



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2020**

## **INTRODUCTORY SECTION**

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ALAMOGORDO MUNICIPAL SCHOOLS  
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JUNE 30, 2020**

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ALAMOGORDO MUNICIPAL SCHOOLS  
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**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
OFFICIAL ROSTER  
JUNE 30, 2020**

<u>Name</u>	<u>Title</u>
<u>Board of Education</u>	
Angela Cadwallader	President
Ryan Sherwood	Vice President
Carol Teweleit	Secretary
Judy Rabon	Member
Anthony Torres	Member
Colonel Bryan Callahan	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
Bryan Runyan	Contract Business Manager

## 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, 2020, 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, 2020, 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 54 - 58 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 16, 2020 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 16, 2020

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 10,172,981
Receivables	5,603,724
Inventory and other assets	83,210
<b>Total current assets</b>	<b>15,859,915</b>
<b>Non-current assets</b>	
Restricted cash	19,021,681
Capital assets, net	93,046,234
<b>Total non-current assets</b>	<b>112,067,915</b>
<b>Total assets</b>	<b>127,927,830</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	16,592,346
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	3,475,016
Accrued interest	368,029
Accrued compensated absences	179,749
Bonds payable, current	4,585,400
<b>Total current liabilities</b>	<b>8,608,194</b>
<b>Non-current Liabilities</b>	
Accrued compensated absences	166,617
Bonds payable, long-term	34,409,600
Bond premium, net	1,699,451
Net pension liability	76,252,668
Net OPEB liability	21,527,516
<b>Total non-current liabilities</b>	<b>134,055,852</b>
<b>Total liabilities</b>	<b>142,664,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	17,518,478
<b>NET POSITION</b>	
Net investment in capital assets	52,351,783
Restricted for	
Debt service	5,351,257
Capital Projects	18,914,001
Special revenue	1,685,597
Other	33,261
Unrestricted (deficit)	(93,998,247)
<b>Total net position (deficit)</b>	<b>\$ (15,662,348)</b>

See Accompanying Notes.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	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	\$ 3,502,086	\$ 9,106	\$ 24,155	\$ -
Accounts receivable				
Taxes	22,094	-	-	-
Due from other governments	-	-	-	1,079,376
Other	392	-	-	-
Interfund receivables	4,495,001	-	-	-
Prepaid expenditures	-	-	-	750
Inventory	81,256	-	-	-
<b>Total assets</b>	<u>\$ 8,100,829</u>	<u>\$ 9,106</u>	<u>\$ 24,155</u>	<u>\$ 1,080,126</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 236,698	\$ -	\$ -	\$ -
Accrued payroll liabilities	2,739,876	-	-	-
Interfund payables	-	-	-	1,074,716
<b>Total liabilities</b>	<u>2,976,574</u>	<u>-</u>	<u>-</u>	<u>1,074,716</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - property taxes	12,063	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	81,256	-	-	750
Restricted	-	9,106	24,155	4,660
Unassigned	5,030,936	-	-	-
<b>Total fund balances</b>	<u>5,112,192</u>	<u>9,106</u>	<u>24,155</u>	<u>5,410</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,100,829</u>	<u>\$ 9,106</u>	<u>\$ 24,155</u>	<u>\$ 1,080,126</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

	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	\$ -	\$ 15,865,796	\$ 5,123,032	\$ 4,670,487	\$ 29,194,662
Accounts receivable					
Taxes	-	-	333,925	194,943	550,962
Due from other governments	1,511,879	-	-	2,461,115	5,052,370
Other	-	-	-	-	392
Interfund receivables	-	-	-	-	4,495,001
Prepaid expenditures	-	-	-	1,204	1,954
Inventory	-	-	-	-	81,256
<b>Total assets</b>	<u>\$ 1,511,879</u>	<u>\$ 15,865,796</u>	<u>\$ 5,456,957</u>	<u>\$ 7,327,749</u>	<u>\$ 39,376,597</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 498,442	\$ 735,140
Accrued payroll liabilities	-	-	-	-	2,739,876
Interfund payables	1,511,879	-	-	1,908,406	4,495,001
<b>Total liabilities</b>	<u>1,511,879</u>	<u>-</u>	<u>-</u>	<u>2,406,848</u>	<u>7,970,017</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue - property taxes	-	-	182,564	110,235	304,862
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	82,006
Restricted	-	15,865,796	5,274,393	4,810,666	25,988,776
Unassigned	-	-	-	-	5,030,936
<b>Total fund balances</b>	<u>-</u>	<u>15,865,796</u>	<u>5,274,393</u>	<u>4,810,666</u>	<u>31,101,718</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1,511,879</u>	<u>\$ 15,865,796</u>	<u>\$ 5,456,957</u>	<u>\$ 7,327,749</u>	<u>\$ 39,376,597</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, 2020**

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 31,101,718
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	93,046,234
Defined benefit pension and OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	16,592,346
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	304,862
Accrued Interest	(368,029)
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	(76,252,668)
Net OPEB liability	(21,527,516)
Accrued compensated absences	(346,366)
General obligation bonds	(38,995,000)
Bond premiums	(1,699,451)
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.	(17,518,478)
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b>\$ (15,662,348)</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, 2020**

	Operational Fund		
	11000	13000	14000
	General	Pupil Transportation	Instructional Materials
<b>REVENUES</b>			
Property taxes	\$ 328,656	\$ -	\$ -
State grants	46,158,081	1,469,710	-
Federal grants	869,999	-	-
Miscellaneous	322,374	-	26,639
Interest	-	-	-
<b>Total revenues</b>	<u>47,679,110</u>	<u>1,469,710</u>	<u>26,639</u>
<b>EXPENDITURES</b>			
Current			
Instruction	28,101,741	-	123,758
Support services			
Students	5,121,999	-	-
Instruction	886,717	-	-
General administration	1,752,228	-	-
School administration	3,094,643	-	-
Central services	3,094,072	-	-
Operation & maintenance of plant	6,435,126	-	-
Student transportation	229	1,461,607	-
Other support services	232	-	-
Food services operations	25,370	-	-
Capital outlay	-	-	-
Debt service			
Costs of issuance	-	-	-
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>48,512,357</u>	<u>1,461,607</u>	<u>123,758</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(833,247)</u>	<u>8,103</u>	<u>(97,119)</u>
<b>Other financing sources</b>			
Operating transfers	(9,844)	-	-
Bond underwriter premium	-	-	-
Proceeds from bond issues	-	-	-
<b>Total other financing sources</b>	<u>(9,844)</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(843,091)	8,103	(97,119)
Fund balances, beginning of year	<u>5,955,283</u>	<u>1,003</u>	<u>121,274</u>
<b>Fund balances, end of year</b>	<u>\$ 5,112,192</u>	<u>\$ 9,106</u>	<u>\$ 24,155</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, 2020**

	24101 Title I IASA	24106 IDEA-B Entitlement	31100 Bond Building
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	2,214,802	1,711,930	-
Miscellaneous	-	-	-
Interest	-	-	5,842
<b>Total revenues</b>	<u>2,214,802</u>	<u>1,711,930</u>	<u>5,842</u>
<b>EXPENDITURES</b>			
Current			
Instruction	1,159,377	1,244,115	-
Support services			
Students	150,457	374,506	-
Instruction	685,593	379	-
General administration	157,299	79,459	-
School administration	16,300	-	-
Central services	40,366	13,471	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	3,088,227
Debt service			
Costs of issuance	-	-	108,914
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>2,209,392</u>	<u>1,711,930</u>	<u>3,197,141</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,410</u>	<u>-</u>	<u>(3,191,299)</u>
<b>Other financing sources</b>			
Operating transfers	-	-	-
Bond underwriter premium	-	-	1,137,513
Proceeds from bond issues	-	-	11,125,000
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>12,262,513</u>
<b>Net changes in fund balances</b>	5,410	-	9,071,214
Fund balances, beginning of year	-	-	6,794,582
<b>Fund balances, end of year</b>	<u>\$ 5,410</u>	<u>\$ -</u>	<u>\$ 15,865,796</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, 2020**

	41000 Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 5,297,504	\$ 2,929,874	\$ 8,556,034
State grants	-	10,953,915	58,581,706
Federal grants	-	5,532,147	10,328,878
Miscellaneous	-	383,227	732,240
Interest	1,033	1,961	8,836
<b>Total revenues</b>	<u>5,298,537</u>	<u>19,801,124</u>	<u>78,207,694</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	2,640,887	33,269,878
Support services			
Students	-	672,147	6,319,109
Instruction	-	186,454	1,759,143
General administration	52,514	231,794	2,273,294
School administration	-	17,022	3,127,965
Central services	-	498	3,148,407
Operation & maintenance of plant	-	-	6,435,126
Student transportation	-	2,484,372	3,946,208
Other support services	-	-	232
Food services operations	-	3,488,320	3,513,690
Capital outlay	-	9,845,489	12,933,716
Debt service			
Costs of issuance	-	-	108,914
Principal	3,595,000	600,000	4,195,000
Interest	881,178	6,000	887,178
<b>Total expenditures</b>	<u>4,528,692</u>	<u>20,172,983</u>	<u>81,917,860</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>769,845</u>	<u>(371,859)</u>	<u>(3,710,166)</u>
<b>Other financing sources</b>			
Operating transfers	-	9,844	-
Bond underwriter premium	-	-	1,137,513
Proceeds from bond issues	-	-	11,125,000
<b>Total other financing sources</b>	<u>-</u>	<u>9,844</u>	<u>12,262,513</u>
<b>Net changes in fund balances</b>	769,845	(362,015)	8,552,347
Fund balances, beginning of year	4,504,548	5,172,681	22,549,371
<b>Fund balances, end of year</b>	<u>\$ 5,274,393</u>	<u>\$ 4,810,666</u>	<u>\$ 31,101,718</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, 2020**

	<b>Governmental Funds</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ 8,552,347
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	(4,313,460)
Capital outlays	11,974,813
Loss on disposal of capital assets	(143,963)
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	(54,766)
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	(93,069)
Change in accrued compensated absences	237,123
Bond proceeds	(11,125,000)
Principal payments on bonds	4,195,000
Premium on bond issuance	(1,137,513)
Amortization of bond premium	212,970
Contributions to pension plan subsequent to measurement date	4,835,894
Contributions to OPEB plan subsequent to measurement date	683,860
Pension income	23,801,754
OPEB income	1,769,304
<b>Changes in Net Position - Total Governmental Activities</b>	<b>\$ 39,395,294</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, 2020**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ 312,396	\$ 312,396	\$ 326,465	\$ (14,069)
State grants	45,675,676	46,050,196	46,158,080	(107,884)
Federal grants	1,386,043	1,386,043	869,999	516,044
Miscellaneous	42,683	42,683	321,983	(279,300)
Interest	-	-	-	-
<b>Total revenues</b>	<u>47,416,798</u>	<u>47,791,318</u>	<u>47,676,527</u>	<u>114,791</u>
<b>EXPENDITURES</b>				
Current				
Instruction	29,433,618	30,943,846	28,102,797	2,841,049
Support services				
Students	7,000,967	5,799,414	5,121,999	677,415
Instruction	762,374	925,909	886,717	39,192
General administration	1,780,588	2,031,906	1,806,708	225,198
School administration	3,075,074	3,225,457	3,094,643	130,814
Central services	3,081,158	3,306,733	2,977,622	329,111
Operation & maintenance of plant	7,132,707	7,567,435	6,438,532	1,128,903
Student transportation	-	232	229	3
Other support services	24,931	25,163	232	24,931
Food services operations	-	9,404	25,370	(15,966)
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>52,291,417</u>	<u>53,835,499</u>	<u>48,454,849</u>	<u>5,380,650</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,874,619)</u>	<u>(6,044,181)</u>	<u>(778,322)</u>	<u>5,495,441</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	(9,844)	(9,844)	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>(9,844)</u>	<u>(9,844)</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>\$ (4,874,619)</u>	<u>\$ (6,054,025)</u>	<u>(788,166)</u>	<u>\$ 5,495,441</u>
Fund balances - beginning of year			6,067,142	
<b>Fund balances - end of year</b>			<u>\$ 5,278,976</u>	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			2,583	
Adjustments to expenditures			<u>(57,508)</u>	
<b>Changes in fund balances</b>			<u>\$ (843,091)</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, 2020**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
State grants	\$ 1,469,710	\$ 1,469,710	\$ 1,469,710	\$ -
<b>Total revenues</b>	1,469,710	1,469,710	1,469,710	-
<b>EXPENDITURES</b>				
Student transportation	1,469,710	1,470,211	1,461,106	9,105
<b>Total expenditures</b>	1,469,710	1,470,211	1,461,106	9,105
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	8,604	9,105
<b>Net changes in fund balances</b>	\$ -	\$ -	8,604	\$ 9,105
Fund balances - beginning of year			1,107	
<b>Fund balances - end of year</b>			\$ 9,711	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			(501)	
<b>Changes in fund balances</b>			\$ 8,103	

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
State grants	\$ -	\$ 26,825	\$ -	\$ 26,825
Miscellaneous	-	-	26,640	(26,640)
<b>Total revenues</b>	-	26,825	26,640	185
<b>EXPENDITURES</b>				
Current				
Instruction	-	356,562	332,222	24,340
<b>Total expenditures</b>	-	356,562	332,222	24,340
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(329,737)	(305,582)	(24,155)
<b>Net changes in fund balances</b>	\$ -	\$ (329,737)	(305,582)	\$ (24,155)
Fund balances - beginning of year			329,737	
<b>Fund balances - end of year</b>			\$ 24,155	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			208,463	
<b>Changes in fund balances</b>			\$ (97,119)	

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal grants	\$ 2,286,253	\$ 2,286,253	\$ 2,102,370	\$ 183,883
<b>Total revenues</b>	2,286,253	2,286,253	2,102,370	183,883
<b>EXPENDITURES</b>				
Current				
Instruction	872,454	1,233,082	1,233,077	5
Support services				
Students	205,913	170,140	150,457	19,683
Instruction	735,156	674,826	685,593	(10,767)
General administration	354,316	148,082	157,299	(9,217)
School administration	74,179	15,888	16,300	(412)
Central services	44,235	44,235	40,366	3,869
<b>Total expenditures</b>	2,286,253	2,286,253	2,283,092	3,161
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	(180,722)	180,722
<b>Net changes in fund balances</b>	\$ -	\$ -	(180,722)	\$ 180,722
Fund balances - beginning of year			(893,244)	
<b>Fund balances - end of year</b>			\$ (1,073,966)	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			112,432	
Adjustments to expenditures			73,700	
<b>Changes in fund balances</b>			\$ 5,410	

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal grants	\$ 2,061,478	\$ 1,843,994	\$ 920,241	\$ 923,753
<b>Total revenues</b>	2,061,478	1,843,994	920,241	923,753
<b>EXPENDITURES</b>				
Current				
Instruction	1,716,825	1,325,476	1,248,091	77,385
Support services				
Students	233,793	372,224	375,721	(3,497)
Instruction	-	844	379	465
General administration	110,860	110,860	79,459	31,401
School administration	-	-	-	-
Central services	-	34,590	13,471	21,119
<b>Total expenditures</b>	2,061,478	1,843,994	1,717,121	126,873
<b>Excess (deficiency) of revenues</b>				
<b>over (under) expenditures</b>	-	-	(796,880)	796,880
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	-	-	-	-
<b>Net changes in fund balances</b>	\$ -	\$ -	(796,880)	\$ 796,880
Fund balances - beginning of year			(714,998)	
<b>Fund balances - end of year</b>			<b>\$ (1,511,878)</b>	
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			791,689	
Adjustments to expenditures			5,191	
<b>Changes in fund balances</b>			<b>\$ -</b>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**JUNE 30, 2020**

	Agency Funds
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ <u>730,729</u>
<b>Total assets</b>	<u>\$ 730,729</u>
 <b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ -
Deposits held in trust for others	<u>730,729</u>
<b>Total liabilities</b>	<u>\$ 730,729</u>



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020**

**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, 2020**

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 2020 is considered "measurable and available" and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2020. 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.

**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 consist of non-food supplies.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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)**

Beginning in fiscal year 2020, food service operations are managed by a food service contractor, who purchases all food and food supplies for the District. The cost of purchased food and USDA commodities is recorded as a credit on contractor billing to the District. Commodities consumed in this manner during the year are reported as revenues and expenditures.

**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, 2020 financial statements of the District since the District did not own any infrastructure assets as of June 30, 2020. 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, 2020

**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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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**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.

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JUNE 30, 2020

**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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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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  
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**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
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JUNE 30, 2020**

**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, 2020.

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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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
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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, 2020, \$29,807,038 of the District's bank balances of \$31,307,038 were exposed to custodial credit risk. \$17,092,233 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the District's name and \$12,714,805 was uninsured and uncollateralized.

	First American Bank	First National Bank	Wells Fargo Bank	Total
Deposits				
Checking	\$ 24,179,296	\$ 4,016,775	\$ 3,110,967	\$ 31,307,038
FDIC coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(1,000,000)</u>	<u>(1,500,000)</u>
Total uninsured public funds	<u>23,929,296</u>	<u>3,766,775</u>	<u>2,110,967</u>	<u>29,807,038</u>
 Collateral requirement (50% of uninsured public funds)	 11,964,648	 1,883,388	 1,055,484	 14,903,519
 Pledged collateral held by pledging bank's trust department or agent but not in agency's name	 <u>12,296,425</u>	 <u>3,478,248</u>	 <u>1,317,560</u>	 <u>17,092,233</u>
 <b>Total over collateralized</b>	 <u>\$ 331,777</u>	 <u>\$ 1,594,861</u>	 <u>\$ 262,077</u>	 <u>\$ 2,188,714</u>
 <b>Uninsured and uncollateralized</b>	 <u>\$ 11,632,871</u>	 <u>\$ 288,527</u>	 <u>\$ 793,407</u>	 <u>\$ 12,714,805</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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**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, 2020. Funds 24101 through 25254 are federal funds and 27103 through 27545 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, 2020:

Fund	Funds with negative cash balances	Pooled cash reclassified from Fund 11000	Ending balance as reported
Fund 24101	\$ 1,074,716	\$ (1,074,716)	\$ -
Fund 24106	1,511,879	(1,511,879)	-
Fund 24109	35,297	(35,297)	-
Fund 24112	169,234	(169,234)	-
Fund 24113	5,410	(5,410)	-
Fund 24132	7,500	(7,500)	-
Fund 24153	18	(18)	-
Fund 24154	208,343	(208,343)	-
Fund 24174	37,701	(37,701)	-
Fund 24189	31,232	(31,232)	-
Fund 24190	6,300	(6,300)	-
Fund 24194	50,917	(50,917)	-
Fund 24301	498	(498)	-
Fund 25254	213,669	(213,669)	-
Fund 27103	4	(4)	-
Fund 27123	32,896	(32,896)	-
Fund 27149	686,441	(686,441)	-
Fund 27178	269,799	(269,799)	-
Fund 27502	61,385	(61,385)	-
Fund 27545	91,762	(91,762)	-
	<u>\$ 4,495,001</u>	<u>\$ (4,495,001)</u>	<u>\$ -</u>

**Investments.** As of June 30, 2020, the District did not have investments balances.



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**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	\$ 29,194,662
Statement of Fiduciary Assets and Liabilities - Agency Funds	
Cash and cash equivalents	<u>730,729</u>
<b>Total cash and cash equivalents</b>	<b>29,925,391</b>
Add: outstanding checks and other reconciling items	4,121,773
Less: held checks	(2,739,876)
Less: petty cash	<u>(250)</u>
<b>Bank balance of deposits</b>	<b><u>\$ 31,307,038</u></b>

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2020 are as follows:

	Operational Fund	Title I	IDEA-B	Debt Service	Other Governmental	Total
Property taxes	\$ 22,094	\$ -	\$ -	\$ 333,925	\$ 194,943	\$ 550,962
Intergovernmental	-	1,079,376	1,511,879	-	2,461,115	5,052,370
Other	<u>392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392</u>
	<b><u>\$ 22,486</u></b>	<b><u>\$ 1,079,376</u></b>	<b><u>\$ 1,511,879</u></b>	<b><u>\$ 333,925</u></b>	<b><u>\$ 2,656,058</u></b>	<b><u>\$ 5,603,724</u></b>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$304,862 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, 2020 is as follows:

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

	<u>Receivables</u>	<u>Payables</u>
Major Funds		
General Fund	\$ 4,495,001	\$ -
Title I	-	1,074,716
Entitlement IDEA-B	-	1,511,879
Nonmajor Funds		
Special Revenue Funds	-	1,908,406
Capital Funds	-	-
	<u>\$ 4,495,001</u>	<u>\$ 4,495,001</u>

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

There was one operating transfer for the year ended June 30, 2020, in the amount of \$9,844 from the General Fund (11000) to the DOD Education Activity Fund (25254), to write off negative fund balance related to a disapproved request for reimbursement of expenses.

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2020 follows:

	<u>Balance</u>				<u>Balance</u>
	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2020</u>
<b>Capital Assets not being depreciated</b>					
Land	\$ 3,826,619	\$ -	\$ -	\$ -	\$ 3,826,619
Construction in process	<u>13,079,182</u>	<u>1,077,947</u>	-	<u>(13,079,182)</u>	<u>1,077,947</u>
<b>Total capital assets not being depreciated</b>	<u>16,905,801</u>	<u>1,077,947</u>	-	<u>(13,079,182)</u>	<u>4,904,566</u>
<b>Capital Assets being depreciated</b>					
Land improvements	3,963,501	-	-	-	3,963,501
Buildings and building improvements	143,819,439	8,162,047	(4,171,972)	13,079,182	160,888,696
Furniture, fixtures, vehicles and equipment	<u>7,908,850</u>	<u>2,734,819</u>	<u>(306,782)</u>	-	<u>10,336,887</u>
<b>Total capital assets being depreciated</b>	<u>155,691,790</u>	<u>10,896,866</u>	<u>(4,478,754)</u>	<u>13,079,182</u>	<u>175,189,084</u>
<b>Accumulated depreciation</b>					
Land improvements	(1,080,711)	(171,977)	-	-	(1,252,688)
Buildings and building improvements	(79,497,363)	(3,665,219)	4,028,009	-	(79,134,573)
Furniture, fixtures, vehicles, and equipment	<u>(6,490,673)</u>	<u>(476,264)</u>	<u>306,782</u>	-	<u>(6,660,155)</u>
<b>Total accumulated depreciation</b>	<u>(87,068,747)</u>	<u>(4,313,460)</u>	<u>4,334,791</u>	-	<u>(87,047,416)</u>
Net capital assets being depreciated	<u>68,623,043</u>	<u>6,583,406</u>	<u>(143,963)</u>	<u>13,079,182</u>	<u>88,141,668</u>
<b>Government activities capital assets, net</b>	<u>\$85,528,844</u>	<u>\$ 7,661,353</u>	<u>\$ (143,963)</u>	<u>\$ -</u>	<u>\$ 93,046,234</u>

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**NOTE 6. CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2020 was charged to the following functions:

Depreciation expenses	
Instruction	\$ 902,642
Support services - Students	5,471
Support services - Instruction	2,744,413
Support services - General administration	28,548
Central Services	56,573
Operation & maintenance of plant	347,649
Student transportation	210,181
Food services	<u>17,983</u>
	<u>\$4,313,460</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, 2020 are for governmental activities.

Bonds outstanding at June 30, 2020 are comprised of the following:

Bond Series	Date of Issue	Date of maturity	Balance at June 30, 2020
Series 2009 GO Bonds	4/21/2009	8/1/2020	\$ 500,000
Series 2011 GO Bonds	12/14/2010	8/1/2021	2,500,000
Series 2012 GO Bonds	4/18/2018	8/1/2031	4,450,000
Series 2013 GO Bonds	5/16/2012	8/1/2024	3,150,000
Series 2014 GO Bonds	3/26/2013	8/1/2025	3,900,000
Series 2015 GO Bonds	10/21/2014	8/1/2019	2,430,000
Series 2016 GO School Bonds	3/24/2015	8/1/2025	3,850,000
Series 2017 GO School Bonds	6/22/2016	8/1/2029	2,425,000
Series 2018 GO School Bonds	4/19/2017	8/1/2030	4,665,000
Series 2019 GO School Bonds	8/21/2019	8/1/2032	6,635,000
Series 2020 GO School Bonds	6/18/2020	8/1/2033	<u>4,490,000</u>
			<u>\$ 38,995,000</u>

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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$32,065,000	\$11,125,000	\$(4,195,000)	<b>\$38,995,000</b>	\$ 4,585,400
Compensated absences	<u>583,489</u>	<u>200,162</u>	<u>(437,285)</u>	<b><u>346,366</u></b>	<u>179,749</u>
<b>Total</b>	<b><u>\$32,648,489</u></b>	<b><u>\$11,325,162</u></b>	<b><u>\$(4,632,285)</u></b>	<b><u>\$39,341,366</u></b>	<b><u>\$ 4,765,149</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 who is eligible for retirement 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, 2020, the amount accrued under this policy was \$41,620. At June 30, 2020, compensated absences decreased \$237,123 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, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 4,065,000	\$ 994,522	\$ 5,059,522
2022	3,900,000	948,758	4,848,758
2023	4,025,000	844,633	4,869,633
2024	4,110,000	745,245	4,855,245
2025	3,875,000	644,108	4,519,108
2026-2030	13,860,000	1,872,366	15,732,366
2031-2034	<u>5,160,000</u>	<u>949,150</u>	<u>6,109,150</u>
	<b><u>\$ 38,995,000</u></b>	<b><u>\$ 6,998,782</u></b>	<b><u>\$ 45,993,782</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, 2020, 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 multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

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

Years of Service	Benefit Percentage Earned
1-10	1.35%
11-20	2.35%
21-30	3.35%
31 plus	2.40%

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.

***Summary of Plan Provisions for Retirement Eligibility.***

**Tier 1: Membership prior to July 1, 2010.** 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.

**Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013.** Chapter 288, Laws of 2009 changed the eligibility requirements for new members who were first employed on or after July 1, 2010, but before July 1, 2013 — or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements:

- 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.

**Tier 3: Membership beginning on or after July 1, 2013.** 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.

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

**Tier 4: Membership beginning on or after July 1, 2019.** Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019 — and had, before that date, been refunded all member contributions and had not restored all refunded contributions and interest before July 1, 2019. A member in this tier must meet one of the following requirements.

- The member’s minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58.)
- 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, receive reduced retirement benefits.)
- Or, the member’s age is 67, and the member 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.
- **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.

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

**Cost of Living Adjustment (COLA).** All retired members and beneficiaries receiving benefits may receive an adjustment in their benefit on July 1 following the year a member retires or July 1 following the year a member reaches the age below, whichever is later.

Membership	Age Eligible for COLA
Tier 1	65%
Tier 2	65%
Tier 3	67%
Tier 4	67%

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund’s funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased). When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%. However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.
- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

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.

**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, 2020 and 2019, educational employers contributed to the Plan based on the following rate schedule.



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

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2020	7-1-19 to 6-30-20	Over \$24K	10.70%	14.15%	24.85%	0.25%
2020	7-1-19 to 6-30-20	\$24K or less	7.90%	14.15%	22.05%	0.25%
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%

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, 2020 and 2019, the District paid employee and employer contributions of \$8,490,917 and \$7,096,297, 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, 2020, the District reported a liability of \$76,252,668 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles.

House Bill 360 made several changes to benefit provisions, which were effective July 1, 2019. These included:

- Increasing the employer contribution rate by 0.25%, from 13.9% to 14.15%;
- Increasing from \$20,000 to \$24,000 the member salary range subject to the lower 7.90% contribution rate (higher rate is 10.70%);
- Increasing the employer contribution to ERP on behalf of ARP members from 3.0% to 3.25%;
- Implementing anti-spiking measures to prevent artificially increasing benefits;
- Requiring all working retirees and their employers to contribute to ERP; and
- For members hired after June 30, 2019, using a tiered multiplier instead of a single multiplier to calculate retirement benefits upon retirement.

These changes have been reflected in the roll-forward and in the projection used to determine the single discount rate. 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, 2019, actuarially determined. At June 30, 2019, the District's proportion was 1.00633%, which was a decrease of 0.00127% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension income of \$28,637,648. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ -	\$ 1,998,480
Net differences between projected and actual earnings on pension plan investments	-	1,623,926
Changes in assumptions	10,744,184	-
Changes in proportion and differences between District contributions and proportionate share of contributions	328,408	866,325
District contributions subsequent to the measurement date	<u>4,835,894</u>	<u>-</u>
<b>Total</b>	<u>\$ 15,908,486</u>	<u>\$ 4,488,731</u>

\$4,835,894 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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>	
2020	\$ 8,389,999
2021	(1,033,632)
2022	(560,817)
2023	(211,689)
2024	-
<b>Total</b>	<u>\$ 6,583,861</u>

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

**Actuarial assumptions.** The total pension liability in the June 30, 2019 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="padding-right: 20px;">Fiscal year</td> <td style="padding-right: 10px;"><u>2019</u></td> <td style="padding-right: 10px;"><u>2018</u></td> <td style="padding-right: 10px;"><u>2017</u></td> <td style="padding-right: 10px;"><u>2016</u></td> <td style="padding-right: 10px;"><u>2015</u></td> </tr> <tr> <td>Service life in years</td> <td>3.55</td> <td>3.56</td> <td>3.65</td> <td>3.77</td> <td>3.92</td> </tr> </table>	Fiscal year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	Service life in years	3.55	3.56	3.65	3.77	3.92
Fiscal year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>								
Service life in years	3.55	3.56	3.65	3.77	3.92								
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 and Tier 4), whichever is later or, for disabled retirees, until July 1 of the third year following												
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.												

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**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	31%	
Fixed income	26%	
Alternatives	42%	
Cash	1%	
Total	100%	7.25%

**Discount rate.** A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2019. This is a 1.56% percent increase over the rate of 5.69% rate used in the prior measurement year. The 7.25% was based on a long-term expected rate of return on pension plan investments of 7.25%. 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 of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**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 of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	1 % Decrease 6.25%	Current Discount Rate 7.25	1 % Increase 8.25
District's proportionate share of the net pension liability	\$ 102,935,262	\$ 76,252,668	\$ 54,183,626

**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, 2019, the Fund’s measurement date, the following State of New Mexico employees were covered by the benefit terms:

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

Plan membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	<u>91,082</u>
	<u>154,177</u>
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal FTRE	1,966
Educational Retirement Board	<u>49,492</u>
	<u>91,082</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 \$683,860 for the year ended June 30, 2020.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2020, the District reported a liability of \$21,527,516 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2019. At June 30, 2019, the District’s proportion was 0.66394%.

For the year ended June 30, 2020, the District recognized OPEB income of \$2,453,164. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ -	\$ 5,417,416
Net Difference between actual and projected earnings on OPEB plan investments	-	200,153
Changes of assumptions	-	6,948,041
Change in Proportion	-	464,137
Contributions made after the measurement date	<u>683,860</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 683,860</u></u>	<u><u>\$ 13,029,747</u></u>

Deferred outflows of resources totaling \$683,860 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2020	\$ (3,522,814)
2021	(3,522,814)
2022	(3,091,159)
2023	(1,909,156)
2024	<u>(983,804)</u>
<b>Total</b>	<u><u>\$ (13,029,747)</u></u>

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

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ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

Valuation Date	June 30, 2019
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
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 Combined Healthy Mortality

**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.

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

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.1%
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 4.16% as of June 30, 2019. 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.



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JUNE 30, 2020**

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

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, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2039. Beyond 2039, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.16% 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 (3.16%) or 1-percentage-point higher (5.16%) than the **current discount rate**:

1% Decrease (3.16%)	Discount Rate (4.16%)	1% Increase (5.16%)
\$ 26,333,340	\$ 21,527,516	\$ 17,749,686

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**:

1% Decrease	Current Trend Rates	1% Increase
\$ 17,923,045	\$ 21,527,516	\$ 24,413,406

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's publicly available financial statements.

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)**

B. Excess of expenditures over appropriations: The following fund exceeded approved budgetary authority for the year ended June 30, 2020:

Major Funds	
General Fund (11000)	
Non-instructional Support Services	\$ 15,966
Nonmajor Funds	
Food Service Fund (21000)	
Non-instructional Support Services	<u>772,211</u>
	<u>\$ 788,177</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, 2020.

**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, 2020 that are to continue into the following fiscal year. The projects include the design, construction, renovation, and demolition of school buildings. At June 30, 2020, the District's and the New Mexico Public School Finance Authority's (PSFA) shares of commitments for construction was \$26,628,370 and \$40,092,995, respectively.

**NOTE 15. TAX ABATEMENTS**

**Abateements 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, 2020 follows:

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 15. TAX ABATEMENTS (CONTINUED)**

<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 DISTRIBUTION 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>	\$43.13
<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, 2020-2015  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

Fiscal Year Measurement Date	<b>2020 2019</b>	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
District's proportion of the net pension liability	<b>1.01%</b>	1.02%	1.02%	0.99%	1.01%	1.02%
District's proportionate share of the net pension liability	<b>\$ 76,252,668</b>	\$121,073,965	\$113,295,140	\$71,369,910	\$65,430,753	\$58,224,692
District's covered employee payroll	<b>\$ 34,168,681</b>	\$ 29,358,783	\$ 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>223%</b>	412%	399%	246%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>64.13%</b>	52.17%	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, 2020-2015  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

	June 30,					
	<u>2020</u>	2019	2018	2017	2016	2015
Statutory required contributions	<b>\$ 4,835,894</b>	\$ 4,080,871	\$ 3,952,838	\$ 4,031,669	\$ 3,936,409	\$ 3,991,823
Contributions in relation to contractually required contributions	<b>\$ 4,835,894</b>	<u>\$ 4,080,871</u>	<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>	<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, 2020-2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	Fiscal Year Measurement Date	<b>2020 2019</b>	2019 2018	2018 2017
District's proportion of the net OPEB liability		<b>0.66394%</b>	0.66590%	0.67629%
District's proportionate share of the net OPEB liability		<b>\$ 21,527,516</b>	\$ 28,955,695	\$ 30,647,251
District's covered employee payroll		<b>\$ 27,705,742</b>	\$ 28,571,217	\$ 28,171,856
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll		<b>77.70%</b>	101.35%	108.79%
RHCA Plan fiduciary net position as a percentage of the total pension liability		<b>18.92%</b>	13.14%	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.

**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, 2020-2018  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

	June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 587,696	\$ 1,040,580	\$ 2,147,538
Contributions in relation to the contractually required contribution	<u>\$ 587,696</u>	<u>\$ 1,027,875</u>	<u>\$ 1,077,825</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 12,705</u>	<u>\$ 1,069,713</u>
Employer's covered-employee payroll	<b>\$ 27,705,742</b>	\$ 28,571,217	\$28,171,856
Contributions as a percentage of covered-employee payroll	<b>2.12%</b>	3.60%	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.



**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2020**

**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, 2019.

***Changes in assumptions and methods .*** Actuarial assumptions and methods are set by the Board of Trustee, 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 a number of 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%.

**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, 2019.

***Changes in assumptions and methods.*** In the June 30, 2019 actuarial valuation, changes in assumptions and differences between expected and actual experience include adjustments resulting from an increase in the discount rate from 4.08% to 4.16%, decrease in expected participation rates for future retirees from 75% to 60%, and a decrease in the spousal coverage rate for future male retirees from 55% to 35%.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2020**

**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, 2020**

**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.

**English Language Acquisition - Title III (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. This program is authorized by Title III, Part A of the ESEA, as amended.

**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.

**Carl D. Perkins Special Projects (24171 - Current) (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.

**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.

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
JUNE 30, 2020**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**CARES Act (24301)** – To account for funds awarded through the Elementary and Secondary School Education Relief Fund (ESSER Fund), a component of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub.L. 116–136. The ESSER Fund is a highly flexible federal program designed to provide local education agencies (LEAs) with funding to meet a diverse array of educational and COVID response related needs. By law, awards from the ESSER Fund are based on LEAs’ proportional share of final 2019-20 Title I, Part A allocations received.

**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, 2020**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Instructional Materials Special Appropriation (27109)** – Intended specifically for the purchase of instructional materials to make up for the shortfall in past appropriations. This fund was authorized as a special appropriation to PED, by Laws of 2019, Chapter 271, Section 5, paragraph 114. Funds are distributed by PED to schools proportionate to each district or charter schools program united computed pursuant to Section 22-8-18 NMSA 1978.

**2019-20 Capital Outlay & School Bus Replacements (27118)** – In the Laws of 2019, Chapter 277, section 57, the Legislature made an appropriation. The agreement is for the capital outlay purchases of buses and for school lighting installation. State of NM Capital Appropriation Project.

**STEM Career Tech Ed (27123)** – To account for funds allocated through the 2019 legislative session used to pilot a career technical education program, including an online supplemental learning system that integrates algebra and geometry into career technical education studies, and to teach online workplace soft skills for high school students.

**Feminine Hygiene Products (27130)** – State appropriated funding for feminine hygiene products were allocated through the 2019 legislative session. To be used specifically for the purchase of feminine products. Funding Agency: NM Public Education Dept, Special Appropriation Fund.

**Pre-K Initiative (27149)** – To account for monies received from the State of New Mexico to be used to provide direct services to 4-year old children in Pre-Kindergarten programs. Program is authorized by state statute.

**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.

**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.

**Career Tech Ed (Pilot) (27502)** – Sub-award for Next Gen CTE funding to be spent per application. Funding Agency- NM Public Education Dept, Special Appropriation fund, Career Technical. Education Pilot, NM Laws 2019, Section IV, Item (b); Section V, Item (103).

**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, 2020**

**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, 2020**

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,514,602	\$ 3,081,972	\$ 73,913	\$ 4,670,487
Accounts receivable				
Taxes	-	181,191	13,752	194,943
Due from other governments	2,461,115	-	-	2,461,115
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	1,204	-	-	1,204
Inventory	-	-	-	-
	<b>\$ 3,976,921</b>	<b>\$ 3,263,163</b>	<b>\$ 87,665</b>	<b>\$ 7,327,749</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 382,918	\$ 115,524	\$ -	\$ 498,442
Accrued payroll liabilities	-	-	-	-
Interfund payables	1,908,406	-	-	1,908,406
<b>Total liabilities</b>	<b>2,291,324</b>	<b>115,524</b>	<b>-</b>	<b>2,406,848</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	99,434	10,801	110,235
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,685,597	3,048,205	76,864	4,810,666
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<b>1,685,597</b>	<b>3,048,205</b>	<b>76,864</b>	<b>4,810,666</b>
<b>Total fund balances</b>	<b>1,685,597</b>	<b>3,048,205</b>	<b>76,864</b>	<b>4,810,666</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 3,976,921</b>	<b>\$ 3,263,163</b>	<b>\$ 87,665</b>	<b>\$ 7,327,749</b>



**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, 2020**

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 2,905,773	\$ 24,101	\$ 2,929,874
State grants	4,522,297	6,431,618	-	10,953,915
Federal grants	5,532,147	-	-	5,532,147
Miscellaneous	382,499	728	-	383,227
Interest	681	1,195	85	1,961
<b>Total revenues</b>	<u>10,437,624</u>	<u>9,339,314</u>	<u>24,186</u>	<u>19,801,124</u>
<b>EXPENDITURES</b>				
Current				
Instruction	2,640,887	-	-	2,640,887
Support services				
Students	672,147	-	-	672,147
Instruction	186,454	-	-	186,454
General administration	202,616	28,829	349	231,794
School administration	17,022	-	-	17,022
Central services	498	-	-	498
Operation & maintenance of plant	-	-	-	-
Student transportation	2,484,372	-	-	2,484,372
Other support services	-	-	-	-
Food services operations	3,488,320	-	-	3,488,320
Community services	-	-	-	-
Capital outlay	619,450	9,226,039	-	9,845,489
Debt service				
Principal	-	-	600,000	600,000
Interest	-	-	6,000	6,000
<b>Total expenditures</b>	<u>10,311,766</u>	<u>9,254,868</u>	<u>606,349</u>	<u>20,172,983</u>
<b>Excess of revenues over expenditures</b>	<u>125,858</u>	<u>84,446</u>	<u>(582,163)</u>	<u>(371,859)</u>
<b>Other financing sources</b>				
Operating transfers	9,844	-	-	9,844
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>9,844</u>	<u>-</u>	<u>-</u>	<u>9,844</u>
<b>Net changes in fund balances</b>	135,702	84,446	(582,163)	(362,015)
Fund balances, beginning of year	<u>1,549,895</u>	<u>2,963,759</u>	<u>659,027</u>	<u>5,172,681</u>
<b>Fund balances, end of year</b>	<u>\$ 1,685,597</u>	<u>\$ 3,048,205</u>	<u>\$ 76,864</u>	<u>\$ 4,810,666</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2020**

	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	\$ 94,228	\$ 91,395	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	271,027	-	35,297	169,234
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 365,255</u>	<u>\$ 91,395</u>	<u>\$ 35,297</u>	<u>\$ 169,234</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 134,775	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	35,297	169,234
<b>Total liabilities</b>	<u>134,775</u>	<u>-</u>	<u>35,297</u>	<u>169,234</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	230,480	91,395	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>230,480</u>	<u>91,395</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 365,255</u>	<u>\$ 91,395</u>	<u>\$ 35,297</u>	<u>\$ 169,234</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	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	5,410	-	-	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 5,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	5,410	-	-	-
<b>Total liabilities</b>	<u>5,410</u>	<u>-</u>	<u>-</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>\$ 5,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	24132 IDEA-B Results Plan	24153 English Language Acq. - Title III	24154 Teacher/Principal Training & Recruiting	24160 Rural & Low Income Schools
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	7,500	18	207,139	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	1,204	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 7,500</u>	<u>\$ 18</u>	<u>\$ 208,343</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	7,500	18	208,343	-
	<u>7,500</u>	<u>18</u>	<u>208,343</u>	<u>-</u>
<b>Total liabilities</b>	<u>7,500</u>	<u>18</u>	<u>208,343</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>\$ 7,500</u>	<u>\$ 18</u>	<u>\$ 208,343</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	24171	24174	24176	24183
	Carl D. Perkins Special Projects Current	Carl D. Perkins Secondary Current	Carl D. Perkins Secondary Redistribution	Carl D. Perkins Secondary Redistribution 2
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	37,701	-	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 37,701</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	37,701	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>-</u>	<u>37,701</u>	<u>-</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>\$ -</u>	<u>\$ 37,701</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	24189 Student Support & Academic Enrichment	24190 Title I Comprehensive Support & Imp.	24194 Comprehensive Literacy State Development	24301 CARES Act
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	32,620	6,300	50,917	39,998
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 32,620</u>	<u>\$ 6,300</u>	<u>\$ 50,917</u>	<u>\$ 39,998</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 39,500
Accrued payroll liabilities	-	-	-	-
Interfund payables	31,232	6,300	50,917	498
<b>Total liabilities</b>	<u>31,232</u>	<u>6,300</u>	<u>50,917</u>	<u>39,998</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,388	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>1,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 32,620</u>	<u>\$ 6,300</u>	<u>\$ 50,917</u>	<u>\$ 39,998</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	25145 Impact Aid Special Education	25153 Title XIX Medicaid	25179 Alamo DOD	25254 Education Activity DOD
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 235,041	\$ 588,252	\$ 468,773	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	81,998	-	213,669
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 235,041</u>	<u>\$ 670,250</u>	<u>\$ 468,773</u>	<u>\$ 213,669</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 48,643	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	213,669
<b>Total liabilities</b>	<u>48,643</u>	<u>-</u>	<u>-</u>	<u>213,669</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	186,398	670,250	468,773	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>186,398</u>	<u>670,250</u>	<u>468,773</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 235,041</u>	<u>\$ 670,250</u>	<u>\$ 468,773</u>	<u>\$ 213,669</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	27103	27107	27109	27118
	Dual Credit Instructional Materials	2012 GO Bonds - Student Library Fund	Instructional Materials Special Approp.	Capital Outlay & School Bus Replacements
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	4	-	-	160,000
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 160,000
Accrued payroll liabilities	-	-	-	-
Interfund payables	4	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>4</u>	<u>-</u>	<u>-</u>	<u>160,000</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>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	27123 STEM Career Tech. Ed.	27130 Feminine Hygiene Products	27149 Pre-K Initiative	27155 Breakfast for Elementary Students
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	32,896	-	686,441	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 32,896</u>	<u>\$ -</u>	<u>\$ 686,441</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	32,896	-	686,441	-
<b>Total liabilities</b>	<u>32,896</u>	<u>-</u>	<u>686,441</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>\$ 32,896</u>	<u>\$ -</u>	<u>\$ 686,441</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	27178	27502	27545	28190
	School Bus Replacement	K3+ 4&5 PILOT	Extracurricular Activity / Field Trip Costs	GRADS - Instruction
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 34,346
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	269,799	61,385	91,762	-
Other	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 269,799</u>	<u>\$ 61,385</u>	<u>\$ 91,762</u>	<u>\$ 34,346</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	269,799	61,385	91,762	-
<b>Total liabilities</b>	<u>269,799</u>	<u>61,385</u>	<u>91,762</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	34,346
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,346</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 269,799</u>	<u>\$ 61,385</u>	<u>\$ 91,762</u>	<u>\$ 34,346</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2020**

	28203	29102	
	GRADS	Private	
	Plus	Direct Grants (Categorical)	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 2,567	\$ 1,514,602
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	2,461,115
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	1,204
Inventory	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 3,976,921</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 382,918
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	1,908,406
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>2,291,324</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	-
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	2,567	1,685,597
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>2,567</u>	<u>1,685,597</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 3,976,921</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, 2020**

	21000	22000	24109	24112
	Food Service	Athletics	IDEA-B Preschool	IDEA-B Early Intervention
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	57,831	-	-	-
Federal grants	2,792,018	-	56,107	169,234
Miscellaneous	266,249	116,250	-	-
Interest	529	152	-	-
<b>Total revenues</b>	<u>3,116,627</u>	<u>116,402</u>	<u>56,107</u>	<u>169,234</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	91,467	52,926	-
Support services				
Students	-	-	-	169,234
Instruction	-	-	-	-
General administration	-	-	3,181	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	3,463,282	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>3,463,282</u>	<u>91,467</u>	<u>56,107</u>	<u>169,234</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(346,655)</u>	<u>24,935</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>	(346,655)	24,935	-	-
Fund balances, beginning of year	577,135	66,460	-	-
<b>Fund balances, end of year</b>	<u>\$ 230,480</u>	<u>\$ 91,395</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, 2020**

	24113	24115	24118	24124
	Education of Homeless	IDEA-B Private School Share	Fresh Fruits & Vegetables	Title I 1003g Grant
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,881	-	-	121,043
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>14,881</u>	<u>-</u>	<u>-</u>	<u>121,043</u>
<b>EXPENDITURES</b>				
Current				
Instruction	10,741	-	-	121,043
Support services				
Students	936	-	-	-
Instruction	-	-	-	-
General administration	3,204	-	-	-
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>14,881</u>	<u>-</u>	<u>-</u>	<u>121,043</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, 2020**

	24132 IDEA-B Results Plan	24153 English Language Acq. - Title III	24154 Teacher/Principal Training & Recruiting	24160 Rural & Low Income Schools
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	19,500	3,406	397,981	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>19,500</u>	<u>3,406</u>	<u>397,981</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	19,500	3,388	237,969	-
Support services				
Students	-	-	-	-
Instruction	-	-	128,954	-
General administration	-	18	24,365	-
School administration	-	-	6,693	-
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>19,500</u>	<u>3,406</u>	<u>397,981</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, 2020**

	24171 Carl D. Perkins Special Projects Current	24174 Carl D. Perkins Secondary Current	24176 Carl D. Perkins Secondary Redistribution	24183 Carl D. Perkins Secondary Redistribution 2
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	68,071	7,349	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>68,071</u>	<u>7,349</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	65,618	7,349	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	2,453	-	-
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>68,071</u>	<u>7,349</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, 2020**

	24189 Student Support & Academic Enrichment	24190 Title I Comprehensive Support & Imp.	24194 Comprehensive Literacy State Development	24301 CARES Act
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	54,631	71,709	50,917	39,998
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>54,631</u>	<u>71,709</u>	<u>50,917</u>	<u>39,998</u>
<b>EXPENDITURES</b>				
Current				
Instruction	53,243	64,475	50,917	-
Support services				
Students	-	-	-	39,500
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	7,234	-	-
Central services	-	-	-	498
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>53,243</u>	<u>71,709</u>	<u>50,917</u>	<u>39,998</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,388</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>	1,388	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 1,388</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, 2020**

	25145 Impact Aid Special Education	25153 Title XIX Medicaid	25179 Alamo DOD	25254 Education Activity DOD
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	223,439	877,632	267,224	297,007
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>223,439</u>	<u>877,632</u>	<u>267,224</u>	<u>297,007</u>
<b>EXPENDITURES</b>				
Current				
Instruction	141,369	235,063	371	191,429
Support services				
Students	41,385	356,773	-	57,922
Instruction	-	-	-	57,500
General administration	7,796	161,577	22	-
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>190,550</u>	<u>753,413</u>	<u>393</u>	<u>306,851</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>32,889</u>	<u>124,219</u>	<u>266,831</u>	<u>(9,844)</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	9,844
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,844</u>
<b>Net changes in fund balances</b>	32,889	124,219	266,831	-
Fund balances, beginning of year	<u>153,509</u>	<u>546,031</u>	<u>201,942</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 186,398</u>	<u>\$ 670,250</u>	<u>\$ 468,773</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, 2020**

	27103 Dual Credit Instructional Materials	27107 2012 GO Bonds - Student Library Fund	27109 Instructional Materials Special Approp.	27118 Capital Outlay & School Bus Replacements
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	13,762	-	410,972	367,450
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>13,762</u>	<u>-</u>	<u>410,972</u>	<u>367,450</u>
<b>EXPENDITURES</b>				
Current				
Instruction	13,762	-	410,972	-
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	-	-	-	367,450
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>13,762</u>	<u>-</u>	<u>410,972</u>	<u>367,450</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, 2020**

	27123 STEM Career Tech. Ed.	27130 Feminine Hygiene Products	27149 Pre-K Initiative	27155 Breakfast for Elementary Students
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	32,896	5,735	984,106	25,038
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>32,896</u>	<u>5,735</u>	<u>984,106</u>	<u>25,038</u>
<b>EXPENDITURES</b>				
Current				
Instruction	32,896	-	655,934	-
Support services				
Students	-	5,735	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	3,095	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	73,077	-
Other support services	-	-	-	-
Food services operations	-	-	-	25,038
Community services	-	-	-	-
Capital outlay	-	-	252,000	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>32,896</u>	<u>5,735</u>	<u>984,106</u>	<u>25,038</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, 2020**

	27178	27502	27545	28190
	School Bus Replacement	K3+ 4&5 PILOT	Extracurricular Activity / Field Trip Costs	GRADS Instructions
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,411,295	74,914	92,443	35,744
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>2,411,295</u>	<u>74,914</u>	<u>92,443</u>	<u>35,744</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	74,914	92,443	3,093
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	2,411,295	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>2,411,295</u>	<u>74,914</u>	<u>92,443</u>	<u>3,093</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,651</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>	-	-	-	32,651
Fund balances, beginning of year	-	-	-	1,695
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,346</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, 2020**

	28203 GRADS Plus	29102 Private Direct Grants (Categorical)	Total
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	10,111	-	4,522,297
Federal grants	-	-	5,532,147
Miscellaneous	-	-	382,499
Interest	-	-	681
<b>Total revenues</b>	<u>10,111</u>	<u>-</u>	<u>10,437,624</u>
<b>EXPENDITURES</b>			
Current			
Instruction	10,005	-	2,640,887
Support services			
Students	662	-	672,147
Instruction	-	-	186,454
General administration	-	-	202,616
School administration	-	-	17,022
Central services	-	-	498
Operation & maintenance of plant	-	-	-
Student transportation	-	-	2,484,372
Other support services	-	-	-
Food services operations	-	-	3,488,320
Community services	-	-	-
Capital outlay	-	-	619,450
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>10,667</u>	<u>-</u>	<u>10,311,766</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(556)</u>	<u>-</u>	<u>125,858</u>
<b>Other financing sources</b>			
Operating transfers	-	-	9,844
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>9,844</u>
<b>Net changes in fund balances</b>	(556)	-	135,702
Fund balances, beginning of year	<u>556</u>	<u>2,567</u>	<u>1,549,895</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 1,685,597</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2020**

	<u>31200</u>	<u>31600</u>	<u>31700</u>
	Public School Capital Outlay State	Capital Improvements HB-33	Capital Improvements SB-9 (State)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 560,684	\$ 130,373
Accounts receivable			
Taxes	-	70,318	-
Due from other governments	-	-	-
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 631,002</u>	<u>\$ 130,373</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	<u>-</u>	<u>38,115</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	592,887	130,373
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>592,887</u>	<u>130,373</u>
<b>Total fund balances</b>	<u>-</u>	<u>592,887</u>	<u>130,373</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 631,002</u>	<u>\$ 130,373</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
JUNE 30, 2020**

	31701 Capital Improvements SB-9 (Local)	31900 Education Technology Equipment Act	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,390,353	\$ 562	\$ 3,081,972
Accounts receivable			
Taxes	110,873	-	181,191
Due from other governments	-	-	-
Other	-	-	-
Interfund receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
<b>Total assets</b>	<u>\$ 2,501,226</u>	<u>\$ 562</u>	<u>\$ 3,263,163</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 115,524	\$ -	\$ 115,524
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
<b>Total Liabilities</b>	<u>115,524</u>	<u>-</u>	<u>115,524</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	<u>61,319</u>	<u>-</u>	<u>99,434</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	2,324,383	562	3,048,205
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>2,324,383</u>	<u>562</u>	<u>3,048,205</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,501,226</u>	<u>\$ 562</u>	<u>\$ 3,263,163</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, 2020**

	31200 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB-9 (State)
<b>REVENUES</b>			
Property taxes	\$ -	\$ 1,186,789	\$ -
State grants	6,301,245	-	130,373
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	-	232	-
<b>Total revenues</b>	<u>6,301,245</u>	<u>1,187,021</u>	<u>130,373</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	11,763	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	6,301,245	1,426,587	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>6,301,245</u>	<u>1,438,350</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(251,329)</u>	<u>130,373</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>	-	(251,329)	130,373
Fund balances, beginning of year	-	844,216	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 592,887</u>	<u>\$ 130,373</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, 2020**

	31701 Capital Improvements SB-9 (Local)	31900 Education Technology Equipment Act	Total
<b>REVENUES</b>			
Property taxes	\$ 1,718,984	\$ -	\$ 2,905,773
State grants	-	-	6,431,618
Federal grants	-	-	-
Miscellaneous	728	-	728
Interest	963	-	1,195
<b>Total revenues</b>	<u>1,720,675</u>	<u>-</u>	<u>9,339,314</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	17,066	-	28,829
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	1,498,207	-	9,226,039
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>1,515,273</u>	<u>-</u>	<u>9,254,868</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>205,402</u>	<u>-</u>	<u>84,446</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>	205,402	-	84,446
Fund balances, beginning of year	<u>2,118,981</u>	<u>562</u>	<u>2,963,759</u>
<b>Fund balances, end of year</b>	<u>\$ 2,324,383</u>	<u>\$ 562</u>	<u>\$ 3,048,205</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND  
JUNE 30, 2020**

	43000 Debt Service Ed-Tech
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 73,913
Accounts receivable	
Taxes	13,752
Due from other governments	-
Other	-
Interfund receivables	-
Prepaid expenditures	-
Inventory	-
<b>Total assets</b>	<b>\$ 87,665</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	10,801
 <b>FUND BALANCES</b>	
Nonspendable	-
Restricted	76,864
Committed	-
Assigned	-
Unassigned	-
<b>Total fund balances</b>	76,864
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 87,665</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, 2020**

	43000
	Debt Service
	Ed-Tech
	<hr/>
<b>REVENUES</b>	
Property taxes	\$ 24,101
State grants	-
Federal grants	-
Miscellaneous	-
Interest	85
	<hr/>
<b>Total revenues</b>	<b>24,186</b>
	<hr/>
<b>EXPENDITURES</b>	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	349
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community services	-
Capital outlay	-
Debt service	
Principal	600,000
Interest	6,000
	<hr/>
<b>Total expenditures</b>	<b>606,349</b>
	<hr/>
<b>Excess of revenues over expenditures</b>	<b>(582,163)</b>
	<hr/>
<b>Other financing sources</b>	
Bond premium	-
	<hr/>
<b>Total other financing sources</b>	<b>-</b>
	<hr/>
<b>Net changes in fund balances</b>	<b>(582,163)</b>
Fund balances, beginning of year	659,027
	<hr/>
<b>Fund balances, end of year</b>	<b>\$ 76,864</b>
	<hr/> <hr/>

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, 2020**

	June 30, 2019	Additions	Deletions	Transfers	June 30, 2020
Academy Del Sol	\$ 13,392	\$ 952	\$ (104)	\$ -	\$ 14,240
Alamogordo High School	284,407	125,071	(175,115)	1,228	235,591
Athletics	99,766	128,288	(132,039)	-	96,015
Buena Vista	2,594	6,816	(5,287)	-	4,123
Business and Finance	110,922	4,167	(12,736)	-	102,353
Central receiving	1,036	-	(1)	-	1,035
Chaparral Middle School	57,382	35,308	(35,769)	-	56,921
Chief of Staff	(117)	3,999	(1,384)	-	2,498
Curriculum and Instruction	1,351	1,201	-	-	2,552
Department of Special Education	1,528	42	-	-	1,570
Desert Star Elementary	5,147	63	(912)	-	4,298
District Wide	1,276	55	(121)	(1,228)	(18)
Elementary Music	46	-	-	-	46
Graphics	66,703	5,595	(14,234)	-	58,064
Health Services	549	-	-	-	549
Heights Elementary	3,852	12,083	(4,141)	-	11,794
High Rolls Mtn Park Elementary	259	39	(31)	-	267
Holloman Elementary	13,699	20,656	(13,607)	-	20,748
Holloman Middle School	21,292	22,919	(19,283)	-	24,928
Human Resources	713	-	-	-	713
La Luz Elementary	1,870	152	(273)	-	1,749
Learning Services	526	-	-	-	526
Maintenance	59	-	-	-	59
Mountain View Middle School	37,303	21,173	(20,275)	-	38,201
North Elementary	2,943	535	(419)	-	3,059
Oregon Elementary	14,439	3,333	(6,797)	-	10,975
Professional Learning Center	12,727	89	-	-	12,816
Sierra Elementary	4,499	523	(806)	-	4,216
Stepping Stones Preschool	148	2,056	-	-	2,204
Student Nutrition	6,993	110	-	-	7,103
Superintendent's Office	4,135	-	(4,189)	-	(54)
Technology Support Services	309	-	-	-	309
Yucca	10,928	10,590	(10,239)	-	11,279
<b>Totals</b>	<u>\$ 782,676</u>	<u>\$ 405,815</u>	<u>\$ (457,762)</u>	<u>\$ -</u>	<u>\$ 730,729</u>
<b>Total agency assets</b>	<u>\$ 782,676</u>	<u>\$ 405,815</u>	<u>\$ (457,762)</u>	<u>\$ -</u>	<u>\$ 730,729</u>
Accounts payable	\$ 4,173	\$ -	\$ (4,173)	\$ -	\$ -
Due to student organizations	778,503	405,815	(453,589)	-	730,729
<b>Total agency liabilities</b>	<u>\$ 782,676</u>	<u>\$ 405,815</u>	<u>\$ (457,762)</u>	<u>\$ -</u>	<u>\$ 730,729</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
JUNE 30, 2020**

Name of Depository	Description of Pledged Collateral	Type	Maturity	CUSIP Number	Fair Market Value June 30,2020
<b>First American Bank</b>					
	Albuquerque SD # 12-A NM 21	Bond	08/01/21	013595QQ9	\$ 752,115
	Univ of NM-REF NM 22	Bond	08/01/22	914684EF8	1,443,459
	FNMA 10YR	Bond	12/01/24	3138EPKF0	448,542
	FNMA 15 YR	Bond	01/01/25	31417WU90	397,303
	Torrance ETC SD#8 NM 25	Bond	05/15/25	891400NM1	500,420
	Grants ETC SD #1 NM25	Bond	10/01/25	388240HZ9	275,785
	Mosquero SD#5 NM 25	Bond	10/15/25	619636EV1	185,220
	Los Lunas SD #1-A-REF NM 26	Bond	07/15/26	545562RN2	360,360
	Clovis MUNI SD #1-A NM 26	Bond	08/01/26	189414KW4	437,818
	Truth ETC SD #6 NM 26	Bond	08/01/26	898439EB6	360,500
	FHLMC 15 YR	Bond	12/01/26	3128MDYY3	366,201
	FNMA 15 YR	Bond	06/01/27	3138EJCP1	465,122
	FNMA 15 YR	Bond	08/01/27	31417CRL1	433,038
	FNMA 15 YR	Bond	07/01/29	31410LPF3	814,814
	Artesia Rev NM 31	Bond	06/01/31	043053CW5	204,789
	Alamogordo NM MUNI SD NM	Bond	08/01/31	011464LW2	652,794
	GNMA 30 YR	Bond	05/15/33	36200KT49	539,895
	FNMA 30 YR	Bond	07/01/46	31418B6G6	1,316,044
	FRLMC 30 YR	Bond	11/01/49	3133KGY77	2,342,206
	<b>Total First American Bank</b>				<u>12,296,425</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	750,074
	FNMA Pool #MA0023	Bond	04/01/29	31417YAZ0	46,016
	FNMA Pool #C91349	Bond	12/01/30	3128P7QA4	77,275
	FNMA Pool #MA0828	Bond	06/01/31	31417Y4N4	357,812
	FNMA Pool #MA1401	Bond	04/01/33	31418ARX8	412,565
	FNMA Pool #909295	Bond	01/01/37	31411JGC4	399,734
	FNMA Pool #MA3214	Bond	12/01/37	31418CSC9	1,434,772
	<b>Total First National Bank</b>				<u>3,478,248</u>

Name and location of safe keeper for above pledged collateral:  
Federal Home Loan Bank, Dallas, TX

<b>Wells Fargo Bank</b>					
	FMAC FEPC 3.000%	Bond	04/01/43	31329JQK6	356,768
	FMAC FEPC 3.500%	Bond	07/01/45	3132A5D36	368,715
	FMAC FEPC 3.500%	Bond	05/01/47	3132A5G25	241,812
	FMAC FEPC 3.500%	Bond	06/01/47	3132A5G74	72,557
	FNMA FNMS 3.000%	Bond	06/01/35	31418BRH1	158,935
	FNMA FNMS 3.500%	Bond	02/01/48	31418CUA0	118,773
	<b>Total Wells Fargo Bank</b>				<u>1,317,560</u>

Name and location of safe keeper for above pledged collateral:  
Bank of New York Mellon

**Total Pledged Collateral** \$ 17,092,233

**STATE OF NEW MEXICO**  
**ALAMOGORDO MUNICIPAL SCHOOLS**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2020**

Bank Account Type	Account Type	First American Bank	First National Bank	Wells Fargo Bank	Total
Capital Projects	Checking	\$ 18,982,350	\$ -	\$ -	\$ 18,982,350
Debt Service	Checking	5,196,946	-	-	5,196,946
Nutrition Services	Checking	-	341,404	-	341,404
Athletics	Checking	-	89,684	-	89,684
Activity	Checking	-	733,123	-	733,123
Payroll	Checking	-	2,852,564	-	2,852,564
Operational	Checking	-	-	3,110,967	3,110,967
Total on Deposit		24,179,296	4,016,775	3,110,967	31,307,038
Reconciling Items		(34,305)	(3,067,370)	(1,020,098)	(4,121,773)
<b>Reconciled Balance, June 30, 2020</b>		<u>\$ 24,144,991</u>	<u>\$ 949,405</u>	<u>\$ 2,090,869</u>	27,185,265
Plus: Held checks					2,739,876
Plus: Petty cash					250
Less: Fiduciary Funds Cash					<u>(730,729)</u>
<b>Cash and Investments per Government-Wide Financial Statements</b>					<u>\$ 29,194,662</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2020**

	Operational Fund			
	11000	13000	14000	21000
	General	Pupil Transportation	Instructional Materials	Food Service
Cash, June 30, 2019	\$ 4,064,301	\$ 1,734	\$ 329,737	\$ 398,290
Add:				
2019-20 revenues	47,677,723	1,469,209	26,640	2,931,438
Receipt of prior year loans	2,769,798	-	-	-
Current year loans from other funds	-	-	-	-
	54,511,822	1,470,943	356,377	3,329,728
Less:				
2019-20 expenditures	(48,454,848)	(1,461,106)	(332,222)	(3,175,943)
Prior year held checks cashed	(789,919)	(731)	-	(59,557)
Repayment of prior year loans	-	-	-	-
Transfers to/from other funds	(9,844)	-	-	-
Current year loans to other funds	(4,495,001)	-	-	-
Prepays and other accruals	-	-	-	-
Current year held checks	2,739,876	-	-	-
<b>Cash, June 30, 2020</b>	<b>\$ 3,502,086</b>	<b>\$ 9,106</b>	<b>\$ 24,155</b>	<b>\$ 94,228</b>

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

Cash, June 30, 2020 per financial statements	\$ 3,502,086	\$ 9,106	\$ 24,155	\$ 94,228
Reverse held checks	(2,739,876)	-	-	-
Difference in cash loans to other funds	216,389	-	-	-
Difference in cash loans received from other funds	-	-	-	-
Adjustments	20,041	501	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ 998,640</b>	<b>\$ 9,607</b>	<b>\$ 24,155</b>	<b>\$ 94,228</b>



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	22000	23000	24000	25000
	Athletics	Non- Instructional	Federal Flowthrough Fund	Federal Direct Fund
Cash, June 30, 2019	\$ 66,460	\$ 782,676	\$ -	\$ 843,398
Add:				
2019-20 revenues	116,402	393,362	4,341,347	1,487,286
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	-	-	3,139,045	213,669
Total cash available	182,862	1,176,038	7,480,392	2,544,353
Less:				
2019-20 expenditures	(91,467)	(445,309)	(5,055,321)	(1,207,360)
Prior year held checks cashed	-	-	(80,394)	(9,485)
Repayment of prior year loans	-	-	(2,343,927)	(45,286)
Transfers to/from other funds	-	-	-	9,844
Current year loans to other funds	-	-	-	-
Prepays and other accruals	-	-	(750)	-
Current year held checks	-	-	-	-
<b>Cash, June 30, 2020</b>	<u>\$ 91,395</u>	<u>\$ 730,729</u>	<u>\$ -</u>	<u>\$ 1,292,066</u>

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

Cash, June 30, 2020 per financial statements	\$ 91,395	\$ 730,729	\$ -	\$ 1,292,066
Reverse held checks	-	-	-	-
Difference in cash loans to other funds	-	-	-	-
Difference in cash loans received from other funds	-	-	(3,113)	(213,669)
Adjustments	1	(350)	3,113	(20,011)
<b>Cash per NM PED Cash Report</b>	<u>\$ 91,396</u>	<u>\$ 730,379</u>	<u>\$ -</u>	<u>\$ 1,058,386</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	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, 2019	\$ 1	\$ 1,695	\$ 2,567	\$ 7,753,639
Add:				
2019-20 revenues	3,211,877	52,366	-	12,159,442
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	<u>1,142,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	4,354,165	54,061	2,567	19,913,081
Less:				
2019-20 expenditures	(4,258,611)	(13,760)	-	(4,047,285)
Prior year held checks cashed	(5,700)	-	-	-
Repayment of prior year loans	(89,854)	(5,955)	-	-
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	-
Prepays and other accruals	-	-	-	-
Current year held checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2020</b>	<u>\$ -</u>	<u>\$ 34,346</u>	<u>\$ 2,567</u>	<u>\$ 15,865,796</u>

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

Cash, June 30, 2020 per financial statements	\$ -	\$ 34,346	\$ 2,567	\$ 15,865,796
Reverse held checks	-	-	-	-
Difference in cash loans to other funds	-	-	-	-
Difference in cash loans received from other funds	-	393	-	-
Adjustments	<u>-</u>	<u>(34,739)</u>	<u>-</u>	<u>-</u>
<b>Cash per NM PED Cash Report</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,567</u>	<u>\$ 15,865,796</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	31200 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB9 (State)	31701 Capital Improvements SB9 (Local)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2019	\$ -	\$ 822,525	\$ -	\$ 2,202,029
Add:				
2019-20 revenues	-	1,176,509	415,149	1,708,286
Receipt of prior year loans	-	-	-	-
Current year loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	-	1,999,034	415,149	3,910,315
Less:				
2019-20 expenditures	-	(1,438,350)	-	(1,519,962)
Prior year held checks cashed	-	-	-	-
Repayment of prior year loans	-	-	(284,776)	-
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	-
Prepays and other accruals	-	-	-	-
Current year held checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2020</b>	<u><u>\$ -</u></u>	<u><u>\$ 560,684</u></u>	<u><u>\$ 130,373</u></u>	<u><u>\$ 2,390,353</u></u>

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

Cash, June 30, 2020 per financial statements	\$ -	\$ 560,684	\$ 130,373	\$ 2,390,353
Reverse held checks	-	-	-	-
Difference in cash loans to other funds	-	-	-	-
Difference in cash loans received from other funds	-	-	-	-
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash per NM PED Cash Report</b>	<u><u>\$ -</u></u>	<u><u>\$ 560,684</u></u>	<u><u>\$ 130,373</u></u>	<u><u>\$ 2,390,353</u></u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	31900 Education Technology Equipment Act	41000 Debt Service	43000 Debt Service Ed-Tech	Total
Cash, June 30, 2019	\$ 562	\$ 4,399,480	\$ 645,336	\$ 22,314,430
Add:				
2019-20 revenues	-	5,252,379	34,926	82,454,341
Receipt of prior year loans	-	-	-	2,769,798
Current year loans from other funds	-	-	-	4,495,001
	<u>562</u>	<u>9,651,859</u>	<u>680,262</u>	<u>112,033,570</u>
Total cash available				
Less:				
2019-20 expenditures	-	(4,528,827)	(606,349)	(76,636,720)
Prior year held checks cashed	-	-	-	(945,786)
Repayment of prior year loans	-	-	-	(2,769,798)
Transfers to/from other funds	-	-	-	-
Current year loans to other funds	-	-	-	(4,495,001)
Prepays and other accruals	-	-	-	(750)
Current year held checks	-	-	-	2,739,876
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,739,876</u>
<b>Cash, June 30, 2020</b>	<u>\$ 562</u>	<u>\$ 5,123,032</u>	<u>\$ 73,913</u>	<u>\$ 29,925,391</u>
			Cash per agency fund	\$ 730,729
			Cash per governmental funds	<u>29,194,662</u>
				<u>\$ 29,925,391</u>
<b>Reconciliation of cash balances reported to the NM Public Education Department</b>				
Cash, June 30, 2020 per financial statements	\$ 562	\$ 5,123,032	\$ 73,913	\$ 29,925,391
Reverse held checks	-	-	-	(2,739,876)
Difference in cash loans to other funds	-	-	-	216,389
Difference in cash loans received from other funds	-	-	-	(216,389)
Adjustments	-	-	-	(31,444)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,444)</u>
<b>Cash per NM PED Cash Report</b>	<u>\$ 562</u>	<u>\$ 5,123,032</u>	<u>\$ 73,913</u>	<u>\$ 27,154,071</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, 2020, 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.

*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. *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.

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

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

the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002, 2020-003, and 2020-004 that we consider to be significant deficiencies.

### **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 did not disclose any instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

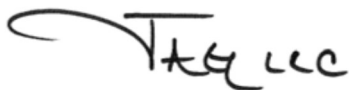
We noted a certain matter that is required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings as item 2020-005

### **District's Responses to Findings**

The District's responses 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 16, 2020



**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, 2020. 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, 2020.

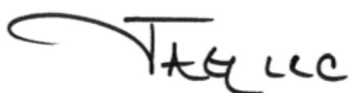
### **Report on Internal Control Over Compliance**

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 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, material weaknesses may exist that have not been identified.

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.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 16, 2020

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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	24106/24132	\$ -	\$ 1,731,430
Special Education Preschool Grants (IDEA B)	84.173	24109/24112	-	225,341
<i>Total Special Education Cluster</i>			-	1,956,771
Title I Grants to Local Educational Agencies	84.010	24101/24190	-	2,281,101
School Improvement Grants	84.377	24124	-	121,043
Education for Homeless Children and Youth	84.196	24113	-	14,881
English Language Acquisition	84.365	24153	-	3,406
Supporting Effective Instruction State Grants	84.367	24154	-	397,981
Student Support and Academic Enrichment Program	84.424	24189	-	53,243
Student Support and Academic Enrichment Program	84.424	24194	-	50,917
CARES Act	84.425	24301	-	39,998
Career and Technical Education - Basic Grants to States	84.048	24174/24176	-	75,420
<i>Subtotal - Pass-through State of New Mexico Public Education Department</i>			-	4,994,761
Direct U.S. Department of Education				
Impact Aid	84.041		-	788,687
<b>Total U.S. Department of Education</b>			-	5,783,448
<b>U.S. Department of Agriculture</b>				
Direct U.S. Department of Agriculture				
Rural Development, Forestry, and Communities	10.672		-	221,591
<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	-	40,597
<i>Pass-through State of New Mexico Public Education Department</i>				
Cash Assistance				
School Breakfast Program	10.553	21000	-	816,915
National School Lunch Program	10.555	21000	-	1,856,579
<i>Pass-through State of New Mexico Human Services Department</i>				
Non-Cash Assistance (Commodities)	10.555	21000	-	77,927
<i>Total Child Nutrition Cluster</i>			-	2,792,018
<b>Total U.S. Department of Agriculture</b>			-	3,013,609
<b>U.S. Department of Defense</b>				
Direct U.S. Department of Defense				
Impact Aid	12.558		-	393
Invitational Grants for Military-Connected Schools	12.557		-	306,852
<b>Total U.S. Department of Defense</b>			-	307,245
<b>Total Federal Financial Assistance</b>			\$ -	\$ 9,104,302

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, 2020**

**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, 2020. 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, 2020.

**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, 2020 was \$77,927. Commodities are recorded as revenues and expenditures in the Food Service fund.

**NOTE 5. INDIRECT COST RATE**

During the year ended June 30, 2020, the New Mexico Public Education Department reimbursed the District for indirect costs at 6.01%.

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

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 9,104,302
District as contractor relationship:	
Medicaid (Fund 25153)	877,632
Indirect cost recovery (Fund 11000)	50,272
Advance reimbursement grant (Impact Aid - Fund 25145)	32,889
Advance reimbursement grant (Alamo DOD - Fund 25179)	266,831
Operating transfer (Alamo DOD - Fund 25254)	(9,845)
Reporting differences	6,797
Federal revenue as reported in the financial statements	<u>\$ 10,328,878</u>

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Financial Statement Findings:**

2017-002	IT Access – Segregation of Duties	Repeated and modified
2018-002	Internal Controls Over the Payroll Disbursement Transaction Cycle	Resolved
2018-010	Salaries Paid in Advance	Resolved
2019-002	Transportation Ridership Reporting	Resolved

**Federal Award Findings:**

2017-005	Student Nutrition – Verification and Eligibility	Resolved
----------	--	----------

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

2018-011	Over-Expenditure of Budget	Repeated and modified
2019-007	Deficit Cash in Activity Fund	Resolved
2019-008	Compliance with School Personnel Act	Resolved

STATE OF NEW MEXICO  
 ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2020

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?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to financial statements noted?                         | No         |

**Federal Awards:**

- | 1. Internal control over major programs:  |  |                        |               |                           |        |  |  |
|---|--|------------------------|---------------|---------------------------|--------|--|--|
| a. Material weakness identified?  | No   |                        |               |                           |        |  |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | No   |                        |               |                           |        |  |  |
| 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)?   | No   |                        |               |                           |        |  |  |
| 4. Identification of major programs:  |  |                        |               |                           |        |  |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 40%;"><u>CFDA<br/>Number</u></th> <th style="text-align: center;"><u>Federal Program</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">84.027/84.173</td> <td style="text-align: center;">Special Education Cluster</td> </tr> <tr> <td style="text-align: center;">84.010</td> <td style="text-align: center;">Title I Grants to Local Educational Agencies</td> </tr> </tbody> </table> | <u>CFDA<br/>Number</u>                       | <u>Federal Program</u> | 84.027/84.173 | Special Education Cluster | 84.010 | Title I Grants to Local Educational Agencies |  |
| <u>CFDA<br/>Number</u>  | <u>Federal Program</u>                       |                        |               |                           |        |  |  |
| 84.027/84.173   | Special Education Cluster                    |                        |               |                           |        |  |  |
| 84.010  | Title I Grants to Local Educational Agencies |                        |               |                           |        |  |  |
| 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, 2020

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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**2020-001 (PREVIOUSLY REPORTED AS 2017-002) IT ACCESS - SEGREGATION OF DUTIES (REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

Four K12 Accounting vendor personnel are assigned full access to all modules in the Visions system (including general ledger, payroll, and purchasing), as well as the Coordinator of Technology. These employees should not have had this access. There was no evidence they made use of the access. However, it showed that the IT Director's review of access for segregation of duties and other risks was not effective.

The District has made progress towards this resolving this finding in fiscal year 2020. Management and IT personnel reviewed access and made several changes to the profile and rules of several users to appropriately limit access.

**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 employee 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, there is an increased risk of unauthorized or inaccurate changes in the accounting records.

**CAUSE**

The District did not implement all aspects of its Corrective Action Plan, including creating specific user roles for those users with full 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 functionality to improve controls where needed.

**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.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-001 (PREVIOUSLY REPORTED AS 2017-002) IT ACCESS - SEGREGATION OF DUTIES (REPEATED AND MODIFIED) (CONTINUED)**

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, 2021

**Responsible Party(ies):** 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, 2020**

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

**2020-002 SUPPORT FOR STUDENT NUTRITION BILLINGS**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

*Background*

During fiscal year 2020, the District switched to the Summer Seamless Option (SSO) as part of changes in response to the COVID-19 pandemic. Program requirements and waivers went through revisions throughout the spring, as school closures were extended and program eligibility and guidelines changed. A template to document and account for meals prepared, transferred, and distributed, was provided to the District by the Public Education Department. The third-party contractor was in charge of the program after District staff contracts ended in late May 2020.

We chose June 2020 for testing, as billings (federal revenue) for that month were nearly four times what it was under the Summer Meal Program in June 2019, and also higher than other Districts with more students. The District did, by all accounts, accomplish a focused and extremely successful summer program meal distribution with the new Director and contractor.

*Exceptions*

We noted the following individual exceptions:

- In one instance, 3 adult meals were tallied and included in the count for meals served and charged.
- The tally sheet was not done correctly at a location one day, and 2 extra meals were billed.
- The preparation and distributed amounts were equal in many cases.
- The amounts distributed varied daily and dramatically at some locations without explanation.

Also, we noted that the District was not accounting for prepared, transferred and distributed meals correctly:

- Some tally sheets did not show the amount of meals prepared.
- Transfers to other locations were listed, but math behind the transfers was not shown and matched to transfers-in and distribution at the other location.
- The amount of meals distributed exceeded the prepared amount on the tally sheet in three occasions. On one occasion, the sheet indicated that 300 meals were prepared and 393 were distributed.
- At one location, the tally sheet was completed and signed only one of the seventeen days reviewed for the month.

These differences could not be quantified without additional information that was not tracked.

**CRITERIA**

There are numerous waivers for the program. Program staff can simply keep a count of all meals served. Under the SSO, adults can purchase meals but not toward claiming a reimbursement. From the USDA Food and Nutrition Service website, a policy memo stated, "...state agencies must have a plan for ensuring that program operators are able to maintain accountability and program integrity. This includes putting in place processes to ensure that meals are distributed *only to parents or guardians of eligible children, and that duplicate SFSP or SSO meals are not distributed* to any child. State agencies may want to consult local program operators when developing their plans, as local program operators are best situated to determine how to provide these assurances."



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-002 SUPPORT FOR STUDENT NUTRITION BILLINGS (CONTINUED)**

**EFFECT**

There were some changes that could result in decreased revenues if claims were not allowed. Lack of oversight on the daily tallies creates questions over the accuracy and potential overcounts of meals served. Claims could be disallowed if meals distributed counts are not accurately completed and supported with documentation.

**CAUSE**

The program and methodologies changed as waivers and operational plans evolved. Good intentions to feed the community during the lockdown were a top concern. As the contractor is paid for each meal distributed, incentives may exist to distribute as many meals as possible. Any internal controls the District has over the program may be circumvented by having the third-party oversee distribution of meals without sufficient District oversight.

**RECOMMENDATION**

We recommend stronger controls over count sheets, accountability, supporting documentation, and oversight of the meal programs.

**MANAGEMENT RESPONSE**

**Corrective Action:** APS Student Nutrition faced unprecedented challenges during the Covid crisis. Understanding the importance of district-provided meals to our community, the SNS team worked tirelessly to provide a stable and uninterrupted supply of food to our neediest students.

We partnered with our transportation department to deliver meals in remote bus route areas and established fixed distribution sites at schools and remote community locations using our buses and food truck. We made use of our national partner, A'viands, to ensure an uninterrupted supply chain of food during a time of nationwide food scarcity.

Not only were our physical plants shuttered, the SNS staff were exposed to the general public and potential infection by the nature of the meal distribution. The uneven meal distribution numbers mentioned in the finding were due to our plan to minimize face to face contact for our staff, decreasing the risk of infection transmission. For example, schools distributed one set of meals Monday. They distributed two sets of meals on both Tuesday and Thursday, with no distribution (and no contact) for our staff on Wednesday and Friday.

It should be noted that both the APS Student Nutrition Coordinator and the partner food service entity A'viands District Manager started in their positions as the Covid crisis descended.

In terms of accountability, our SNS Coordinator is ultimately responsible for verifying and reporting our numbers to state and federal program managers. We have reviewed and strengthened our internal procedures and put plans in place that serve us in times of crisis and school shutdowns as well as when we eventually return to normal operations.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-002    SUPPORT FOR STUDENT NUTRITION BILLINGS (CONTINUED)**

APS Student Nutrition is a leader in the nation for the proactive measures and creative approaches employed to ensure that our community did not go hungry during a time of crisis.

**Due Date of Completion:** Immediate and ongoing

**Responsible Party(ies):** APS Student Nutrition Coordinator

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-003    PROCUREMENT**

**TYPE OF FINDING:** Significant Deficiency and Other Non-Compliance

**CONDITION**

During fiscal year 2020, Alamogordo Public Schools did not go through a formal Invitation to Bid (ITB) or Request for Proposal (RFP) process. The Chief Procurement Officer (CPO) determined that the process called for a sole source procurement because the individual had experience performing grant-writing services with the grant in question. However, a sole source can only be granted in accordance with 13-1-126 NMSA if there is only one source that can provide that service. There are likely other grant-writers capable of performing these services.

**CRITERIA**

NMSA 13-1-126. "Sole source procurement. A contract may be awarded without competitive sealed bids or competitive sealed proposals regardless of the estimated cost when the state purchasing agent or a central purchasing office makes a determination, after conducting a good-faith review of available sources and consulting the using agency, that there is only *one source* for the required service, construction or item of tangible personal property. The state purchasing agent, or a central purchasing office shall conduct negotiations, as appropriate, as to price, delivery and quantity in order to obtain the price most advantageous to the state agency or a local public body. A contract for the purchase of research consultant services by institutions of higher learning constitutes a sole source procurement."

**EFFECT**

The District is in violation of NMSA 13-1-126.

The lack of a formal ITB or RFP could result in the district not obtaining the best price or best service. Additionally, without an independent legal sufficiency review by someone with the proper training in contracts, a contract created by the vendor may not provide language that is in the best interest of the District.

**CAUSE**

The CPO made a sole source determination that did not meet the prerequisites of a sole source procurement.

**RECOMMENDATION**

We recommend that the procurement of all contracts follow the districts procurement policy. Additionally, prior to execution of the contracts, we recommend all professional service contracts go through a centralized formal legal sufficiency review to ensure the contracts are in the districts best interest and meet state statutes.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-003    PROCUREMENT (CONTINUED)**

**MANAGEMENT RESPONSE**

**Corrective Action:** APS is always focused on full transparency and adherence to both the letter and spirit of procurement statutes. Going forward, we will adopt the recommendation arising from this audit finding and employ a different type of procurement for grant programs.

**Due Date of Completion:** June 30, 2021

**Responsible Party:** Chief Procurement Officer

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-004 ACTIVITY FUND CASH RECEIPTS**

**TYPE OF FINDING:** Significant Deficiency and Other Non-compliance

**CONDITION**

During our internal control test work over a sample of fifteen activity fund deposits, we noted the following issues:

- Two deposits contained receipts totaling \$2,675 that were not deposited within 24 hours.
- One deposit contained a receipt totaling \$1,696 where the pre-numbered receipt was not signed.
- One deposit contained a receipt totaling \$459 that was missing a deposit ticket
- One deposit contained a receipt totaling \$94 that had no evidence of being reviewed prior to deposit.

**CRITERIA**

Per NMAC 6.20.2.14, “

- A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
- A. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
- B. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.”

**EFFECT**

The District is not in compliance with NMAC 6.20.2.14.

**CAUSE**

Internal controls were not properly implemented to ensure receipts were deposited within 24-hours, reviewed, signed and attached to the deposit ticket. The District appears to conduct training over this area and has controls in place to detect the occurrence of these violations after they happen, and is taking action to counsel individuals violating the standard, however these actions have not yet been entirely effective in preventing violations.

**RECOMMENDATION**

We recommend continuing to assess risk over each cash receipts revenue stream at each school, frequently monitoring controls that are then implemented over activity funds and holding employees accountable for non-compliance with policies and procedures.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**2020-004 ACTIVITY FUND CASH RECEIPTS (CONTINUED)**

**MANAGEMENT RESPONSE**

**Corrective Action:** Due to COVID-19, the District had restricted non-essential personnel for a portion of the year and did not have all the usual employees on-site. The District is working to identify alternative procedures for cash receipts when on-site personnel are limited due to COVID-19. The various individuals involved in the collection and deposits of cash receipts will be trained on this plan to meet the requirements of NMAC 6.20.2.14.

**Due Date of Completion:** December 31, 2020

**Responsible Party(ies):** Various school site administrative assistants responsible for cash receipts.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**2020-005 (PREVIOUSLY REPORTED AS 2018-011) OVER-EXPENDITURE OF BUDGET (REPEATED AND MODIFIED)**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

The District has the following major function line items where actual expenditures exceeded budgetary authority:

Major Funds	
General Fund (11000)	
Non-instructional Support Services	\$ 15,966
Nonmajor Funds	
Food Service Fund (21000)	
Non-instructional Support Services	<u>772,211</u>
	<u>\$ 788,177</u>

The District has not made significant progress on the condition of this finding from the prior year.

**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”.

**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.

**CAUSE**

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

**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 District experienced tremendous challenges with the outbreak of Covid-19. During the months of March and April, the State and the Public Education Department issued guidance regarding the Stay-At-Home Order resulting in the District being shutdown with the exception of the food service department. The District made the decision to ensure that staff and the local community had the stability of the school District behind them.

**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**2020-005 (PREVIOUSLY REPORTED AS 2018-011) OVER-EXPENDITURE OF BUDGET (REPEATED AND MODIFIED)  
(CONTINUED)**

The District worked tirelessly to ensure that they provided a supply of food to their students. The amount of meals served far exceeded any previous month and required the assistance of additional personnel to assist with the preparation and distribution of school lunches while also meeting the required social distancing and additional guidance provided by the State.

The increase in the number of lunches provided as well as the increase in staff members assisting the food service department resulted in a large increase in meal expenditures as well as salary and benefits. The timing of the pandemic and unexpected increase in revenues did not allow proper time to increase the budgeted revenue to be in line with the additional meals served. This resulted in a large budget variance due to the revenues having not been properly increased to match the increase in meals served during the shutdown. The District and the business office will ensure that revenues are properly adjusted throughout the year to closely match the projected amount of revenues to be received based on the amount of meals being provided.

In addition to the above-mentioned conditions, this was also the first full year of services provided by a third-party food service contractor. Covid-19 created additional costs that were unforeseen for both the District as well as the food service contractor. The District is working closely with the third-party food service contractor to ensure that all expenditures/revenues are in-line with the agreed upon contract while ensuring that any additional expenditures related to Covid-19 are accounted for correctly. The District is also working on obtaining additional funding to help cover the additional costs associated with the serving of meals during the Covid-19 pandemic.

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

**Responsible Party:** Business Manager and Food Services Director



**STATE OF NEW MEXICO  
ALAMOGORDO MUNICIPAL SCHOOL DISTRICT  
EXIT CONFERENCE  
JUNE 30, 2020**

The contents of this report were discussed, in a closed session, on November 16, 2020 with Alamogordo Municipal School District. The following individuals were in attendance:

**Alamogordo Municipal School District**

Angela Cadwallader, Board President  
Jerrett Perry, Superintendent  
Colleen Tagle, Deputy Superintendent for Support Services and Human Resources  
Bryan Runyan, Contract Business Manager

**Jaramillo Accounting Group LLC (JAG)**

Audrey Jaramillo, CPA, CFE, Managing Partner  
Scott Eliason, CPA, Partner  
Justin Mehnert, Supervisor  
Steve Holiday, Audit Senior

*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.*

## **CORRECTIVE ACTION PLAN**



## CORRECTIVE ACTION PLAN

November 16, 2020

US Department of Education

Alamogordo Municipal School District respectfully submits the following corrective action plan for the year ended June 30, 2020.

Name and address of independent public accounting firm:

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

Audit period:

**June 30, 2020**

The findings from the June 30, 2020 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

**2020-001 (PREVIOUSLY REPORTED AS 2017-002) IT 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 functionality to improve controls where needed.

#### **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, 2021

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

## **2020-002 SUPPORT FOR STUDENT NUTRITION BILLINGS**

### **RECOMMENDATION**

We recommend stronger controls over count sheets, accountability, supporting documentation, and oversight of the meal programs.

### **MANAGEMENT RESPONSE**

**Corrective Action:** APS Student Nutrition faced unprecedented challenges during the COVID crisis. Understanding the importance of district-provided meals to our community, the SNS team worked tirelessly to provide a stable and uninterrupted supply of food to our neediest students.

We partnered with our transportation department to deliver meals in remote bus route areas and established fixed distribution sites at schools and remote community locations using our buses and food truck. We made use of our national partner, A'viands, to ensure an uninterrupted supply chain of food during a time of nationwide food scarcity.

Not only were our physical plants shuttered, the SNS staff were exposed to the general public and potential infection by the nature of the meal distribution. The uneven meal distribution numbers mentioned in the finding were due to our plan to minimize face to face contact for our staff, decreasing the risk of infection transmission. For example, schools distributed one set of meals Monday. They distributed two sets of meals on both Tuesday and Thursday, with no distribution (and no contact) for our staff on Wednesday and Friday.

It should be noted that both the APS Student Nutrition Coordinator and the partner food service entity A'viands District Manager started in their positions as the COVID crisis descended.

In terms of accountability, our SNS Coordinator is ultimately responsible for verifying and reporting our numbers to state and federal program managers. We have reviewed and strengthened our internal procedures and put plans in place that serve us in times of crisis and school shutdowns as well as when we eventually return to normal operations.

APS Student Nutrition is a leader in the nation for the proactive measures and creative approaches employed to ensure that our community did not go hungry during a time of crisis.

**Due Date of Completion:** Immediate and ongoing

**Responsible Party(ies):** APS Student Nutrition Coordinator

## **SIGNIFICANT DEFICIENCY and OTHER NON-COMPLIANCE**

### **2020-003 PROCUREMENT**

#### **RECOMMENDATION**

We recommend that the procurement of all contracts follow the districts procurement policy. Additionally, prior to execution of the contracts, we recommend all professional service contracts go through a centralized formal legal sufficiency review to ensure the contracts are in the districts best interest and meet state statutes.

**MANAGEMENT RESPONSE**

**Corrective Action:** APS is always focused on full transparency and adherence to both the letter and spirit of procurement statutes. Going forward, we will adopt the recommendation arising from this audit finding and employ a different type of procurement for grant programs.

**Due Date of Completion:** June 30, 2021

**Responsible Party:** Chief Procurement Officer

**2020-004 ACTIVITY FUND CASH RECEIPTS**

**RECOMMENDATION**

We recommend continuing to assess risk over each cash receipts revenue stream at each school, frequently monitoring controls that are then implemented over activity funds and holding employees accountable for non-compliance with policies and procedures.

**MANAGEMENT RESPONSE**

**Corrective Action:** Due to COVID-19, the District had restricted non-essential personnel for a portion of the year and did not have all the usual employees on-site. The District is working to identify alternative procedures for cash receipts when on-site personnel are limited due to COVID-19. The various individuals involved in the collection and deposits of cash receipts will be trained on this plan to meet the requirements of NMAC 6.20.2.14.

**Due Date of Completion:** December 31, 2020

**Responsible Party(ies):** Various school site administrative assistants responsible for cash receipts.

If the US Department of Education has questions regarding this plan, please call me at 575-993-3063.

Sincerely yours,



Bryan Runyan, CPA  
Contract Accountant