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	24132 IDEA-B Results Plan	24154 Teacher/Principal Training & Recruiting	24160 Rural & Low Income Schools	24162 Title I School Improvement
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,779	287,918	41,074	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>14,779</u>	<u>287,918</u>	<u>41,074</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	13,743	138,622	36,244	-
Support services				
Students	92	-	-	-
Instruction	92	121,939	4,830	-
General administration	710	14,544	-	-
School administration	142	12,813	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>14,779</u>	<u>287,918</u>	<u>41,074</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	24171 Carl D. Perkins Special Projects Current	24172 Carl D. Perkins Special Projects PY Unliq. Oblig.	24174 Carl D. Perkins Secondary Current	24176 Carl D. Perkins Secondary Redistribution
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	3,308	5,055	64,937	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>3,308</u>	<u>5,055</u>	<u>64,937</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	3,308	5,055	63,079	-
Support services				
Students	-	-	43	-
Instruction	-	-	-	-
General administration	-	-	1,355	-
School administration	-	-	460	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>3,308</u>	<u>5,055</u>	<u>64,937</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	24183 Carl D. Perkins Secondary Redistribution 2	24184 Teen Dating Violence Awareness	24186 Youth Resiliency Project	24189 Student Support & Academic Enrichment
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	22,656	-	-	54,152
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>22,656</u>	<u>-</u>	<u>-</u>	<u>54,152</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	41,234
Support services				
Students	-	-	-	-
Instruction	-	-	-	7,657
General administration	-	-	-	2,798
School administration	-	-	-	2,463
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	22,656	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>22,656</u>	<u>-</u>	<u>-</u>	<u>54,152</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	24190 Title I Comprehensive Support & Imp.	25145 Impact Aid Special Education	25153 Title XIX Medicaid	25179 Alamo DOD
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	47,440	202,873	876,805	201,316
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>47,440</u>	<u>202,873</u>	<u>876,805</u>	<u>201,316</u>
<b>EXPENDITURES</b>				
Current				
Instruction	44,205	79,386	251,491	175
Support services				
Students	38	21,522	717,743	12,467
Instruction	115	-	-	-
General administration	-	-	105,131	-
School administration	3,082	-	6,758	12,256
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>47,440</u>	<u>100,908</u>	<u>1,081,123</u>	<u>24,898</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>101,965</u>	<u>(204,318)</u>	<u>176,418</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	101,965	(204,318)	176,418
Fund balances, beginning of year	-	51,544	750,349	25,524
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 153,509</u>	<u>\$ 546,031</u>	<u>\$ 201,942</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	25254 Education Activity DOD	27103 Dual Credit Instructional Materials	27107 2012 GO Bonds - Student Library Fund	27114 New Mexico Reads to Lead
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	8,388	23,583	214,765
Federal grants	585,955	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>585,955</u>	<u>8,388</u>	<u>23,583</u>	<u>214,765</u>
<b>EXPENDITURES</b>				
Current				
Instruction	160,531	8,388	-	-
Support services				
Students	71,319	-	-	-
Instruction	353,263	-	23,583	214,765
General administration	842	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>585,955</u>	<u>8,388</u>	<u>23,583</u>	<u>214,765</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	27125 Excellence in Teaching Awards	27128 Teacher Recruitment Initiative	27155 Breakfast for Elementary Students	27166 Kindergarten - Three Plus
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	139,945	-	57,298	203,652
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>139,945</u>	<u>-</u>	<u>57,298</u>	<u>203,652</u>
<b>EXPENDITURES</b>				
Current				
Instruction	139,945	-	-	153,180
Support services				
Students	-	-	-	22,694
Instruction	-	-	-	22,251
General administration	-	-	-	-
School administration	-	-	-	5,527
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	57,298	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>139,945</u>	<u>-</u>	<u>57,298</u>	<u>203,652</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	27178	27190	27198	28190
	School Bus Replacement	Pay for Performance Group	K3+ 4&5 PILOT	GRADS Instructions
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	32,243	2,467
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>32,243</u>	<u>2,467</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	32,243	2,467
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>32,243</u>	<u>2,467</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	1,695
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	28203 GRADS Plus	29102 Private Direct Grants (Categorical)	Total
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	7,893	-	690,234
Federal grants	-	-	5,298,327
Miscellaneous	-	-	441,190
Interest	-	-	726
<b>Total revenues</b>	<u>7,893</u>	<u>-</u>	<u>6,430,477</u>
<b>EXPENDITURES</b>			
Current			
Instruction	7,337	-	1,558,056
Support services			
Students	-	-	1,123,189
Instruction	-	-	849,260
General administration	-	-	155,311
School administration	-	-	61,232
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	500
Other support services	-	-	-
Food services operations	-	-	2,529,069
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>7,337</u>	<u>-</u>	<u>6,276,617</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>556</u>	<u>-</u>	<u>153,860</u>
<b>Other financing sources</b>			
Operating transfers	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	556	-	153,860
Fund balances, beginning of year	-	2,567	1,396,035
<b>Fund balances, end of year</b>	<u>\$ 556</u>	<u>\$ 2,567</u>	<u>\$ 1,549,895</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2019**

	31200 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB-9 (State)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 822,525	\$ -
Accounts receivable			
Taxes	-	52,368	-
Due from other governments	-	-	284,776
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 874,893</u>	<u>\$ 284,776</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	284,776
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>284,776</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	30,677	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	844,216	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u>-</u>	<u>844,216</u>	<u>-</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 874,893</u>	<u>\$ 284,776</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
JUNE 30, 2019**

	31701 Capital Improvements SB-9 (Local)	31900 Education Technology Equipment Act	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,202,029	\$ 562	\$ 3,025,116
Accounts receivable			
Taxes	111,142	-	163,510
Due from other governments	-	-	284,776
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
<b>Total assets</b>	<u>\$ 2,313,171</u>	<u>\$ 562</u>	<u>\$ 3,473,402</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 120,214	\$ -	\$ 120,214
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	284,776
<b>Total Liabilities</b>	<u>120,214</u>	<u>-</u>	<u>404,990</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	<u>73,976</u>	<u>-</u>	<u>104,653</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	2,118,981	562	2,963,759
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>2,118,981</u>	<u>562</u>	<u>2,963,759</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,313,171</u>	<u>\$ 562</u>	<u>\$ 3,473,402</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	31200 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB-9 (State)
<b>REVENUES</b>			
Property taxes	\$ -	\$ 1,127,773	\$ -
State grants	7,062,654	-	284,776
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	-	147	-
<b>Total revenues</b>	<u>7,062,654</u>	<u>1,127,920</u>	<u>284,776</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	11,061	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	7,062,654	272,643	284,776
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>7,062,654</u>	<u>283,704</u>	<u>284,776</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>844,216</u>	<u>-</u>
<b>Other financing sources</b>			
Operating transfers	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	844,216	-
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 844,216</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	31701 Capital Improvements SB-9 (Local)	31900 Education Technology Equipment Act	Total
<b>REVENUES</b>			
Property taxes	\$ 1,573,675	\$ -	\$ 2,701,448
State grants	-	-	7,347,430
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	861	3	1,011
<b>Total revenues</b>	<u>1,574,536</u>	<u>3</u>	<u>10,049,889</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	15,693	-	26,754
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	1,253,103	22,035	8,895,211
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>1,268,796</u>	<u>22,035</u>	<u>8,921,965</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>305,740</u>	<u>(22,032)</u>	<u>1,127,924</u>
<b>Other financing sources</b>			
Operating transfers	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	305,740	(22,032)	1,127,924
Fund balances, beginning of year	<u>1,813,241</u>	<u>22,594</u>	<u>1,835,835</u>
<b>Fund balances, end of year</b>	<u>\$ 2,118,981</u>	<u>\$ 562</u>	<u>\$ 2,963,759</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND  
JUNE 30, 2019**

	43000 Debt Service Ed-Tech
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 645,336
Accounts receivable	
Taxes	41,712
Due from other governments	-
Other	-
Interfund receivables	-
Prepaid expenditures	-
Inventory	-
<b>Total assets</b>	<b>\$ 687,048</b>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ -
Accrued payroll liabilities	-
Interfund payables	-
<b>Total Liabilities</b>	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes	28,021
 <b>FUND BALANCES</b>	
Nonspendable	-
Restricted	659,027
Committed	-
Assigned	-
Unassigned	-
<b>Total fund balances</b>	659,027
 <b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 687,048</b>



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
NONMAJOR DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	43000 Debt Service Ed-Tech
<b>REVENUES</b>	
Property taxes	\$ 629,112
State grants	-
Federal grants	-
Miscellaneous	-
Interest	147
	147
<b>Total revenues</b>	629,259
<b>EXPENDITURES</b>	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	6,269
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community services	-
Capital outlay	-
Debt service	
Principal	555,000
Interest	17,550
	17,550
<b>Total expenditures</b>	578,819
<b>Excess of revenues over expenditures</b>	50,440
<b>Other financing sources</b>	
Bond premium	-
	-
<b>Total other financing sources</b>	-
<b>Net changes in fund balances</b>	50,440
Fund balances, beginning of year	608,587
<b>Fund balances, end of year</b>	\$ 659,027

See Accompanying Notes.

**OTHER SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Alamogordo High School	\$ 263,719	\$ 252,432	\$ (231,744)	\$ 284,407
Academy Del Sol	13,275	3,183	(3,066)	13,392
Chaparral Middle School	62,689	53,325	(58,633)	57,381
Mountain View Middle School	35,993	32,549	(31,239)	37,303
Holloman Middle School	20,191	24,123	(23,022)	21,292
Buena Vista	1,961	10,442	(9,809)	2,594
Heights	2,838	5,064	(4,051)	3,851
High Rolls	177	154	(72)	259
La Luz	1,419	493	(42)	1,870
North	2,141	802	-	2,943
Oregon	15,942	11,154	(12,656)	14,440
Desert Star Elementary	5,821	2,313	(2,987)	5,147
Sierra	9,369	558	(5,429)	4,498
Yucca	5,307	15,914	(10,293)	10,928
Holloman Elementary	11,715	18,034	(16,050)	13,699
Stepping Stones Preschool	565	300	(717)	148
Elementary Music	46	-	-	46
Department of Special Education	1,028	500	-	1,528
Professional Learning Center	12,479	248	-	12,727
Health Services	549	-	-	549
Superintendent's Office	4,261	27	(153)	4,135
Human Resources	713	-	-	713
Curriculum and Instruction	3,109	-	(1,758)	1,351
Athletics	99,888	146,934	(147,056)	99,766
Finance	111,034	9,606	(9,717)	110,923
Graphics	48,514	31,786	(13,598)	66,702
Student Nutrition	1,313	8,980	(3,299)	6,994
Learning Services	176	350	-	526
Technology support services	309	-	-	309
Chief of Staff	3,708	4,700	(8,524)	(116)
Maintenance	59	-	-	59
Central receiving	1,017	19	-	1,036
District Wide	-	1,438	(162)	1,276
<b>Totals</b>	<u>\$ 741,325</u>	<u>\$ 635,428</u>	<u>\$ (594,077)</u>	<u>\$ 782,676</u>
			<b>Total agency assets</b>	<u>\$ 782,676</u>
			Accounts payable	\$ 4,173
			Due to student organizations	<u>778,503</u>
			<b>Total agency liabilities</b>	<u>\$ 782,676</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
JUNE 30, 2019**

Name of Depository	Description of Pledged Collateral	Type	Maturity	CUSIP Number	Fair Market Value June 30,2019
<b>First American Bank</b>					
	Albuquerque SD # 12-A NM 21	Bond	08/01/21	013595QQ9	\$ 763,778
	Univ of NM-REF NM 22	Bond	08/01/22	914684EF8	1,441,260
	FNMA 10YR	Bond	12/01/24	3138EPKF0	645,875
	FNMA 15 YR	Bond	01/01/25	31417WU90	534,175
	Torrance ETC SD#8 NM 25	Bond	05/15/25	891400NM1	500,410
	Grants ETC SD #1 NM25	Bond	10/01/25	388240HZ9	264,910
	MOSQUERO SD#5 NM 25	Bond	10/15/25	619636EV1	184,014
	Los Lunas SD #1-A-REF NM 26	Bond	07/15/26	545562RN2	355,660
	Clovis MUNI SD #1-A NM 26	Bond	08/01/26	189414KW4	434,388
	Truth ETC SD #6 NM 26	Bond	08/01/26	898439EB6	355,771
	FHLMC 15 YR	Bond	12/01/26	3128MDYY3	518,462
	FNMA 15 YR	Bond	06/01/27	3138EJCP1	605,820
	FNMA 15 YR	Bond	08/01/27	31417CRL1	562,425
	FNMA 15 YR	Bond	07/01/29	31410LPF3	971,205
	GNMA 30 YR	Bond	05/15/33	36200KT49	600,856
	<b>Total First American Bank</b>				<u>8,739,009</u>
Name and location of safe keeper for above pledged collateral: Federal Home Loan Bank, Dallas, TX					
<b>First National Bank</b>					
	FNMA Pool #AS0484	Bond	09/01/28	3138W9RE2	895,150
	FNMA Pool #MA0023	Bond	04/01/29	31417YAZ0	56,100
	FNMA Pool #C91349	Bond	12/01/30	3128P7QA4	96,510
	FNMA Pool #MA0828	Bond	06/01/31	31417Y4N4	569,774
	FNMA Pool #MA1401	Bond	04/01/33	31418ARX8	471,508
	FNMA Pool #909295	Bond	01/01/37	31411JGC4	388,445
	FNMA Pool #MA3214	Bond	12/01/37	31418CSC9	1,794,158
	<b>Total First National Bank</b>				<u>4,271,645</u>
Name and location of safe keeper for above pledged collateral: Federal Home Loan Bank, Dallas, TX					
<b>Wells Fargo Bank</b>					
	FNMA FNMS 2.500%	Bond	02/01/31	3140EYCP4	<u>2,917,173</u>
	<b>Total Wells Fargo Bank</b>				<u>2,917,173</u>
Name and location of safe keeper for above pledged collateral: Bank of New York Mellon					
	<b>Total Pledged Collateral</b>				<u>\$ 15,927,827</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
JUNE 30, 2019**

Bank Account Type	Account Type	First American Bank	First National Bank	Wells Fargo Bank	Total
Capital Projects	Checking	\$ 11,055,744	\$ -	\$ -	\$ 11,055,744
Debt Service	Checking	5,044,816	-	-	5,044,816
Nutrition Services	Checking	-	360,253	-	360,253
Athletics	Checking	-	66,505	-	66,505
Activity	Checking	-	790,771	-	790,771
Payroll	Checking	-	2,585,652	-	2,585,652
Operational	Checking	-	-	4,888,926	4,888,926
Total on Deposit		16,100,560	3,803,181	4,888,926	24,792,667
Reconciling Items		(561,764)	(2,616,375)	(246,145)	(3,424,284)
<b>Reconciled Balance, June 30, 2019</b>		<u>\$ 15,538,796</u>	<u>\$ 1,186,806</u>	<u>\$ 4,642,781</u>	21,368,383
Plus: Held checks					945,787
Plus: Petty cash					260
Less: Fiduciary Funds Cash					<u>(782,676)</u>
<b>Cash and Investments per Government-Wide Financial Statements</b>					<u>\$ 21,531,754</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2019**

	Operational Fund			
	11000	13000	14000	21000
	General	Pupil Transportation	Instructional Materials	Food Service
Cash, June 30, 2018	\$ 3,723,129	\$ 2,048	\$ 185,618	\$ 461,752
Add:				
2018-19 revenues	45,502,469	1,917,959	202,804	2,357,795
Receipt of prior year loans	1,479,354	-	-	-
Current year loans from other funds	-	-	-	-
	50,704,952	1,920,007	388,422	2,819,547
Less:				
2018-19 expenditures	(43,877,662)	(1,917,163)	(58,685)	(2,429,132)
Prior year held checks cashed	(783,110)	(1,841)	-	(51,682)
Repayment of prior year loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	(2,769,798)	-	-	-
Permanent transfer of cash to NM PED	-	-	-	-
Current year held checks	789,919	731	-	59,557
<b>Cash, June 30, 2019</b>	<b>\$ 4,064,301</b>	<b>\$ 1,734</b>	<b>\$ 329,737</b>	<b>\$ 398,290</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2019 per financial statements	\$ 4,064,301	\$ 1,734	\$ 329,737	\$ 398,290
Reverse held checks	(789,919)	(731)	-	(59,557)
Add back cash loans to other funds	2,769,798	-	-	-
Reverse cash loans received from other funds	-	-	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ 6,044,180</b>	<b>\$ 1,003</b>	<b>\$ 329,737</b>	<b>\$ 338,733</b>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	22000	23000	24000	25000
	Athletics	Non- Instructional	Federal Flowthrough Fund	Federal Direct Fund
Cash, June 30, 2018	\$ 75,844	\$ 741,325	\$ -	\$ 772,927
Add:				
2018-19 revenues	104,413	635,427	3,043,071	2,003,221
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	-	-	2,343,927	45,286
Total cash available	180,257	1,376,752	5,386,998	2,821,434
Less:				
2018-19 expenditures	(113,797)	(594,076)	(4,184,724)	(1,792,259)
Prior year held checks cashed	-	-	(65,373)	(8,400)
Repayment of prior year loans	-	-	(1,217,295)	(186,862)
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	-
Permanent transfer of cash to NM PED	-	-	-	-
Current year held checks	-	-	80,394	9,485
<b>Cash, June 30, 2019</b>	<u>\$ 66,460</u>	<u>\$ 782,676</u>	<u>\$ -</u>	<u>\$ 843,398</u>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2019 per financial statements	\$ 66,460	\$ 782,676	\$ -	\$ 843,398
Reverse held checks	-	-	(80,394)	(9,485)
Add back cash loans to other funds	-	-	-	-
Reverse cash loans received from other funds	-	-	(2,343,927)	(45,286)
<b>Cash per NM PED Cash Report</b>	<u>\$ 66,460</u>	<u>\$ 782,676</u>	<u>\$ (2,424,321)</u>	<u>\$ 788,627</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	27000	28000	29000	31100
	State Flowthrough	State Direct	Local or State Fund	Bond Building
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2018	\$ -	\$ 1,695	\$ 2,567	\$ 12,039,696
Add:				
2018-19 revenues	668,023	3,848	-	5,274
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	<u>89,854</u>	<u>5,955</u>	<u>-</u>	<u>-</u>
Total cash available	757,877	11,498	2,567	12,044,970
Less:				
2018-19 expenditures	(679,874)	(9,803)	-	(4,291,331)
Prior year held checks cashed	(8,505)	-	-	-
Repayment of prior year loans	(75,197)	-	-	-
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	-
Permanent transfer of cash to NM PED	-	-	-	-
Current year held checks	<u>5,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2019</b>	<u>\$ 1</u>	<u>\$ 1,695</u>	<u>\$ 2,567</u>	<u>\$ 7,753,639</u>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2019 per financial statements	\$ 1	\$ 1,695	\$ 2,567	\$ 7,753,639
Reverse held checks	(5,700)	-	-	-
Add back cash loans to other funds	-	-	-	-
Reverse cash loans received from other funds	<u>(89,854)</u>	<u>(5,955)</u>	<u>-</u>	<u>-</u>
<b>Cash per NM PED Cash Report</b>	<u>\$ (95,553)</u>	<u>\$ (4,260)</u>	<u>\$ 2,567</u>	<u>\$ 7,753,639</u>



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	31200 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB9 (State)	31701 Capital Improvements SB9 (Local)
	<u>State</u>	<u>HB-33</u>	<u>SB9 (State)</u>	<u>SB9 (Local)</u>
Cash, June 30, 2018	\$ -	\$ -	\$ -	\$ 1,847,680
Add:				
2018-19 revenues	-	1,106,230	-	1,570,140
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	-	-	284,776	-
	<u>-</u>	<u>-</u>	<u>284,776</u>	<u>-</u>
Total cash available	-	1,106,230	284,776	3,417,820
Less:				
2018-19 expenditures	-	(283,705)	(284,776)	(1,215,791)
Prior year held checks cashed	-	-	-	-
Repayment of prior year loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	-
Permanent transfer of cash to NM PED	-	-	-	-
Current year held checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2019</b>	<u>\$ -</u>	<u>\$ 822,525</u>	<u>\$ -</u>	<u>\$ 2,202,029</u>

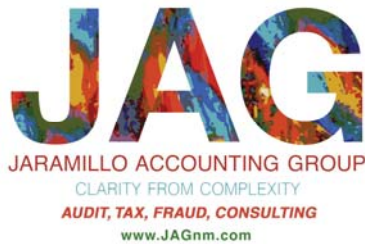
**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2019 per financial statements	\$ -	\$ 822,525	\$ -	\$ 2,202,029
Reverse held checks	-	-	-	-
Add back cash loans to other funds	-	-	-	-
Reverse cash loans received from other funds	<u>-</u>	<u>-</u>	<u>(284,776)</u>	<u>-</u>
<b>Cash per NM PED Cash Report</b>	<u>\$ -</u>	<u>\$ 822,525</u>	<u>\$ (284,776)</u>	<u>\$ 2,202,029</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	31900 Education Technology Equipment Act	41000 Debt Service	43000 Debt Service Ed-Tech	Total
Cash, June 30, 2018	\$ 22,594	\$ 4,445,960	\$ 597,168	\$ 24,920,003
Add:				
2018-19 revenues	3	4,454,383	626,986	64,202,046
Receipt of prior year loans	-	-	-	1,479,354
Current year loans from other funds	-	-	-	2,769,798
	<u>22,597</u>	<u>8,900,343</u>	<u>1,224,154</u>	<u>93,371,201</u>
Less:				
2018-19 expenditures	(22,035)	(4,500,863)	(578,818)	(66,834,494)
Prior year held checks cashed	-	-	-	(918,911)
Repayment of prior year loans	-	-	-	(1,479,354)
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	(2,769,798)
Permanent transfer of cash to NM PED	-	-	-	-
Current year held checks	-	-	-	945,786
	<u>-</u>	<u>-</u>	<u>-</u>	<u>945,786</u>
<b>Cash, June 30, 2019</b>	<u>\$ 562</u>	<u>\$ 4,399,480</u>	<u>\$ 645,336</u>	<u>\$ 22,314,430</u>
			Cash per agency fund	\$ 782,676
			Cash per governmental funds	<u>21,531,754</u>
				<u>\$ 22,314,430</u>
<b>Reconciliation of cash balances reported to the NM Public Education Department</b>				
Cash, June 30, 2019 per financial statements	\$ 562	\$ 4,399,480	\$ 645,336	\$ 22,314,430
Reverse held checks	-	-	-	(945,786)
Add back cash loans to other funds	-	-	-	2,769,798
Reverse cash loans received from other funds	-	-	-	(2,769,798)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,769,798)</u>
<b>Cash per NM PED Cash Report</b>	<u>\$ 562</u>	<u>\$ 4,399,480</u>	<u>\$ 645,336</u>	<u>\$ 21,368,644</u>

**COMPLIANCE SECTION**



**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***

The Board of Education  
Alamogordo Municipal School District  
Alamogordo, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 of the general fund and major special revenue funds of the Alamogordo Municipal School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the Table of Contents.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses as items 2019-001 and 2019-002.

The Board of Education  
Alamogordo Municipal School District and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

A *significant deficiency* is a deficiency, or a 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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency as item 2019-003.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as items 2019-002 and 2019-004.

We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings as items 2019-006, 2019-007, and 2019-008.

### **District's Response to Findings**

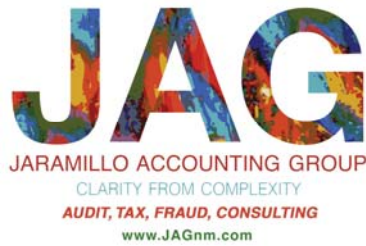
The District's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Education  
Alamogordo Municipal School District  
Alamogordo, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

**Report on Compliance for Each Major Federal Program**

We have audited Alamogordo Municipal School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

The Board of Education  
Alamogordo Municipal School District and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

### **Opinion on Each of the Major Federal Programs**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-005. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the non-compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

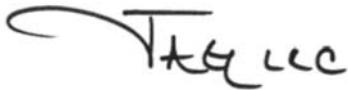
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be

The Board of Education  
Alamogordo Municipal School District and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2019-005, which we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'JAG LLC', with a stylized flourish above the letters.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor or Pass-Through Grantor/Program Title	Federal CFDA	Passthrough Number	Amounts Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
<i>Pass-through State of New Mexico Public Education Department</i>				
<i>Special Education Cluster</i>				
Special Education Grants to States (IDEA B)	84.027	24106/24115/24132	\$ -	\$ 1,703,584
Special Education Preschool Grants (IDEA B)	84.173	24109/24112	-	282,519
<i>Total Special Education Cluster</i>			-	1,986,103
Title I Grants to Local Educational Agencies	84.010	24101/24190	-	1,424,658
Rural Education	84.358	24160	-	41,074
School Improvement Grants	84.377	24124	-	390,102
Education for Homeless Children and Youth	84.196	24113	-	12,238
Supporting Effective Instruction State Grants	84.367	24154	-	287,918
Student Support and Academic Enrichment Program	84.424	24189	-	54,152
Career and Technical Education - Basic Grants to States	84.048	24171/24174/24183	-	95,956
<i>Subtotal - Pass-through State of New Mexico Public Education Department</i>			-	4,292,201
<i>Direct U.S. Department of Education</i>				
Impact Aid	84.041		-	1,246,063
<b>Total U.S. Department of Education</b>			-	5,538,264
<b>U.S. Department of Agriculture</b>				
Rural Development, Forestry, and Communities	10.672		-	229,987
<i>Child Nutrition Cluster</i>				
<i>Pass-through State of New Mexico Children, Youth &amp; Families Dept.</i>				
Summer Food Service Program for Children	10.559	21000	-	147,782
<i>Pass-through State of New Mexico Public Education Department</i>				
<i>Cash Assistance</i>				
School Breakfast Program	10.553	21000	-	464,063
National School Lunch Program	10.555	21000	-	1,400,239
<i>Pass-through State of New Mexico Human Services Department</i>				
Non-Cash Assistance (Commodities)	10.555	21000	-	171,971
<i>Total Child Nutrition Cluster</i>			-	2,184,055
<i>Pass-through State of New Mexico Public Education Department</i>				
Fresh Fruit and Vegetable Program	10.582	24118	-	16,180
<b>Total U.S. Department of Agriculture</b>			-	2,430,222
<b>U.S. Department of Defense</b>				
Impact Aid	12.558		-	24,898
Invitational Grants for Military-Connected Schools	12.557		-	585,955
<b>Total U.S. Department of Defense</b>			-	610,853
<b>Total Federal Financial Assistance</b>			\$ -	\$ 8,579,339

See Notes to Schedule of  
Expenditures of Federal Awards.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Alamogordo Municipal Schools (District) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. SUBRECIPIENTS**

The District did not have any subrecipients during the year ended June 30, 2019.

**NOTE 4. NON-CASH FEDERAL ASSISTANCE**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same CFDA number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2019 was \$171,971. Commodities are recorded as revenues and expenditures in the Food Service fund.

**NOTE 5. INDIRECT COST RATE**

During the year ended June 30, 2019, the New Mexico Public Education Department reimbursed the District for indirect costs at 5.05%.

**NOTE 6. RECONCILIATION OF FEDERAL REVENUE TO FEDERAL EXPENDITURES**

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 8,579,339
District as contractor relationship:	
Medicaid (Fund 25153)	876,805
Indirect cost recovery (Fund 11000)	165,917
Advance reimbursement grant (Impact Aid - Fund 25145)	101,965
Advance reimbursement grant (Alamo DOD - Fund 25179)	<u>176,418</u>
Federal revenue as reported in the financial statements	<u><u>\$ 9,900,444</u></u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Financial Statement Findings:**

2017-002	IT Access – Segregation of Duties	Repeated and modified
2017-004	Student Nutrition – Operations	Resolved
2017-007	Student Nutrition – Cash Receipts	Resolved
2018-001	Negative Cash Balance from Unreimbursed Employee Benefits	Resolved
2018-002	Internal Controls Over the Payroll Disbursement Transaction Cycle	Repeated and modified
2018-003	Recognition of Capital Assets	Resolved
2018-004	Financial Close and Reporting	Resolved
2018-005	Procurement Code Violation	Resolved
2018-006	License Agreement	Resolved
2018-007	Transportation Contract – Potential Criminal and Procurement Violations	Resolved
2018-008	Board of Education – Hiring an Employee	Resolved
2018-009	It Controls – Infinite Visions	Resolved
2018-010	Salaries Paid in Advance	Repeated

**Federal Award Findings:**

2017-005	Student Nutrition – Verification and Eligibility	Repeated and modified
2017-006	Student Nutrition – Inventory	Resolved

**Section 12-6-5 NMSA 1978 Findings:**

2018-011	Over-Expenditure of Budget	Repeated and modified
2018-012	Education Retirement Board (ERB) Contributions Not Reconciling to The General Ledger	Resolved

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

**Financial Statements:**

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to financial statements noted?                         | Yes        |

**Federal Awards:**

- |   |                         |                        |               |  |        |            |                        |                         |  |
|---|-------------------------|------------------------|---------------|--|--------|------------|------------------------|-------------------------|--|
| 1. Internal control over major programs:  |                         |                        |               |  |        |            |                        |                         |  |
| a. Material weakness identified?  | No                      |                        |               |  |        |            |                        |                         |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | Yes                     |                        |               |  |        |            |                        |                         |  |
| 2. Type of auditor’s report issued on compliance for major programs   | Unmodified              |                        |               |  |        |            |                        |                         |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?   | Yes                     |                        |               |  |        |            |                        |                         |  |
| 4. Identification of major programs:  |                         |                        |               |  |        |            |                        |                         |  |
| <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>CFDA</u></td> <td style="text-align: center;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;"><u>Number</u></td> <td></td> </tr> <tr> <td style="text-align: center;">84.041</td> <td style="text-align: center;">Impact Aid</td> </tr> <tr> <td style="text-align: center;">10.553, 10.555, 10.559</td> <td style="text-align: center;">Child Nutrition Cluster</td> </tr> </table> | <u>CFDA</u>             | <u>Federal Program</u> | <u>Number</u> |  | 84.041 | Impact Aid | 10.553, 10.555, 10.559 | Child Nutrition Cluster |  |
| <u>CFDA</u>   | <u>Federal Program</u>  |                        |               |  |        |            |                        |                         |  |
| <u>Number</u>   |                         |                        |               |  |        |            |                        |                         |  |
| 84.041  | Impact Aid              |                        |               |  |        |            |                        |                         |  |
| 10.553, 10.555, 10.559  | Child Nutrition Cluster |                        |               |  |        |            |                        |                         |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:   | \$750,000               |                        |               |  |        |            |                        |                         |  |
| 6. Auditee qualified as a low-risk auditee?   | No                      |                        |               |  |        |            |                        |                         |  |

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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**2019-001 (PREVIOUSLY REPORTED AS 2018-002) INTERNAL CONTROLS OVER THE PAYROLL DISBURSEMENT TRANSACTION CYCLE (REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

During our test work over the payroll disbursements transaction cycle, we noted the following:

- During our random testing of manual journal entries and walkthrough of the payroll transaction cycle, we noted that there were a large number of adjustments required to be made to correct previously processed payrolls. Our testing indicates 79 manual journal entries in Fiscal Year 2019 had been initiated by the payroll department, including 1,732 line-items. These are primarily entries reclassifying object, program, location, or job classification codes within the account string. Also, 13 of the District's 26 pay periods required supplemental pay period(s). Approximately \$965,000 was disbursed during these supplementary pay periods in fiscal year 19. While there may be valid reasons for the extra payroll runs and adjustments, we believe it is one area that should be fully analyzed by Finance in order to make any improvements necessary in the payroll cycle.

The District hired a contractor around March of 2019 to perform certain business office management and accounting services. Since then, there has been significant progress toward implementing the corrective action plan, effected through personnel changes, and through additional oversight and training in this area.

**CRITERIA**

6.20.2.18 NMAC states: "PAYROLL: The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP."

New Mexico Manual of Procedures for Public School Accounting and Budgeting Supplement 2, Internal Control Structure states: "Pertinent information must be identified, captured, and communicated in a form and time frame that enables personnel to carry out their responsibilities." "The accounting system consists of the methods and records established to identify, assemble, analyze, classify, record and report a school district's transactions and to maintain accountability for the related assets and liabilities. An effective accounting system gives appropriate consideration to establishing methods and records that will:

- Identify and record all valid transactions.
- Describe transactions in sufficient detail and on a timely basis to permit proper classification of transactions for financial reporting.
- Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements.
- Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.
- Present properly transactions and related disclosures in the financial statements."

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-001 (PREVIOUSLY REPORTED AS 2018-002) INTERNAL CONTROLS OVER THE PAYROLL DISBURSEMENT TRANSACTION CYCLE (REPEATED AND MODIFIED) (CONTINUED)**

Section 22-10A-23(B) NMSA 1978 states: "Delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local Board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year."

**EFFECT**

The deficiencies identified over payroll may lead to the District not properly identifying, classifying, or valuing all transactions and increases the risk of errors or fraud. Not being in compliance with the statutes requiring timely, formal, written contracts with certified employees negatively effects both the District's and employees' ability to perform their normal duties.

**CAUSE**

Oversight and clerical errors were made in recording certain payroll transactions. A lack of communication between business office personnel and/or functions may have existed and this led to problems with accuracy and compliance with the law. It appears there was not a strong, thorough review process with proactive communication early in the payroll process prior to March 2019.

**RECOMMENDATION**

There should be a week in between the pay period end and the pay day in order to leave time for quality reviews. Administration should analyze the risks and troubleshoot any problems. The District should consider moving to paying once or twice a month instead of every two weeks. Then they should design and implement stronger controls, including continued monitoring.

**MANAGEMENT RESPONSE**

**Corrective Action:** The District hired a new Business Manager in February 2019 to take control over the Finance Department, including the payroll department. The new Business Manager reviewed existing policies and procedures and helped determine the role of each department to ensure that all processes and procedures were completed timely and efficiently.

The new Business Manager provides oversight on all transactions and corrections made in the payroll department and since taking control of the finance department has significantly reduced/eliminated the need for supplementary payrolls and correcting journal entries. The new business manager employed a team to work with Program Managers to ensure that they planned their annual budgets for the next fiscal year to avoid mid-year changes in payroll funding.

**Due date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Business Manager, Director of Human Resources

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-002 TRANSPORTATION RIDERSHIP REPORTING**

**TYPE OF FINDING:** Material Weakness and Material Non-Compliance

**CONDITION**

The District reports certain transportation information to the New Mexico Public Education Department (PED). Included in this information is the District's count of the number of students transported, which becomes a primary driver for PED to calculate the District's allocation of the state transportation distribution.

During fiscal year 2019, in the course of the new Superintendent's and Administrators' review of final reporting of transportation figures to PED, they noted the reported student ridership number (approximately 2,450) appeared to be inflated from their expectation. Upon discovery, the new Administrators corrected the numbers to the accurate ridership (approximately only 1,100 students) and self-reported the matter to PED and to the New Mexico State Auditor. This was a material reduction of approximately 55%, indicating the former Administration and vendor may have been reporting inflated numbers, perhaps to increase funding.

Since this time, the District has not renewed services with the bus contract vendor, has implemented stronger controls and reviews over the ridership reporting, and has brought the transportation services in-house (as of July 1, 2019).

**CRITERIA**

NM State Audit Rule 2.2.2.10 (K)(2). Pursuant to Section 12-6-6 NMSA 1978 (criminal violations), an agency [District] or IPA [external auditor] shall notify the state auditor immediately, in writing, upon discovery of any violation of a criminal statute in connection with financial affairs. The notification shall include an estimate of the dollar amount involved and a complete description of the violation, including names of persons involved and any action taken or planned. If warranted, the state auditor may cause an audit of the financial affairs and transactions of the agency in whole or in part pursuant to Section 12-6-3 NMSA 1978 and 2.2.2.15 NMAC. If the state auditor does not designate an agency for audit, an agency shall follow the provisions of 2.2.2.15 NMAC when entering into a professional services contract for a special audit, performance audit or attestation engagement regarding the financial affairs and transactions of the agency relating to financial fraud, waste and abuse.

If any information comes to our attention (regardless of materiality) indicating any fraud, illegal acts, non-compliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. Additionally, the external auditor's consideration of fraud in a financial statement audit includes reporting to management and/or governance any evidence that fraud may exist.

NMSA 1978 30-16-6. *Fraud* consists of the intentional misappropriation or taking of anything of value which belongs to another by means of fraudulent conduct, practices or representations.

NMSA 1978 30-16-1. *Larceny* consists of stealing anything of value that belongs to another.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-002 TRANSPORTATION RIDERSHIP REPORTING (CONTINUED)**

NMSA 1978 Section 30-23-2, paying or receiving public money for services not rendered: “Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services which have not in fact been rendered.

Nothing in this section shall be construed to prevent the payment of public funds where such payments are intended to cover lawful remuneration to public officers or public employees for vacation periods or absences from employment because of sickness, or for other lawfully authorized purposes.

Whoever commits paying or receiving public money for services not rendered is guilty of a fourth degree felony.”

New Mexico Constitution Article IX, Section 14 states, “neither the state, nor any county, school district, or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit, or make any donation to or in aid of any person, association or public or private corporation. A donation within the meaning of this provision is a “gift”, an allocation or appropriation of something of value, without consideration.” This section is commonly referred to as the “Anti-Donation Clause.”

**EFFECT**

It appears there is fraud, waste, or abuse of District funds.

**CAUSE**

The actual cause is unknown. There does not appear to have been sufficient controls in place in the past over student transportation reporting.

**RECOMMENDATION**

The New Mexico State Auditor’s Office, PED, and law enforcement have already been contacted to investigate further. We recommend training on internal controls and compliance, and paths to report unethical behavior beyond the Superintendent. We also recommend adding the New Mexico State Auditor’s website hotline to campus sites, internal website, external website, trainings, posted around the District, etc.

**MANAGEMENT’S RESPONSE**

**Corrective Action:** Upon learning about this situation, the District’s current Administration reported the potential violations to the New Mexico State Auditor’s Office and Law Enforcement - Further investigation will ensue. The District has since brought the transportation “in-house” and will ensure correct reporting going forward.

**Due Date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Director of Transportation



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-003 (PREVIOUSLY REPORTED AS 2017-002) ACCOUNTING SOFTWARE ACCESS - SEGREGATION OF DUTIES (REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

All personnel from the District's business office management and accounting services contractor have full access to all modules within the accounting system. This includes general ledger, payroll, and purchasing modules, as well as Administrator access to security functions. Our review of user access permissions confirmed that eight personnel for the vendor, as well as the Coordinator of Technology, had this level of full access. Although the District has strong compensating controls from which any errors or fraud would most likely be prevented and detected, adding limitations to this complete access (such as read-only for areas not needed) is necessary for proper segregation of duties internal controls, a good accounting practice to prevent and detect errors or fraud.

Management made progress on the prior year planned corrective action plan by changing the STARS Data Management Specialist access to read only, however, there was no progress toward other aspects of the plan.

**CRITERIA**

Effective system access controls help prevent and detect unauthorized use, damage, loss, or modification of programs and data, including sensitive and confidential information. No one position should have the ability to record, review, and approve transactions within the system. Effective change controls should ensure that program changes and changes to data are valid, meet user needs, are reviewed and approved independently, and are implemented accurately.

**EFFECT**

Without thorough reviews and strong restrictions on access, there is an increased risk of unauthorized or inaccurate changes in the accounting records.

**CAUSE**

The District has not thoroughly identified risks by position and reviewed security settings with the accounting system vendor until recently. Also, as employees transfer positions within the District, their old access is not always removed, causing position roles with excess access.

**RECOMMENDATION**

Finance and HR management should work with IT personnel to regularly review user access control, so that users have only those roles that are necessary, and do not have any incompatible roles. Also, we recommend that the District utilize the Administration Access, User Roles, User Security, and Workflow Configuration (such as Payroll User Roles) functionalities to improve controls where needed. The District needs consulting with the software company to evaluate and re-build user access with greater limitations. Users should never change their own access. IT personnel should not have "write" access to functions within accounting modules.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-003 (PREVIOUSLY REPORTED AS 2017-002) ACCOUNTING SOFTWARE ACCESS - SEGREGATION OF DUTIES (REPEATED AND MODIFIED) (CONTINUED)**

**MANAGEMENT RESPONSE**

**Corrective Action:** The Director of Human Resources and Business Manager will work with Technology Support to review the current access to the accounting software and determine any changes that need to be made. A written process will be created and utilized to assign user rights and access. A User Rights Profile document will be created and used to assign access rights for new employees, transferred employees, and terminated employees. A separate person will cross check the user rights after they have been entered in the accounting software to ensure accurate entry.

The Technology Department, in conjunction with the Director of Human Resources and Business Manager, will conduct a semi-annual review of the personnel who have access rights to the accounting software and work to correct any discrepancies.

The District will work with the software provider to develop user roles and access to ensure a separation of duties.

**Due Date of Completion:** January 30, 2020

**Responsible Party:** Directors of Human Resources, Business and Finance, and Technology Support Services

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-004 (PREVIOUSLY REPORTED AS 2018-010) SALARIES PAID IN ADVANCE (REPEATED)**

**TYPE OF FINDING:** Material Non-Compliance

**CONDITION**

The District has been pre-paying employees for at least five years. The former Director of Business and Finance asserted that she reported the situation to past Superintendents; however, the situation had not been corrected. During fiscal year 2019, the first pay period on July 6, 2018, the District prepaid for five days (July 9-13), totaling approximately \$100,000 without benefits. There are times the District does not recover these amounts when employees leave, obliging the use of operational funds to cover these deficits. They do not track accounts receivable related to these losses. Additionally, it is unlawful to pay employees or vendors before services are rendered, as shown in the criteria below.

Management has not made progress toward implementing the prior year planned corrective action plan.

**CRITERIA**

NMSA 1978 Section 30-23-2, paying or receiving public money for services not rendered: "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services which have not in fact been rendered.

Nothing in this section shall be construed to prevent the payment of public funds where such payments are intended to cover lawful remuneration to public officers or public employees for vacation periods or absences from employment because of sickness, or for other lawfully authorized purposes.

Whoever commits paying or receiving public money for services not rendered is guilty of a fourth degree felony."

New Mexico Constitution Article IX, Section 14 states, "neither the state, nor any county, school district, or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit, or make any donation to or in aid of any person, association or public or private corporation. A donation within the meaning of this provision is a "gift", an allocation or appropriation of something of value, without consideration." This section is commonly referred to as the "Anti-Donation Clause".

**EFFECT**

By having the current payroll payment schedule set up the District is at risk of making payroll disbursements for services that are not rendered. This could potentially result in erroneous payroll expenditures. The District may potentially be non-compliant with NMSA 1978 § 30-23-2.

**CAUSE**

The timing of pay shifted at some point in the past and the District's administration did not take steps to remedy this yet because of the impact on employees' finances.

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2019-004 (PREVIOUSLY REPORTED AS 2018-010) SALARIES PAID IN ADVANCE (REPEATED) (CONTINUED)**

**RECOMMENDATION**

The District is encouraged to change the payroll payment schedule so that the District is not at risk for paying employees for services not rendered. For instance, the District can pay employees on the last day of the month for the services performed for that month.

**MANAGEMENT RESPONSE**

**Corrective Action:** The District has negotiated with the Union regarding potential options to correct the pay dates to ensure that prepayments of contracts is not occurring.

**Due Date of Completion:** Based on conversations with the Union, this will be address beginning in FY21.

**Responsible Party:** Director Human Resources, Superintendent

STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

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**SECTION III – FEDERAL AWARDS FINDINGS**

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**2019-005 (PREVIOUSLY REPORTED AS 2017-005) STUDENT NUTRITION - VERIFICATION AND ELIGIBILITY  
(REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Significant Deficiency, Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Agriculture

Title: School Breakfast Program and National School Lunch Program

CFDA Number: 10.553 and 10.555

**CONDITION**

During testing of the 14 applications selected for verification, calculations of gross income were not done properly on one application, resulting in one student receiving reduced meals when they should have been charged full price.

Application 258 Verification - Information provided showed an estimated yearly income. Adding year-to-date earnings add regular pay to be earned came up with a like amount. One student was allowed to stay on reduced meals when they should have been changed to full price.

The District has made significant progress from prior year in decreasing the number of compliance violations in this program.

**CRITERIA**

Children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or a reduced price. By November 15 of each school year, the District must verify the current free and reduced-price eligibility of households from a sample of applications that it has approved for free and reduced price meals and put them in the correct category.

The Eligibility Manual for School Meals states that gross income means all money earned. SP 19-2017, Reporting Annual Income on School Meal Applications, states that annual income may provide the most accurate measure of income and may reduce improper program payments.

CFR 245 6a (c) (7) states: In addition to the required verification sample, the District must verify any questionable application, and should on a case-by-case basis, verify any application for cause such as an application where a household reports zero income or when the District is aware of additional income or persons in the household.

**QUESTIONED COSTS**

None

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS (CONTINUED)**

**2019-005 (PREVIOUSLY REPORTED AS 2017-005) STUDENT NUTRITION - VERIFICATION AND ELIGIBILITY  
(REPEATED AND MODIFIED) (CONTINUED)**

**EFFECT**

The District is not in compliance with program requirements. By not calculating income properly for verifications, students' eligibility status is incorrect resulting in improper classifications and students receiving benefits of the Federal program in excess of what they are eligible for. The proper use of Federal money in this program is dependent on Districts correct calculations of income and household sizes, and requesting a new application when required.

**CAUSE**

The verification testing must look at all elements of income documentation and is more in-depth than the application process.

**RECOMMENDATION**

We recommend that the District develops procedures to make sure verification calculations are correct. The District needs to ensure it uses all information provided as part of the verification process. Regular pay should be calculated for the year, and then the District needs include bonuses and overtime, if not sporadic, to get to a gross amount. In situations where household changes or income changes become aware the District should ask for a new application to be completed. Families that do not qualify should not receive free and reduced meals.

**MANAGEMENT RESPONSE**

The District will analyze all aspect of documents in the calculation of gross income when verifying eligibility.

**Corrective Action:** Continued familiarity with Eligibility Guidelines as set forth by the USDA, FNS.

**Due Date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Student Nutrition Coordinator

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-006 (PREVIOUSLY REPORTED AS 2018-011) OVER-EXPENDITURE OF BUDGET (REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

The District has a major function line item where actual expenditures exceeded budgetary authority:

Fund 43000	Major Function 2000 – Support Services	\$268
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The District has not made significant progress on the condition of this finding from the prior year, which also saw only a single fund and major function be over-expended.

**CRITERIA**

NMAC 6.20.2.9(A) states: “every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed”.

**CAUSE**

The Finance Department did not prepare a budget adjustment request to prevent the overage.

**EFFECT**

The District is out of compliance with New Mexico state statute and the control established using budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

**RECOMMENDATION**

We recommend the District establish a policy of budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended. We recommend expanding the OBMS to Infinite Visions reconciliation and budgetary review to the function level immediately. We recommend completing these reconciliations weekly and completing budget and actuals statements monthly.

**MANAGEMENT’S RESPONSE**

**Corrective Action:** The 2300 function for fund 43000 is for recording the county tax collection fee and is directly related to revenue received by the District. The District records an expense for the 1% collection cost at the time the revenue is received by the District and that budget overage is related to this expense. The District received a larger tax distribution than anticipated in June of 2019 that caused this budget line item to exceed the amount budgeted by \$268. In the future, the District will increase the budget in this function to exceed 1% of anticipated revenues.

**Due Date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Business Manager

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-007 DEFICIT CASH IN ACTIVITY FUND**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

The activity fund "Chief of Staff" had a negative balance of \$117 as of June 30, 2019. The District should not have activity funds for employees. As recommended in the prior year, the District needs to analyze all fiduciary and activity funds and outside entities to follow New Mexico PED's regulations, PSAB No. 18, and in preparation for the implementation of GASB 84 – Fiduciary Activities.

**CRITERIA**

Per Section 6-10-2 NMSA 1978, it is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily to show the balance of public money on hand at the close of each day's business.

Manual of Procedures Public School Accounting and Budgeting (PSAB) "Supplement 18 Student Activity and Athletics" states that "no activity fund account shall ever be permitted to incur a deficit. Financial records of student activity funds must be in accordance with general accepted accounting principles and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the school district's regular funds."

**EFFECT**

Inadequate controls over cash management of the activity funds could result in overspent accounts and in a violation of the state anti-donation laws and other requirements. A negative balance in one fund creates an unallowed loan from another fund.

**CAUSE**

Previous Administration and Finance employees set up these funds and allowed overspent funds without accountability.

**RECOMMENDATION**

The District should evaluate and ensure that internal controls on activities fund accounts are in accordance with PSAB No. 18. All personnel and staff involved in the activity funds should be re-trained to understand their roles and responsibilities under PSAB No. 18 and GASB 84.

**MANAGEMENT RESPONSE**

**Corrective Action:** The Business Manager will work with Management to perform a review of all fiduciary and activity funds to ensure that the District is following New Mexico Public Education Department Regulations, PSAB No. 18, and is prepared for the implementation of GASB 84 – Fiduciary Activities.

**Due Date of Completion:** December 2019

**Responsible Party:** Business Manager, Fiduciary Fund/Activity Fundholders



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-008 COMPLIANCE WITH SCHOOL PERSONNEL ACT**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

We tested a random sample of 40 payroll transactions and noted the following exception: Teacher contracts were not executed 10 days or more prior to the first day of classes for SY18-19 for 13 out of 28 employees for which this attribute was applicable (12 of 40 items in the sample were substitutes or new hires).

**CRITERIA**

Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

22-10A-23(B) NMSA 1978 states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.

**EFFECT**

The District is at higher risk for misappropriation of assets if it is unable to confirm that pay rates have been approved by management. The District may be at higher risk that classrooms and other services are not staffed as planned. Additionally, the District is not in compliance with Section 22-10A-32 Item A, NMSA 1978.

**CAUSE**

This may be due to turnover in the Human Resources Department and a lack of controls over compliance in this area.

**RECOMMENDATION**

Management should perform a risk assessment and design and implement strong controls over payroll compliance.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** The Director of Human Resources will ensure that the contract execution deadlines are met. The Collective Bargaining Agreement salary schedules will be verified against the salary schedules used in the accounting software and on contract documents. Increased use of technology systems, coupled with enhanced staff oversight, will allow greater transparency, accuracy and timeliness of documentation processes.

**Due Date of Completion:** Already implemented

**Responsible Party:** Director of Human Resources

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
EXIT CONFERENCE  
JUNE 30, 2019**

The contents of this report were discussed, in a closed session, on November 13, 2019 with Alamogordo Municipal School District. The following individuals were in attendance:

**Alamogordo Municipal School District**

Angela M. Cadwallader, Vice President, Board of Education  
Colleen Tagle, Deputy Superintendent for Support Services and Human Resources  
Bryan Runyan (K12 Accounting)  
MaryAnn Mayton, Community Representative, Audit Committee

**Jaramillo Accounting Group LLC (JAG)**

Scott Eliason, CPA, Partner

*Jaramillo Accounting Group (JAG) assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes and they believe that their records adequately support the financial statements.*

## **OTHER INFORMATION**



## CORRECTIVE ACTION PLAN

November 15, 2019

US Department of Education

Alamogordo Municipal School District respectfully submits the following corrective action plan for the year ended June 30, 2019.

Name and address of independent public accounting firm:

**Jaramillo Accounting Group LLC**  
**4700 Lincoln Rd. NE**  
**Albuquerque, New Mexico 87109**

Audit period:

**June 30, 2019**

The findings from the June 30, 2019 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS - FINANCIAL STATEMENT AUDIT

#### SIGNIFICANT DEFICIENCY

#### **2019-003 (PREVIOUSLY REPORTED AS 2017-002) ACCOUNTING SOFTWARE ACCESS - SEGREGATION OF DUTIES (REPEATED AND MODIFIED)**

#### **RECOMMENDATION**

Finance and HR management should work with IT personnel to regularly review user access control, so that users have only those roles that are necessary, and do not have any incompatible roles. Also, we recommend that the District utilize the Administration Access, User Roles, User Security, and Workflow Configuration (such as Payroll User Roles) functionalities to improve controls where needed. The District needs consulting with the software company to evaluate and re-build user access with greater limitations. Users should never change their own access. IT personnel should not have "write" access to functions within accounting modules.

#### **MANAGEMENT RESPONSE**

**Corrective Action:** The Director of Human Resources and Business Manager will work with Technology Support to review the current access to the accounting software and determine any changes that need to be made. A written process will be created and utilized to assign user rights and access. A User Rights Profile document will be created and used to assign access rights for new employees, transferred employees, and terminated employees. A separate person will cross check the user rights after they have been entered in the accounting software to ensure accurate entry.

The Technology Department, in conjunction with the Director of Human Resources and Business Manager, will conduct a semi-annual review of the personnel who have access rights to the accounting software and work to correct any discrepancies.

The District will work with the software provider to develop user roles and access to ensure a separation of duties.

**Due Date of Completion:** January 30, 2020

**Responsible Party:** Directors of Human Resources, Business and Finance, and Technology Support Services

### **MATERIAL WEAKNESS**

#### **2019-001 (PREVIOUSLY REPORTED AS 2018-002) INTERNAL CONTROLS OVER THE PAYROLL DISBURSEMENT TRANSACTION CYCLE (REPEATED AND MODIFIED)**

##### **RECOMMENDATION**

There should be a week in between the pay period end and the pay day in order to leave time for quality reviews. Administration should analyze the risks and troubleshoot any problems. The District should consider moving to paying once or twice a month instead of every two weeks. Then they should design and implement stronger controls, including continued monitoring.

##### **MANAGEMENT RESPONSE**

**Corrective Action:** The District hired a new Business Manager in February 2019 to take control over the Finance Department, including the payroll department. The new Business Manager reviewed existing policies and procedures and helped determine the role of each department to ensure that all processes and procedures were completed timely and efficiently.

The new Business Manager provides oversight on all transactions and corrections made in the payroll department and since taking control of the finance department has significantly reduced/eliminated the need for supplementary payrolls and correcting journal entries. The new business manager employed a team to work with Program Managers to ensure that they planned their annual budgets for the next fiscal year to avoid mid-year changes in payroll funding.

**Due date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Business Manager, Director of Human Resources

### **MATERIAL NON-COMPLIANCE**

#### **2019-004 (PREVIOUSLY REPORTED AS 2018-010) SALARIES PAID IN ADVANCE (REPEATED)**

##### **RECOMMENDATION**

The District is encouraged to change the payroll payment schedule so that the District is not at risk for paying employees for services not rendered. For instance, the District can pay employees on the last day of the month for the services performed for that month.

##### **MANAGEMENT RESPONSE**

**Corrective Action:** The District has negotiated with the Union regarding potential options to correct the pay dates to ensure that prepayments of contracts is not occurring.

**Due Date of Completion:** Based on conversations with the Union, this will be address beginning in FY21.

**Responsible Party:** Director Human Resources, Superintendent

**MATERIAL WEAKNESS and MATERIAL NON-COMPLIANCE**

**2019-002 TRANSPORTATION RIDERSHIP REPORTING**

**RECOMMENDATION**

The New Mexico State Auditor’s Office, PED, and law enforcement have already been contacted to investigate further. We recommend training on internal controls and compliance, and paths to report unethical behavior beyond the Superintendent. We also recommend adding the New Mexico State Auditor’s website hotline to campus sites, internal website, external website, trainings, posted around the District, etc.

**MANAGEMENT’S RESPONSE**

**Corrective Action:** Upon learning about this situation, the District’s current Administration reported the potential violations to the New Mexico State Auditor’s Office and Law Enforcement - Further investigation will ensue. The District has since brought the transportation “in-house” and will ensure correct reporting going forward.

**Due Date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Director of Transportation

**FINDINGS - FEDERAL AWARD PROGRAMS AUDIT**

**SIGNIFICANT DEFICIENCY/NON-COMPLIANCE**

**2019-005 (PREVIOUSLY REPORTED AS 2017-005) STUDENT NUTRITION - VERIFICATION AND ELIGIBILITY (REPEATED AND MODIFIED)**

**RECOMMENDATION**

We recommend that the District develops procedures to make sure verification calculations are correct. The District needs to ensure it uses all information provided as part of the verification process. Regular pay should be calculated for the year, and then the District needs include bonuses and overtime, if not sporadic, to get to a gross amount. In situations where household changes or income changes become aware the District should ask for a new application to be completed. Families that do not qualify should not receive free and reduced meals.

**MANAGEMENT RESPONSE**

The District will analyze all aspect of documents in the calculation of gross income when verifying eligibility.

**Corrective Action:** Continued familiarity with Eligibility Guidelines as set forth by the USDA, FNS.

**Due Date of Completion:** The District feels that this finding has been addressed as of the date of this response.

**Responsible Party:** Student Nutrition Coordinator

If the US Department of Education has questions regarding this plan, please call me at 575-812-6000.

Sincerely yours,



Jerrett Perry, Superintendent