

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

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JUNE 30, 2009

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DES MOINES MUNICIPAL SCHOOLS

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STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

JUNE 30, 2009

OFFICIAL ROSTER

BOARD OF EDUCATION

Damon Brown	President
Alfred Newkirk	Vice President
Cindy Kennedy	Secretary
Gerard Karr	Member
Kirk Kennedy	Member

SCHOOL OFFICIALS

Garrett Bosarge	Superintendent
Justin Sumpter	Business Manager

Portales
Clovis

RWA

Roy Woodard & Associates

Certified Public Accountants

116 East Grand, P.O. Box 1874, Clovis, New Mexico 88102 Office (575) 762-3811 Fax (575) 762-3866

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Des Moines Municipal Schools
Des Moines, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Des Moines Municipal Schools (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Des Moines Municipal School's non-major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Des Moines Municipal School's management. Our responsibility is to express an opinion 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 with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Des Moines Municipal Schools, as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General, Title I, NM Community Foundation, and School Based Health Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental and fiduciary fund of Des Moines Municipal Schools, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison statements for Bond Building, Special Capital Outlay State, Ed Tech Equipment Act, Debt Service and Ed Tech Debt Service Funds, each non-major special revenue fund, capital projects fund and debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2010, on our consideration of Des Moines Municipal School's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

Des Moines municipal Schools have not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Des Moines Municipal Schools. The accompanying other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Des Moines Municipal Schools. This information and the schedule of change in assets and liabilities agency funds are not a required part of the basic financial statements of Des Moines Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Roy Woodard & Associates

August 12, 2010

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 672,502
Due from other governments	51,319
Food Inventory	18
Non-current:	
Bond issuance costs, net	47,840
Capital assets, net	<u>4,731,294</u>
Total assets	<u>5,502,973</u>
<u>LIABILITIES</u>	
Interest payable	5,203
Accounts payable	30,168
Deferred revenue	112,731
Noncurrent liabilities:	
Due within one year	185,000
Due in more than one year	<u>275,000</u>
Total liabilities	<u>608,102</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	4,271,294
Restricted:	
Debt service	164,785
Capital projects	206,877
Unrestricted	<u>251,915</u>
Total net assets	<u>\$ 4,894,871</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 1,128,061	\$ 14,940	\$ 87,144	\$ -	\$ (1,025,977)
Support Services	13,012	-	13,012	-	-
Support Services Students	238,361	-	100,148	-	(138,213)
Support Services Instruction	10,378	-	27	-	(10,351)
Support Services General Administration	180,186	-	461	-	(179,725)
Support Services School Administration	84,053	-	-	-	(84,053)
Central Services	92,368	-	-	-	(92,368)
Operation and Maintenance of Plant	231,023	-	7,569	-	(223,454)
Student Transportation	241,584	-	228,450	-	(13,134)
Other Support Services	-	-	-	-	-
Food Services Operations	92,107	16,823	31,596	-	(43,688)
Bond interest paid	21,449	-	-	-	(21,449)
Amortization/Unallocated	17,605	5,114	28,913	-	16,422
Total governmental activities	\$ 2,350,187	\$ 36,877	\$ 497,320	\$ -	(1,815,990)

General revenues:

Property Taxes:

General purpose	10,492
Debt service	113,355
Capital projects	46,133
Grant & contributions not restricted	382,258
State equalization	1,087,618
Unrestricted investment earnings	5,347
Miscellaneous income	15,930
Total general revenues	<u>1,661,133</u>

Change in net assets (154,857)

Beginning net assets	5,035,221
Restatements	14,507
Beginning net assets as restated	<u>5,049,728</u>
Ending net assets	\$ <u>4,894,871</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>GENERAL</u>	<u>TITLE I</u>	<u>NM COMMUNITY FOUNDATION</u>	<u>SCHOOL BASED HEALTH</u>
ASSETS				
Cash on Deposit	\$ 67,726	\$ 23,668	\$ 30,716	\$ 44,514
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	52	-	-	-
State	-	-	-	-
Federal	-	16,332	-	-
Inventories	-	-	-	-
Due from Other Funds	115,483	-	-	-
Prepaid expenditures	-	-	-	-
TOTAL ASSETS	\$ 183,261	\$ 40,000	\$ 30,716	\$ 44,514
LIABILITIES				
Interest Payable	-	-	-	-
Accounts Payable	14,262	-	-	-
Deferred Revenue	-	-	30,716	44,514
Due to Other Funds	-	40,000	-	-
TOTAL LIABILITIES	14,262	40,000	30,716	44,514
FUND BALANCE				
Fund Balance				
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Unreserved, reported in:				
General Funds	168,999	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	168,999	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 183,261	\$ 40,000	\$ 30,716	\$ 44,514

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

EXHIBIT C

	BOND BUILDING	SCO - STATE	ED. TECH EQUIPMENT ACT	DEBT SERVICE	ED TECH DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$	92,781	\$ -	\$ 156,324	\$ 86,692	\$ 82,281	\$ 87,800	\$ 672,502
	-	-	-	-	-	-	-
	-	-	-	530	485	302	1,369
	-	-	-	-	-	17,671	17,671
	-	-	-	-	-	15,947	32,279
	-	-	-	-	-	18	18
	-	-	-	-	-	-	115,483
	-	-	-	-	-	-	-
\$	<u>92,781</u>	<u>\$ -</u>	<u>\$ 156,324</u>	<u>\$ 87,222</u>	<u>\$ 82,766</u>	<u>\$ 121,738</u>	<u>\$ 839,322</u>
	3,135	-	-	2,797	2,406	-	5,203
	-	-	12,771	-	-	-	30,168
	-	-	-	-	-	37,501	112,731
	-	26,322	-	-	-	49,161	115,483
	3,135	26,322	12,771	2,797	2,406	86,662	263,585
	-	-	-	84,425	80,360	-	164,785
	-	-	-	-	-	18	18
	-	-	-	-	-	-	168,999
	-	-	-	-	-	35,058	35,058
	89,646	(26,322)	143,553	-	-	-	206,877
	<u>89,646</u>	<u>(26,322)</u>	<u>143,553</u>	<u>84,425</u>	<u>80,360</u>	<u>35,076</u>	<u>575,737</u>
\$	<u>92,781</u>	<u>\$ -</u>	<u>\$ 156,324</u>	<u>\$ 87,222</u>	<u>\$ 82,766</u>	<u>\$ 121,738</u>	<u>\$ 839,322</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

JUNE 30, 2009

Amounts reported for governmental activities in the statement of net assets are different because:

Fund Balances - total governmental funds	\$	575,737
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		4,731,294
Bond issuance costs used are not current period financial resources and are not reported in the funds		47,840
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		<u>(460,000)</u>
Net assets of governmental activities	\$	<u><u>4,894,871</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	GENERAL	TITLE I	NM COMMUNITY FOUNDATION	SCHOOL BASED HEALTH
REVENUE				
Federal Programs	\$ 11,258	\$ 15,951	\$ -	\$ -
State Programs	607,868	-	-	-
Local Programs	8,645	-	2,514	52,622
State Equalization	1,087,618	-	-	-
Taxes	10,491	-	-	-
Service Revenues	-	-	-	-
Interest	1,329	-	-	-
Other revenue sources	1,628	74	-	26
TOTAL REVENUES	<u>1,728,837</u>	<u>16,025</u>	<u>2,514</u>	<u>52,648</u>
EXPENDITURES				
Current				
Instruction	792,565	16,025	-	-
Support Services	-	-	-	-
Support Services Students	123,185	-	2,514	45,053
Support Services Instruction	5,256	-	-	-
Support Services General Administration	167,885	-	-	-
Support Services School Administration	77,132	-	-	-
Central Services	87,424	-	-	-
Operation and Maintenance of Plant	212,552	-	-	7,595
Student Transportation	228,730	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	34,602	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>1,729,331</u>	<u>16,025</u>	<u>2,514</u>	<u>52,648</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES				
	<u>(494)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances				
	(494)	-	-	-
FUND BALANCE				
Beginning fund balance	169,493	-	-	-
Restatement	-	-	-	-
Beginning fund balance as restated	<u>169,493</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
June 30, 2009	<u>\$ 168,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT E

BOND BUILDING	SCO - STATE	ED TECH EQUIPMENT ACT	DEBT SERVICE	ED TECH DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,072	\$ 87,281
-	-	-	-	-	123,420	731,288
-	-	-	-	-	42,750	106,531
-	-	-	-	-	-	1,087,618
-	-	-	33,124	80,232	46,133	169,980
-	-	-	-	-	-	-
660	-	1,065	1,335	695	263	5,347
-	-	-	-	-	5,557	7,285
<u>660</u>	<u>-</u>	<u>1,065</u>	<u>34,459</u>	<u>80,927</u>	<u>278,195</u>	<u>2,195,330</u>
-	-	-	-	-	81,902	890,492
-	-	-	-	-	13,012	13,012
-	-	-	-	-	56,416	227,168
-	-	-	-	-	-	5,256
-	-	-	2,136	805	461	171,287
-	-	-	-	-	-	77,132
-	-	-	-	-	-	87,424
-	-	-	-	-	-	220,147
-	-	-	-	-	-	228,730
-	-	-	-	-	-	-
-	-	-	-	-	39,213	73,815
23,897	-	37,750	-	-	57,298	118,945
-	-	-	110,000	70,000	-	180,000
-	-	-	15,441	6,008	-	21,449
<u>23,897</u>	<u>-</u>	<u>37,750</u>	<u>127,577</u>	<u>76,813</u>	<u>248,302</u>	<u>2,314,857</u>
<u>(23,237)</u>	<u>-</u>	<u>(36,685)</u>	<u>(93,118)</u>	<u>4,114</u>	<u>29,893</u>	<u>(119,527)</u>
(23,237)	-	(36,685)	(93,118)	4,114	29,893	(119,527)
112,883	(26,322)	180,238	177,543	76,246	9,228	699,309
-	-	-	-	-	(4,045)	(4,045)
<u>112,883</u>	<u>(26,322)</u>	<u>180,238</u>	<u>177,543</u>	<u>76,246</u>	<u>5,183</u>	<u>695,264</u>
<u>\$ 89,646</u>	<u>\$ (26,322)</u>	<u>\$ 143,553</u>	<u>\$ 84,425</u>	<u>\$ 80,360</u>	<u>\$ 35,076</u>	<u>\$ 575,737</u>

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

EXHIBIT F

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE -
 ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ (119,527)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays expended in the current year	-
Government funds report bond issuance costs as expenditures. However, in the statement of activities bond issuance costs are amortized over the life of the bond. This is the amount of bond issuance costs in the current year	(17,605)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
The issuance of long-term debt (e.g., bonds) provides current financial resources to the 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, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	-
Expenses in Statement of Activities which do not require use of current financial resources i.e. Depreciation, Amortization	(197,725)
Bond Principal	<u>180,000</u>
Change in Net Assets	<u>\$ (154,857)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT G

COMBINED STATEMENT OF REVENUE, EXPENDITURES--BUDGET
(NON-GAAP) AND ACTUAL--GENERAL FUND

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Sources	\$ 2,500	\$ 2,500	\$ 11,258	\$ 8,758
State Sources	1,784,968	1,726,261	1,695,486	(30,775)
Local Sources	24,466	24,466	22,089	(2,377)
TOTAL REVENUE	<u>1,811,934</u>	<u>1,753,227</u>	<u>\$ 1,728,833</u>	<u>\$ (24,394)</u>
BUDGETED CASH BALANCE	<u>1,432</u>	<u>1,432</u>		
TOTAL REVENUE & CASH	<u>\$ 1,813,366</u>	<u>\$ 1,754,659</u>		
EXPENDITURES				
Current				
Instruction	\$ 819,370	\$ 795,272	\$ 792,565	\$ 2,707
Support Services	-	-	-	-
Support Services Students	131,344	131,344	123,185	8,159
Support Services Instruction	21,346	11,346	5,256	6,090
Support Services General Administration	162,017	157,115	167,885	(10,770)
Support Services School Administration	77,606	77,606	77,132	474
Central Services	86,302	86,302	87,424	(1,122)
Operation and Maintenance of Plant	264,900	224,052	212,552	11,500
Student Transportation	238,568	259,709	228,730	30,979
Other Support Services	1,413	1,413	-	1,413
Non-Instructional Support	-	-	-	-
Food Services Operations	10,500	10,500	34,602	(24,102)
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,813,366</u>	<u>\$ 1,754,659</u>	<u>\$ 1,729,331</u>	<u>\$ 25,328</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 26,828	\$ 26,828	\$ 17,142	\$ (9,686)
State Revenue	-	-	-	-
Local Revenue	-	-	74	74
TOTAL REVENUE	<u>26,828</u>	<u>26,828</u>	<u>17,216</u>	<u>(9,612)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ 26,828</u>	 <u>\$ 26,828</u>		
 EXPENDITURES				
Current				
Instruction	\$ 26,828	\$ 26,828	\$ 16,025	\$ 10,803
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 26,828</u>	<u>\$ 26,828</u>	<u>\$ 16,025</u>	<u>\$ 10,803</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT I

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--NM COMMUNITY FOUNDATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	2,514	(2,514)
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,514</u>	<u>\$ (2,514)</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT J

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--SCHOOL BASED HEALTH CENTER

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	60,000	60,000	58,376	(1,624)
TOTAL REVENUE	60,000	60,000	\$ 58,376	\$ (1,624)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 60,000	\$ 60,000		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	46,870	46,870	45,053	1,817
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	13,130	13,130	7,595	5,535
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	\$ 60,000	\$ 60,000	\$ 52,648	\$ 7,352

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

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

EXHIBIT K

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Employee Retirement Plan	AGENCY FUNDS
ASSETS		
Cash on Deposit	\$ -	\$ 15,968
Investments, at fair value		
Certificates of Deposit	-	55,382
Mutual Funds	49,646	
TOTAL ASSETS	<u>\$ 49,646</u>	<u>\$ 71,350</u>
LIABILITIES		
Deposits held for others	\$ -	\$ 71,350
TOTAL LIABILITIES	<u>-</u>	<u>\$ 71,350</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	49,646	
TOTAL NET ASSETS	<u>\$ 49,646</u>	

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT L

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

JUNE 30, 2009

	Employee Retirement Plan
ADDITIONS:	
Contributions:	
Plan Members	\$ 13,745
Total contributions	<u>13,745</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	(1,700)
Total investment earnings	<u>(1,700)</u>
Less investment expense	-
Net investment earnings	<u>(1,700)</u>
TOTAL ADDITIONS	<u>12,045</u>
DEDUCTIONS	
Benefits	-
Refunds of contributions	14,990
Administrative expenses	-
TOTAL DEDUCTIONS	<u>14,990</u>
CHANGE IN NET ASSETS	(2,945)
Net Assets -- beginning of the year	52,591
Net Assets -- end of the year	<u>\$ 49,646</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

During the fiscal year 2007 the Des Moines Municipal Schools implemented GASB Statements No. 33 (GASB 33), Accounting and Financial Reporting for Non-exchange Transactions, GASB Statement No. 34 (GASB 34), Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and GASB Statement No. 38 (GASB 38), Certain Financial Statements Disclosure. At July 1, 2001, there was no effect on fund balance as a result of implementing GASB 33, GASB 34, GASB 37 and GASB 38.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after thirty (30) days.

GASB – 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

B. Reporting Entity

Des Moines Municipal School District is a special purpose government entity 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 all activities related to the public school education in the City of Des Moines and surrounding area. 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 summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of Des Moines Municipal School District’s management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

The District does not have any component units required to be disclosed.

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

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 and other items not properly included among program revenues are reported instead as general revenues.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-wide and fund financial statements (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.

D. 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. 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, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. 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. 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.

Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB33.

The government reports the following major governmental funds:

General Fund – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Title I – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 efseq.

NM Community Foundation – Special Revenue – to account for monies provided by the Atlantic Philanthropies to fund the New Mexico Integrated Services in Schools Initiative, which is designed to enable middle school students to succeed in school and their communities. Authority for creation of this fund is provided by the grantor and the Des Moines School Board.

School Based Health Centers – To account for monies provided by the state for the purpose of providing a health center on campus for students. Authority for this fund is provided by the grantor and the Des Moines school board.

Bond Building Capital Projects Fund – to account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Capital Outlay-State – To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

Ed Tech Equipment Act Capital Projects – to ensure that American children have skills they need to succeed in the information intensive 21st 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 teachers with the professional development they need to use new technologies effectively; connecting classrooms to the National 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 Fiscal Year 1996, Public Law 104-106.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Educational Technology Debt Service – to receive revenue for the payment of interest and principal on debt incurred in the expansion of technology in the District.

Fiduciary Agency Fund – to account for assets held by the District in a trustee capacity or as an agent.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. 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.

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow the above investment policies.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

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.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool 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. As of June 30, 2009 the District had no funds invested with the State Treasurer.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2009 fiscal year was \$22,796,636. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, 20% Capital Outlay Fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The District is capitalizing qualifying software, library books, and assets constructed by District personnel as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

The District does not allow employees to accumulate vacation or annual leave. Thus, there are no compensated absences.

6. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 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 debt proceeds received, are reported as capital projects expenditures.

7. Fund equity

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; 2) imposed by law through constitutional provisions or enabling legislation. Total restricted net assets of \$371,662 are comprised of Capital Projects \$206,871 and Debt Service \$164,785.

8. Indirect Costs

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

9. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

10. 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.

11. 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 insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

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. The District received \$1,087,618 in state equalization guarantee distributions during the year ended June 30, 2009.

Transportation Distribution: School districts in the State of New Mexico received 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 to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$228,450 in transportation distributions during the year ended June 30, 2009, which included an emergency fuel supplement.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$460,000 difference are as follows:

Bonds Payable	<u>\$460,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$460,000</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the amount by which capital outlays exceeded depreciation in the current period are as follows:

Capital Outlay	\$ -
Depreciation expense	<u>(197,725)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$(197,725)</u>

Another element of that reconciliation explains that “government funds report bond issuance costs as expenditures. However, in the statement of activities the cost of these expenditures are allocated over the term of the bonds as amortization expense.” The details of the amount by which bond issuance costs exceeded amortization in the current period are as follows:

Bond issuance cost	\$ -
Amortization expense	<u>(17,605)</u>
Net adjustment to increase net changes in Balances – total government funds to Arrive at changes in net assets of Governmental activities	<u>\$(17,605)</u>

A third element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, 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.” This amount is the net effect of these differences in the treatment of long-term debt and related items.

General obligation debt retired	<u>\$ 180,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 180,000</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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 Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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

Actual expenditures may not exceed the budget on at the function level, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance 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:

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- 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 school board and the State of New Mexico Department of Education.
- 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 school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary information (continued)

- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2009, was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 1,813,366	\$ 1,754,659
Special Revenue Fund	277,003	418,118
Debt Service Fund	249,676	249,676
Capital Projects Fund	436,503	436,503
Totals	<u>\$ 2,776,548</u>	<u>\$ 2,858,828</u>

B. Deficit fund equity

At June 30, 2009 deficit fund balances consisted of: Special Capital Outlay – State \$26,322.

The District is evaluating the need to transfer cash from the operational fund to eliminate the deficit balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2009, the carrying amount of the District's deposits was \$ 743,852 and the bank balance was \$ 843,592. Of this balance \$ 240,122 was covered by federal depository insurance and \$ 603,470 was covered by collateral held in joint safekeeping by a third party in the entities name.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The collateral pledged is listed on page 61 of this report. 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.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Collateral requirements are as follows:

Farmers & Stockman's Bank	Total Deposits	\$ 843,592
	Less: FDIC coverage	<u>(240,122)</u>
	Uninsured Public Funds	603,470
	Pledged collateral held by pledging bank's agent in the District's name	<u>823,930</u>
	Uninsured and un-collateralized	<u><u>-0-</u></u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the direct obligations of the United States government or are agencies sponsored by the United States government. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary.

B. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009, none of the government's bank balance of \$ 843,592 was exposed to custodial credit risk. As of June 30, 2009 the government bank governments bank balance was 100% collateralized.

Uninsured and un-collateralized \$ _____

C. Receivables

Receivables as of year end for the government's individual major funds and non-major funds in the aggregate, including the following:

	General	Title I	Debt Service	Ed. Tech Debt Service	Non Major Governmental	TOTAL
Taxes:						
Property	\$ 52	\$ -	\$ 530	\$ 485	\$ 302	\$ 1,369
Intergovernmental						
Grants:						
Federal	-	16,332	-	-	15,947	32,279
State	-	-	-	-	16,785	16,785
Other:	-	-	-	-	-	-
	<u>\$ 52</u>	<u>\$ 16,332</u>	<u>\$ 530</u>	<u>\$ 485</u>	<u>\$ 33,034</u>	<u>\$ 50,433</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Receivables (continued)

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Amount due to the District from delinquent property tax due to the County Treasurers were not available. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ <u>112,731</u>
Total deferred/unearned revenue for governmental funds	\$ <u>112,731</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Capital assets, being depreciated:				
Land improvements	449,457	-	-	449,457
Buildings & building improvements	5,666,511	-	-	5,666,511
Furniture & Fixtures	157,016	-	-	157,016
Vehicles	213,229	-	-	213,229
Equipment	537,212	-	-	537,212
Total Capital Assets being depreciated	7,023,425	-	-	7,023,425
Less accumulated depreciation for:				
Land improvements	80,422	20,651	-	101,073
Buildings & building improvements	1,311,958	136,755	-	1,448,713
Furniture & Fixtures	87,352	7,128	-	94,480
Vehicles	143,718	11,951	-	155,669
Equipment	471,956	21,240	-	493,196
Total accumulated depreciation	2,095,406	197,725	-	2,293,131
Total Capital assets, being depreciated, net	4,928,019	(197,725)	-	4,730,294
Governmental activities capital assets, net	<u>\$ 4,929,019</u>	<u>\$ (197,725)</u>	<u>\$ -</u>	<u>\$ 4,731,294</u>

STATE OF NEW MEXICO
DES MOINES CONSOLIDATED SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

The School District has prepared the capital asset listing for the GASB 34 implementation, and has taken the inventory and adjusted the capital assets to the cost or estimated cost, and also deleted all assets with a cost of less than \$1,000.

Depreciation expense was charged to function/programs of the School District as follows:

Instruction	\$ 118,624
Support Services	-
Support Services Students	11,193
Support Services Instruction	5,122
Support Services General Administration	8,899
Support Services School Administration	6,921
Central Services	4,944
Operation and Maintenance of Plant	10,876
Student Transportation	12,854
Other Support Services	-
Food Services Operations	<u>18,292</u>
Total	<u><u>197,725</u></u>

Bond issuance costs are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Prior Period Corrections</u>	<u>Beginning Balance as Adjusted</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond issuance costs	\$ 75,035	\$ 56,901	\$ 131,936	\$ -	\$ -	\$ 131,936
Less accumulated amortization	<u>28,142</u>	<u>38,349</u>	<u>66,491</u>	<u>17,605</u>	<u>-</u>	<u>\$ 84,096</u>
Bond issuance costs, net	<u>\$ 46,893</u>	<u>\$ 18,552</u>	<u>\$ 65,445</u>	<u>\$ (17,605)</u>	<u>\$ -</u>	<u>\$ 47,840</u>

STATE OF NEW MEXICO
DES MOINES CONSOLIDATED SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities
Bonds Payable

A summary in changes in long-term obligations follows:

	Balance 7-1-2008	Bonds Issued	Bonds Redeemed	Balance 6-30-2009	Due in 2009-10
\$500,000 1998 GO Building Bonds due in annual installments of \$10,000 to \$70,000 through May 2010, interest at 4.4% to 6.4%	\$ 135,000	\$ -	\$ 65,000	\$ 70,000	\$ 70,000
\$200,000 2003 GO Building Bonds due in annual installments of \$20,000 to \$30,000 thru October 2013, interest at 2.85% to 4.35%	155,000	-	25,000	130,000	25,000
\$175,000 2004 GO Building Bonds due in annual installments of \$15,000 to \$20,000 through October 2014, interest at 3%	140,000	-	20,000	120,000	20,000
\$260,000 2006 ED TECH Notes due in annual installments of \$50,000 to \$70,000 thru August 2010, interest at 4.0% to 4.125%	210,000	-	70,000	140,000	70,000
Total	<u>\$ 640,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 460,000</u>	<u>\$ 185,000</u>

GO Bonds have been liquidated in prior years by the Debt Service Fund. The District has no compensated absences.

The annual requirements to amortize all bonded debt outstanding as of June 30, 2009, including interest of \$ 34,098 are shown below:

Fiscal Year Ended June 30, 2009	5/1/1998 GO	4/15/2003 GO	8/20/2004 GO	8/15/2006 ED. TECH.	Total
6/30/2010	\$ 73,500	\$ 29,799	\$ 23,300	\$ 74,331	\$ 200,930
6/30/2011	-	28,861	22,700	71,444	\$ 123,005
6/30/2012	-	27,874	22,100	-	\$ 49,974
6/30/2013	-	26,836	62,700	-	\$ 89,536
2014-2016	-	30,653	-	-	30,653
TOTAL	73,500.00	144,023	130,800	145,775	494,098
LESS PRINCIPAL INTEREST	70,000	130,000	120,000	140,000	460,000
	<u>\$ 3,500</u>	<u>\$ 14,023</u>	<u>\$ 10,800</u>	<u>\$ 5,775</u>	<u>\$ 34,098</u>

STATE OF NEW MEXICO
DES MOINES CONSOLIDATED SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2009.

B. Contingent liabilities

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

C. Employee retirement plan

Plan Description – Substantially all of Des Moines Municipal School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public State public school districts, colleges, and universities) and beneficiaries. ERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502-6129.

Funding Policy – Plan members are required to contribute 10.15% of their gross salary. Des Moines Municipal School District is required to contribute 7.75% of the gross covered salary. The contribution requirements of plan members and the Des Moines Municipal School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Des Moines Municipal School District's contributions to the ERB for the years ended June 30, 2009, 2008 and 2007 were: \$ 112,626, \$116,443, and \$106,203 respectively, equal to the amount of the required contribution for the year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

D. Post-retirement health care benefits

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or the out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, Consolidated cities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

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

Each participating employer makes contributions to the fund in the amount of 1.3% of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to .065% of the employee's annual salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained in writing by the Retiree Health Care Authority, Albuquerque State Government Center, 4308 Carlisle Blvd, NE, Suite 104, Albuquerque, NM 87107.

The Des Moines Municipal School's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$ 11,046, \$14,062, and \$13,606 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

E. Restatement of Beginning Net Assets for Governmental Funds

	Governmental Activities
Net Assets at June 30, 2008	\$ 5,035,221
Prior Period Adjustments	
Correction to bond issuance costs	56,901
Correction to bond amortization	(38,349)
Correction to SB-9 fund balance	(4,045)
Net Assets at July 1, 2008	<u>\$ 5,049,728</u>

F. Transfers

Transfers are used to move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. There were no permanent transfers made between funds during the year ending June 30, 2009.

G. Inter-fund Receivables

Temporary loans between funds typically arise from one fund loaning another fund cash to cover a deficit bank balance. These are short term in nature and are expected to be paid back within one year. They are classified as Due to or Due from in the Balance Sheet.

As of June 30, 2009, temporary loans consisted of:

DUE TO:	
OPERATIONAL	\$ 94,728
TRANSPORTATION	20,755
TOTAL	<u>\$ 115,483</u>
 DUE FROM:	
FOOD SERVICES	\$ 15,543
TITLE 1	40,000
IDEA-B ENTITLEMENT	9,878
TITLE V	685
TEACHER/PRINCIPAL TRAINING	2,569
SAFE ROUTES TO SCHOOL/NMDOT	2,815
SCHOOL IMPROVEMENT FRAMEWORK	886
LIBRARIES SB - 301 GO BONDS	31
RURAL REVITALIZATION	16,500
CITY/COUNTY GRANTS	254
SCO - STATE	26,322
TOTAL	<u>\$ 115,483</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

H. Prior Period Adjustments

Adjustments made to the district's prior year fund balances consisted of the following:

SB – 9 To correct prior year cash that was refunded \$ (4,045)

I. Deferred Compensation Plan

Des Moines School District has adopted a deferred compensation plan under code section 457. Employees can contribute up to 25% of their salary. The plan is managed by First Administrators Inc. with One America being the transfer agent holding the funds. Employee Contributions to this plan for June 30, 2009 were \$ 13,745.

J. Overspent Budgets

At June 30, 2009 the District had eight funds which had overspent budgets for the year

They consisted of:	Operational	\$ 24,102
	Athletics	\$ 943
	NM Community Foundation	\$ 2,514
	City/County Grant	\$ 522
	Tech Grant	\$ 37,913
	SB-9	\$ 11,818
	Debt Service	\$ 871
	Ed. Tech Debt Service	\$ 786

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

K. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES			
Budgetary Basis	\$ 1,491,961	\$ 228,454	\$ 8,418
Add:			
Current Year Receivables & Other Credits	52	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>48</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 1,491,965</u>	<u>\$ 228,454</u>	<u>\$ 8,418</u>
EXPENDITURES			
Budgetary Basis	\$ 1,494,673	\$ 228,729	\$ 5,929
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 1,494,673</u>	<u>\$ 228,729</u>	<u>\$ 5,929</u>

	<u>Cafeteria</u>	<u>Athletics</u>	<u>Entitlement</u>	<u>Title I</u>	<u>Title V Innovative Ed</u>	<u>Title V Innovative Ed</u>
\$	42,684	\$ 20,104	\$ 7,129	\$ 17,216	\$ -	\$ -
	-	-	10,656	16,332	686	-
	-	-	-	17,522	686	-
\$	<u>42,684</u>	\$ <u>20,104</u>	\$ <u>17,785</u>	\$ <u>16,026</u>	\$ <u>-</u>	\$ <u>-</u>
\$	33,340	\$ 14,939	\$ 17,785	\$ 16,025	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>33,340</u>	\$ <u>14,939</u>	\$ <u>17,785</u>	\$ <u>16,025</u>	\$ <u>-</u>	\$ <u>-</u>

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

K. Reconciliation of Budgetary and GAAP Basis Amounts (Con'd)

	<u>Teacher/ Principal Traning</u>	<u>Safe Routes To School/ NMDOT</u>	<u>Medicaid XIX</u>
REVENUES			
Budgetary Basis	\$ -	\$ -	\$ -
Add:			
Current Year Receivables & Other Credits	2,569	2,815	-
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	\$ <u>2,569</u>	\$ <u>2,815</u>	\$ <u>-</u>
EXPENDITURES			
Budgetary Basis	\$ 2,569	\$ 2,815	\$ -
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	\$ <u>2,569</u>	\$ <u>2,815</u>	\$ <u>-</u>

	<u>REAP</u>	<u>Medicaid</u>	<u>Healthy School Communities</u>	<u>New Mexico Community</u>	<u>Tech for Ed</u>	<u>Incentives for School Improvement</u>	<u>Tech Grant</u>
\$	3,835	\$ -	\$ -	\$ -	\$ 4,050	\$ -	\$ 61,931
	11,180	-	5,873	2,514	-	-	-
	-	-	-	-	3,850	-	-
\$	<u>15,015</u>	<u>\$ -</u>	<u>\$ 5,873</u>	<u>\$ 2,514</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 61,931</u>
\$	15,015	\$ -	\$ 5,873	\$ 2,514	\$ 200	\$ -	\$ 61,931
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>15,015</u>	<u>\$ -</u>	<u>\$ 5,873</u>	<u>\$ 2,514</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 61,931</u>

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

K. Reconciliation of Budgetary and GAAP Basis Amounts (Con'd)

	School Improvement Framework	Laws of NM 2005	Libraries GO Bonds
REVENUES			
Budgetary Basis	\$ -	\$ -	\$ -
Add:			
Current Year Receivables & Other Credits	886	-	31
Deduct:			
Prior Year Receivables & Other Debits	<u>886</u>	<u>-</u>	<u>31</u>
REVENUE --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
EXPENDITURES			
Budgetary Basis	\$ -	\$ -	\$ -
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<u>Rural Revitalization</u>	<u>Youth Conservation Corps</u>	<u>Leg Approp Laws 2005</u>	<u>City/County Grants</u>	<u>School Based Health</u>	<u>Bond Building</u>	<u>Special Capital Outlay State</u>
\$ -	\$ 20,642	\$ -	\$ -	\$ 58,376	\$ 660	\$ -
16,500	289	-	1,460	-	-	-
-	-	-	-	5,728	-	-
<u>\$ 16,500</u>	<u>\$ 20,931</u>	<u>\$ -</u>	<u>\$ 1,460</u>	<u>\$ 52,648</u>	<u>\$ 660</u>	<u>\$ -</u>
\$ 16,500	\$ 20,931	\$ -	\$ 1,460	\$ 52,648	\$ 20,762	\$ -
-	-	-	-	-	3,135	-
-	-	-	-	-	-	-
<u>\$ 16,500</u>	<u>\$ 20,931</u>	<u>\$ -</u>	<u>\$ 1,460</u>	<u>\$ 52,648</u>	<u>\$ 23,897</u>	<u>\$ -</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

K. Reconciliation of Budgetary and GAAP Basis Amounts (Con'd)

	<u>SB - 9</u>	<u>Ed Tech Equipment Act</u>	<u>Debt Service</u>	<u>Ed Tech Debt Service</u>
REVENUES				
Budgetary Basis	\$ 70,283	\$ 1,065	\$ 34,946	\$ 81,214
Add:				
Current Year Receivables & Other Credits	302	-	530	485
Deduct:				
Prior Year Receivables & Other Debits	<u>257</u>	<u>-</u>	<u>1,017</u>	<u>773</u>
REVENUE --GAAP BASIS	<u>\$ 70,328</u>	<u>\$ 1,065</u>	<u>\$ 34,459</u>	<u>\$ 80,926</u>
EXPENDITURES				
Budgetary Basis	\$ 54,944	\$ 24,979	\$ 128,496	\$ 77,980
Add:				
Current Year Payables & Other Debits	-	12,771	2,797	2,406
Deduct:				
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>3,716</u>	<u>3,573</u>
EXPENDITURES --GAAP BASIS	<u>\$ 54,944</u>	<u>\$ 37,750</u>	<u>\$ 127,577</u>	<u>\$ 76,813</u>

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in any other fund.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A-1

COMBINING BALANCE SHEET -- GENERAL FUND

JUNE 30, 2009

	<u>OPERATIONAL</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>TOTALS</u>
ASSETS				
Cash on Deposit	\$ 10,982	\$ 39,204	\$ 17,540	\$ 67,726
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	52	-	-	52
Interest	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	94,728	20,755	-	115,483
Prepaid expenditures	-	-	-	-
TOTAL ASSETS	<u>\$ 105,762</u>	<u>\$ 59,959</u>	<u>\$ 17,540</u>	<u>\$ 183,261</u>
LIABILITIES				
Cash Deficit	\$ -	\$ -	\$ -	\$ -
Accounts Payable	10,982	3,280	-	14,262
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Student Groups	-	-	-	-
G.O. Bonds Payable	-	-	-	-
TOTAL LIABILITIES	<u>10,982</u>	<u>3,280</u>	<u>-</u>	<u>14,262</u>
FUND BALANCE				
Fund Balance				-
Reserved for Text Books	-	-	-	-
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Unreserved, reported in:				
General Funds	94,780	56,679	17,540	168,999
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	<u>94,780</u>	<u>56,679</u>	<u>17,540</u>	<u>168,999</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 105,762</u>	<u>\$ 59,959</u>	<u>\$ 17,540</u>	<u>\$ 183,261</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2009

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
REVENUE				
Federal Programs	\$ 11,258	\$ -	\$ -	\$ 11,258
State Programs	371,000	228,450	8,418	607,868
Local Programs	8,645	-	-	8,645
State Equalization	1,087,618	-	-	1,087,618
Taxes	10,491	-	-	10,491
Service Revenues	-	-	-	-
Interest	1,329	-	-	1,329
Other revenue sources	1,624	4	-	1,628
TOTAL REVENUES	1,491,965	228,454	8,418	1,728,837
EXPENDITURES				
Current				
Instruction	786,663	-	5,902	792,565
Support Services	-	-	-	-
Support Services Students	123,185	-	-	123,185
Support Services Instruction	5,229	-	27	5,256
Support Services General Administration	167,885	-	-	167,885
Support Services School Administration	77,132	-	-	77,132
Central Services	87,424	-	-	87,424
Operation and Maintenance of Plant	212,552	-	-	212,552
Student Transportation	-	228,730	-	228,730
Other Support Services	-	-	-	-
Food Services Operations	34,602	-	-	34,602
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	1,494,672	228,730	5,929	1,729,331
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,707)	(276)	2,489	(494)
Other Financial Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
Total Other Financial Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	(2,707)	(276)	2,489	(494)
FUND BALANCE				
June 30, 2008	97,487	56,955	15,051	169,493
Prior Period Adjustment	-	-	-	-
FUND BALANCE	97,487	56,955	15,051	169,493
June 30, 2009	\$ 94,780	\$ 56,679	\$ 17,540	\$ 168,999

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 8,784	\$ 8,784	\$ 10,487	\$ 1,703
Fees - Users	-	-	-	-
Fees - Activities	-	-	-	-
Fees - Educational	1,500	1,500	-	(1,500)
Rent and Leases	-	-	-	-
Fees-Summer School	-	-	-	-
Interest Income	14,182	14,182	1,329	(12,853)
Instructional - Categorical	-	-	-	-
State Equalization	1,093,550	1,087,702	1,087,618	(84)
Refunds Prior Year	-	-	1,624	1,624
Royalties	-	-	-	-
Insurance Recoveries	-	-	-	-
Donations	-	-	-	-
Emergency Supplemental	445,000	371,000	371,000	-
Access Rate	2,500	2,500	11,258	8,758
Admin - Categorical	-	-	8,645	8,645
Restricted 20%	-	-	-	-
TOTAL REVENUE	<u>1,565,516</u>	<u>1,485,668</u>	<u>\$ 1,491,961</u>	<u>\$ 6,293</u>
BUDGETED CASH BALANCE	<u>1,432</u>	<u>1,432</u>		
TOTAL REVENUE & CASH	<u>\$ 1,566,948</u>	<u>\$ 1,487,100</u>		
EXPENDITURES				
Current				
Instruction	\$ 812,032	\$ 787,934	\$ 786,663	\$ 1,271
Support Services	-	-	-	-
Support Services Students	131,344	131,344	123,185	8,159
Support Services Instruction	20,834	10,834	5,229	5,605
Support Services General Administration	162,017	157,115	167,885	(10,770)
Support Services School Administration	77,606	77,606	77,132	474
Central Services	86,302	86,302	87,424	(1,122)
Operation and Maintenance of Plant	264,900	224,052	212,552	11,500
Student Transportation	-	-	-	-
Other Support Services	1,413	1,413	-	1,413
Non-Instructional Support	-	-	-	-
Food Services Operations	10,500	10,500	34,602	(24,102)
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,566,948</u>	<u>\$ 1,487,100</u>	<u>\$ 1,494,672</u>	<u>\$ (7,572)</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--TRANSPORTATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	238,568	259,709	228,450	(31,259)
Local Revenue	-	-	4	-
TOTAL REVENUE	<u>238,568</u>	<u>259,709</u>	<u>\$ 228,454</u>	<u>\$ (31,259)</u>
BUDGETED CASH BALANCE				
TOTAL REVENUE & CASH	<u>\$ 238,568</u>	<u>\$ 259,709</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	238,568	259,709	228,730	30,979
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 238,568</u>	<u>\$ 259,709</u>	<u>\$ 228,730</u>	<u>\$ 30,979</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT A-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	7,850	7,850	8,418	568
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>7,850</u>	<u>7,850</u>	<u>\$ 8,418</u>	<u>\$ 568</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 7,850</u>	<u>\$ 7,850</u>		
EXPENDITURES				
Current				
Instruction	\$ 7,338	\$ 7,338	\$ 5,902	\$ 1,436
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	512	512	27	485
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 7,850</u>	<u>\$ 7,850</u>	<u>\$ 5,929</u>	<u>\$ 1,921</u>

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

SPECIAL REVENUE FUNDS

CAFETERIA – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

IDEA B—ENTITLEMENT BUDGET—P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

TITLE V—to assist State and local educational agencies in the reform of elementary and secondary education. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20U.S.C. 7301-7373.

TEACHER PRINCIPAL TRAINING — to provide grants to State Education Agencies on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

SAFE ROUTES TO SCHOOL NMDOT – this fund is a federal-aid program to enable and encourage children to walk and bicycle to school, to make bicycling and walking to school a safer and more appealing transportation alternative and to facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption and air pollution in the vicinity of schools. The authority for the creation of this fund is Section 1404 of the 2005 Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU).

MEDICAID TITLE XIX – this fund is used for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

REAP – to account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965, (ESEA), as amended by Public Law 107-110.

HEALTHY SCHOOL COMMUNITIES –to account for monies to be used to create healthy school environments. Authority for this fund is provided by the grantor the Association for Supervision and Curriculum Development and the Des Moines School Board.

TECHNOLOGY FOR EDUCATION—to account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

TECH GRANT – to account for monies provided by the state to be used for technology. Authority for the creation of this fund is provided by the grantor and the Des Moines School Board.

SCHOOL IMPROVEMENT FRAME WORK – to account for monies provided by the state to be used to support the District's strategic plan to improve student achievement, focusing on reading and math. Authority for the creation of this fund is provided by the grantor and the Des Moines School Board.

LEG. APPROP. LAWS OF NM 2005 – to account for monies provided by a special appropriation to help with costs incurred with the conversion to the new chart of accounts as required by the state. Authority of this fund is the legislature and the Des Moines school board.

LIBRARIES SB301 G.O. BONDS – to account for funds received to update and to expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by election of SB301.

RURAL REVITALIZATION — to account for monies received from the Rural Education Bureau to support the vocational agricultural program. Authority for creation of this fund is New Mexico Rural Revitalization Initiative (Laws of 2008, chapter 3, section 4, item I (k).

YOUTH CONSERVATION CORP – to account for monies received from Energy, Minerals and Natural Resouces Department to provider for youth conservation activities and training. Authority for this fund is the Des Moines School Board.

CITY/COUNTY GRANTS – to account for grant monies received from Union County to educate students, educators, and parents about alcohol, DWI and tobacco. The authority for creation of this from the grantor and the Des Moines school board.

SENATE BILL NINE SPECIAL REVENUE FUND – to account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

JUNE 30, 2009

	CAFETERIA	ATHLETICS	IDEA - B ENTITLEMENT	TITLE V INNOVATION ED
ASSETS				
Cash on Deposit	\$ 25,861	\$ 5,790	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Property Taxes	-	-	-	-
Interest	-	-	-	-
State	-	-	-	-
Federal	-	-	9,878	685
Inventories	18	-	-	-
Due from Other Funds	-	-	-	-
Prepaid expenditures	-	-	-	-
TOTAL ASSETS	\$ 25,879	\$ 5,790	\$ 9,878	\$ 685
LIABILITIES				
Cash Deficit	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Due to Other Funds	15,543	-	9,878	685
Due to Student Groups	-	-	-	-
Due to Other Entities	-	-	-	-
TOTAL LIABILITIES	15,543	-	9,878	685
FUND BALANCE				
Reserved for Text Books	-	-	-	-
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	18	-	-	-
Unreserved, reported in:	-	-	-	-
General Funds	-	-	-	-
Special Revenue Funds	10,318	5,790	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	10,336	5,790	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 25,879	\$ 5,790	\$ 9,878	\$ 685

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

EXHIBIT B-1

TEACHER/ PRINCIPAL TRAINING	SAFE ROUTES TO SCHOOL/ NMDOT	MEDICAID XIX	R.E.A.P.	HEALTHY SCHOOL COMMUNITIES	TECHNOLOGY FOR ED.
\$ -	\$ -	\$ 1	\$ 18,336	\$ 1,028	\$ 10,869
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,569	2,815	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,569</u>	<u>\$ 2,815</u>	<u>\$ 1</u>	<u>\$ 18,336</u>	<u>\$ 1,028</u>	<u>\$ 10,869</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1	18,336	1,028	10,869
2,569	2,815	-	-	-	-
-	-	-	-	-	-
<u>2,569</u>	<u>2,815</u>	<u>1</u>	<u>18,336</u>	<u>1,028</u>	<u>10,869</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,569</u>	<u>\$ 2,815</u>	<u>\$ 1</u>	<u>\$ 18,336</u>	<u>\$ 1,028</u>	<u>\$ 10,869</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS-CONTINUED

JUNE 30, 2009

	INCENTIVES FOR SCHOOL IMPROVEMENT	TECH GRANT	SCHOOL IMPROVEMENT FRAMEWORK	LEG APPROP. LAWS OF NM 2005
ASSETS				
Cash on Deposit	\$ 6,619	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Property Taxes	-	-	-	-
Interest	-	-	-	-
State	-	-	886	-
Federal	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
Prepaid expenditures	-	-	-	-
TOTAL ASSETS	<u>\$ 6,619</u>	<u>\$ -</u>	<u>\$ 886</u>	<u>\$ -</u>
LIABILITIES				
Cash Deficit	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Deferred Revenue	6,619	-	-	-
Due to Other Funds	-	-	886	-
Due to Student Groups	-	-	-	-
Due to Other Entities	-	-	-	-
TOTAL LIABILITIES	<u>6,619</u>	<u>-</u>	<u>886</u>	<u>-</u>
FUND BALANCE				
Reserved for Text Books	-	-	-	-
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Unreserved, reported in:				
General Funds	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,619</u>	<u>\$ -</u>	<u>\$ 886</u>	<u>\$ -</u>

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

LIBRARIES SB-301 GO BONDS	RURAL REVITALIZATION	YOUTH CONSERVATION CORP	CITY/COUNTY GRANTS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL
\$ -	\$ -	\$ 648	\$ -	\$ 18,648	\$ 87,800	\$ 87,800
-	-	-	-	-	-	-
-	-	-	-	302	302	302
31	16,500	-	254	-	17,671	17,671
-	-	-	-	-	15,947	15,947
-	-	-	-	-	18	18
-	-	-	-	-	-	-
<u>\$ 31</u>	<u>\$ 16,500</u>	<u>\$ 648</u>	<u>\$ 254</u>	<u>\$ 18,950</u>	<u>\$ 121,738</u>	<u>\$ 121,738</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
31	16,500	648	254	-	37,501	37,501
-	-	-	-	-	49,161	49,161
-	-	-	-	-	-	-
<u>31</u>	<u>16,500</u>	<u>648</u>	<u>254</u>	<u>-</u>	<u>86,662</u>	<u>86,662</u>
-	-	-	-	-	-	-
-	-	-	-	-	18	18
-	-	-	-	-	-	-
-	-	-	-	18,950	35,058	35,058
-	-	-	-	18,950	35,076	35,076
<u>\$ 31</u>	<u>\$ 16,500</u>	<u>\$ 648</u>	<u>\$ 254</u>	<u>\$ 18,950</u>	<u>\$ 121,738</u>	<u>\$ 121,738</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

JUNE 30, 2009

	CAFETERIA	ATHLETICS	IDEA - B ENTITLEMENT	TITLE V INNOVATION ED
REVENUE				
Federal Programs	\$ 25,723	\$ -	\$ 17,785	\$ -
State Programs	-	-	-	-
Local Programs	16,823	20,054	-	-
State Equalization	-	-	-	-
Taxes	-	-	-	-
Service Revenues	-	-	-	-
Interest	138	-	-	-
Other revenue sources	-	50	-	-
TOTAL REVENUES	<u>42,684</u>	<u>20,104</u>	<u>17,785</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	-	14,939	17,785	-
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	33,340	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>33,340</u>	<u>14,939</u>	<u>17,785</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,344	5,165	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCIANG SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	9,344	5,165	-	-
FUND BALANCE				
June 30, 2008	992	625	-	-
Prior Period Adjustment	-	-	-	-
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2009	<u>\$ 10,336</u>	<u>\$ 5,790</u>	<u>\$ -</u>	<u>\$ -</u>

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

TEACHER/ PRINCIPAL TRAINING	SAFE ROUTES TO SCHOOL/ NMDOT	MEDICAID XIX	R.E.A.P.	HEALTHY SCHOOL COMMUNITIES	TECHNOLOGY FOR ED.
\$ 2,569	\$ 2,815	\$ -	\$ 11,180	\$ -	\$ -
-	-	-	-	5,873	200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,835	-	-
<u>2,569</u>	<u>2,815</u>	<u>-</u>	<u>15,015</u>	<u>5,873</u>	<u>200</u>
2,569	-	-	-	-	200
-	-	-	15,015	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,873	-
<u>2,569</u>	<u>2,815</u>	<u>-</u>	<u>15,015</u>	<u>5,873</u>	<u>200</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS-CONTINUED

JUNE 30, 2009

	INCENTIVES FOR SCHOOL IMPROVEMENT	TECH GRANT	SCHOOL IMPROVEMENT FRAMEWORK	LEG APPROP. LAWS OF NM 2005
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	61,931	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Taxes	-	-	-	-
Service Revenues	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	-	61,931	-	-
EXPENDITURES				
Current				
Instruction	-	24,018	-	-
Support Services	-	13,012	-	-
Support Services Students	-	24,901	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	61,931	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
TOTAL OTHER FINANCIANG SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE				
June 30, 2008	-	-	-	-
Prior Period Adjustment	-	-	-	-
FUND BALANCE				
June 30, 2009	\$ -	\$ -	\$ -	\$ -

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

LIBRARIES SB-301 GO BONDS	RURAL REVITALIZATION	YOUTH CONSERVATION CORP	CITY/COUNTY GRANTS	SB-9	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,072	\$ 60,072
-	16,500	19,259	1,460	24,070	123,420	123,420
-	-	-	-	-	42,750	42,750
-	-	-	-	46,133	46,133	46,133
-	-	-	-	-	-	-
-	-	-	-	125	263	263
-	-	1,672	-	-	5,557	5,557
<u>-</u>	<u>16,500</u>	<u>20,931</u>	<u>1,460</u>	<u>70,328</u>	<u>278,195</u>	<u>278,195</u>
-	-	20,931	1,460	-	81,902	81,902
-	-	-	-	-	13,012	13,012
-	16,500	-	-	-	56,416	56,416
-	-	-	-	-	-	-
-	-	-	-	461	461	461
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	39,213	39,213
-	-	-	-	54,483	57,298	57,298
<u>-</u>	<u>16,500</u>	<u>20,931</u>	<u>1,460</u>	<u>54,944</u>	<u>248,302</u>	<u>248,302</u>
-	-	-	-	15,384	29,893	29,893
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	15,384	29,893	29,893
-	-	-	-	-	-	-
-	-	-	-	7,611	9,228	9,228
-	-	-	-	(4,045)	(4,045)	(4,045)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,950</u>	<u>\$ 35,076</u>	<u>\$ 35,076</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--FOOD SERVICES

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 33,613	\$ 33,613	\$ 25,723	\$ (7,890)
State Revenue	-	-	-	-
Local Revenue	8,450	8,450	16,823	8,373
Interest	-	-	138	138
TOTAL REVENUE	<u>42,063</u>	<u>\$ 42,063</u>	<u>\$ 42,684</u>	<u>\$ 621</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 42,063</u>	<u>\$ 42,063</u>		

EXPENDITURES

Current

Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	42,063	42,063	33,340	8,723
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 42,063</u>	<u>\$ 42,063</u>	<u>\$ 33,340</u>	<u>\$ 8,723</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	11,500	11,500	20,104	8,604
TOTAL REVENUE	<u>11,500</u>	<u>11,500</u>	<u>\$ 20,104</u>	<u>\$ 8,604</u>
BUDGETED CASH BALANCE	2,496	2,496		
TOTAL REVENUE & CASH	<u>\$ 13,996</u>	<u>\$ 13,996</u>		
EXPENDITURES				
Current				
Instruction	\$ 13,996	\$ 13,996	\$ 14,939	\$ (943)
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 13,996</u>	<u>\$ 13,996</u>	<u>\$ 14,939</u>	<u>\$ (943)</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 17,820	\$ 17,820	\$ 7,129	\$ (10,691)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>17,820</u>	<u>17,820</u>	<u>7,129</u>	<u>(10,691)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 17,820</u>	<u>\$ 17,820</u>		
EXPENDITURES				
Current				
Instruction	\$ 17,820	\$ 17,820	\$ 17,785	\$ 35
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 17,820</u>	<u>\$ 17,820</u>	<u>17,785</u>	<u>35</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-6

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TITLE V INNOVATION ED

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 512	\$ 512	\$ -	\$ (512)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>512</u>	<u>512</u>	<u>\$ -</u>	<u>\$ (512)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 512</u>	<u>\$ 512</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	512	512	-	512
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 512</u>	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ 512</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 4,864	\$ 4,864	\$ -	\$ (4,864)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>4,864</u>	<u>\$ 4,864</u>	<u>\$ -</u>	<u>\$ (4,864)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,864</u>	<u>\$ 4,864</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,864	\$ 4,864	\$ 2,569	\$ 2,295
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 4,864</u>	<u>\$ 4,864</u>	<u>\$ 2,569</u>	<u>\$ 2,295</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-8

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--SAFE ROUTES TO SCHOOL/NM DOT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>15,000</u>	<u>15,000</u>	<u>\$ -</u>	<u>\$ (15,000)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 15,000</u>	<u>\$ 15,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	15,000	15,000	2,815	12,185
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 2,815</u>	<u>\$ 12,185</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TITLE XIX MEDICAID

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-10

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--REAP

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 20,699	\$ 20,699	\$ -	\$ (20,699)
State Revenue	-	-	-	-
Local Revenue	-	-	3,835	3,835
TOTAL REVENUE	<u>20,699</u>	<u>20,699</u>	<u>\$ 3,835</u>	<u>\$ (16,864)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 20,699</u>	<u>\$ 20,699</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	20,699	20,699	15,015	5,684
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 20,699</u>	<u>\$ 20,699</u>	<u>\$ 15,015</u>	<u>\$ 5,684</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-11

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--HEALTHY SCHOOL COMMUNITIES

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>6,902</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,902</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	6,902	5,873	1,029
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,902</u>	<u>\$ 5,873</u>	<u>\$ 1,029</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	3,750	3,750	4,050	300
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>3,750</u>	<u>3,750</u>	<u>\$ 4,050</u>	<u>\$ 300</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 3,750</u>	<u>\$ 3,750</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,750	\$ 3,750	\$ 200	\$ 3,550
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 3,750</u>	<u>\$ 3,750</u>	<u>\$ 200</u>	<u>\$ 3,550</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-13

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENTS

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE				
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-14

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY GRANT

Year Ended June 30, 2009

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	111,085	61,931	(49,154)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>111,085</u>	<u>\$ 61,931</u>	<u>\$ (49,154)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 111,085</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 111,085	\$ 24,018	\$ 87,067
Support Services	-	-	13,012	(13,012)
Support Services Students	-	-	24,901	(24,901)
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 111,085</u>	<u>\$ 61,931</u>	<u>\$ 49,154</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--SCHOOL IMPROVEMENT FRAMEWORK

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE				
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
 EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--LEGISLATIVE APPROPRIATION LAWS OF 2005

Year Ended June 30, 2009

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE				
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-17

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--LIBRARIES SB 301 GO BONDS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	-	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE		-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-18

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--RURAL REVITALIZATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	-	\$ -
State Revenue	-	23,000	-	(23,000)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>23,000</u>	<u>\$ -</u>	<u>\$ (23,000)</u>
BUDGETED CASH BALANCE		-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 23,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	23,000	16,500	6,500
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 23,000</u>	<u>\$ 16,500</u>	<u>\$ 6,500</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-19

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--YOUTH CONSERVATION CORP

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	27,407	27,407	18,970	(8,437)
Local Revenue	-	-	1,672	1,672
TOTAL REVENUE	<u>27,407</u>	<u>27,407</u>	<u>\$ 20,642</u>	<u>\$ (6,765)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 27,407</u>	<u>\$ 27,407</u>		
EXPENDITURES				
Current				
Instruction	\$ 27,407	\$ 27,407	\$ 20,931	\$ 6,476
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 27,407</u>	<u>\$ 27,407</u>	<u>\$ 20,931</u>	<u>\$ 6,476</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-20

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--CITY/COUNTY GRANT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>938</u>	<u>938</u>		
TOTAL REVENUE & CASH	<u>\$ 938</u>	<u>\$ 938</u>		
EXPENDITURES				
Current				
Instruction	\$ 938	\$ 938	\$ 1,460	\$ (522)
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 938</u>	<u>\$ 938</u>	<u>\$ 1,460</u>	<u>\$ (522)</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT B-21

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--SPECIAL REVENUE FUND--CAPITAL IMPROVEMENTS SB-9

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	24,070	24,070
Local Revenue	43,126	43,126	46,088	2,962
Interest	-	-	125	125
TOTAL REVENUE	<u>43,126</u>	<u>43,126</u>	<u>\$ 70,283</u>	<u>\$ 27,157</u>
BUDGETED CASH BALANCE				
TOTAL REVENUE & CASH	<u>\$ 43,126</u>	<u>\$ 43,126</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	432	432	461	(29)
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Non-Instructional Support	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operations	-	-	-	-
Capital Outlay	42,694	42,694	54,483	(11,789)
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 43,126</u>	<u>\$ 43,126</u>	<u>\$ 54,944</u>	<u>\$ (11,818)</u>

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

AGENCY FUNDS

AGENCY FUND—To 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.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2009

	Balance 6/30/2008	Additions	Subtractions	Balance 6/30/2009
SCHOLASTIC MISCELLANEOUS	\$ 376	\$ 3,866	\$ 1,994	\$ 2,248
IN/OUT	2,873	8,049	10,542	380
GRADUATED SRS	26	-	91	(65)
SENIORS	52	1,044	2,576	(1,480)
JUNIORS	2,902	5,107	8,630	(621)
SOPHOMORES	1,403	1,856	1,856	1,403
FRESHMEN	1,090	1,130	1,110	1,110
8TH GRADE	83	462	500	45
7TH GRADE	49	-	-	49
BOOSTER CLUB	-	-	-	-
YEARBOOK	1,405	5,216	7,543	(922)
FFA	2,827	12,098	13,271	1,654
FFA INVESTMENT <1>	3,363	-	-	3,363
STUDENT COUNCIL	900	-	86	814
CHEERLEADERS	25	9,094	8,347	772
FCCLA	326	1,005	2,147	(816)
HONOR SOCIETY	952.00	-	76	876
BPAA	545	791	716	620
SUPER COMPUTING	-	707	667	40
LIBRARY	3,300	10,554	12,346	1,508
PEER HELPERS	326	326	326	326
DIST C FCCLA	96	-	-	96
SCHOLARSHIP	7,724	27,924	28,722	6,926
SCHOLARSHIP INVESTMENT <1>	52,019	-	-	52,019
DIST III FFA	1,246	1,246	1,246	1,246
SCIENCE CLUB	-	-	-	-
COUNSELOR FUND	820.00	3,120	4,025	(85)
GEAR UP	770	1,097	2,209	(342)
RODEO CLUB	-	843	657	186
DEMONETTES	-	1,660	1,660	-
	<u>\$ 85,498</u>	<u>\$ 97,195</u>	<u>\$ 111,343</u>	<u>\$ 71,350</u>

<1> - C.D.

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

OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D-1

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--BOND BUILDING--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
State Revenues	-	-	-	
Interest	6,500	6,500	660	(5,840)
TOTAL REVENUE	<u>6,500</u>	<u>6,500</u>	<u>\$ 660</u>	<u>\$ (5,840)</u>
BUDGETED CASH BALANCE	131,738	131,738		
TOTAL REVENUES & CASH	<u>\$ 138,238</u>	<u>\$ 138,238</u>		
EXPENDITURES				
Support Services General Administration	\$ -	\$ -	\$ -	\$ -
Capital Outlay	138,238	138,238	20,762	117,476
TOTAL EXPENDITURES	<u>\$ 138,238</u>	<u>\$ 138,238</u>	<u>\$ 20,762</u>	<u>\$ 117,476</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D-2

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--PUBLIC SCHOOL CAPITAL OUTLAY STATE--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenues	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Interest	-	-	-	-
TOTAL REVENUE	<u>25,000</u>	<u>25,000</u>	<u>\$ -</u>	<u>\$ (25,000)</u>
BUDGETED CASH BALANCE	73,678	73,678		
TOTAL CASH & REVENUE	<u>\$ 98,678</u>	<u>\$ 98,678</u>		
EXPENDITURES				
Support Services General Administration	-	-	-	-
Capital Outlay	\$ 98,678	\$ 98,678	\$ -	\$ 98,678
TOTAL EXPENDITURES	<u>\$ 98,678</u>	<u>\$ 98,678</u>	<u>\$ -</u>	<u>\$ 98,678</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL- -- ED TECH EQUIPMENT ACT--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenues	\$ -	\$ -	\$ -	\$ -
State Revenues	-	-	-	
Interest	8,000	8,000	1,065	(6,935)
TOTAL REVENUE	<u>8,000</u>	<u>8,000</u>	<u>\$ 1,065</u>	<u>\$ (6,935)</u>
BUDGETED CASH BALANCE	191,587	191,587		
TOTAL REVENUES & CASH	<u>\$ 199,587</u>	<u>\$ 199,587</u>		
EXPENDITURES				
Support Services General Administration	\$ -	\$ -	\$ -	\$ -
Capital Outlay	199,587	199,587	24,979	174,608
TOTAL EXPENDITURES	<u>\$ 199,587</u>	<u>\$ 199,587</u>	<u>\$ 24,979</u>	<u>\$ 174,608</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--DEBT SERVICE FUND

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Property Taxes	\$ 126,362	\$ 126,362	\$ 33,611	\$ (92,751)
Interest	1,200	1,200	1,335	135
TOTAL REVENUE	<u>127,562</u>	<u>\$ 127,562</u>	<u>\$ 34,946</u>	<u>\$ (92,616)</u>
BUDGETED CASH BALANCE	<u>44,062</u>	<u>44,062</u>		
TOTAL REVENUE & CASH	<u>\$ 171,624</u>	<u>\$ 171,624</u>		
EXPENDITURES				
Support Services General Administration	\$ 1,264	\$ 1,264	\$ 2,135	\$ (871)
Debt Service				
Principal	153,998	153,998	110,000	43,998
Interest and Fiscal Charge	16,362	16,362	16,361	1
TOTAL EXPENDITURES	<u>\$ 171,624</u>	<u>\$ 171,624</u>	<u>\$ 128,496</u>	<u>\$ 43,128</u>

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

EXHIBIT D-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
AND ACTUAL--ED TECH DEBT SERVICE FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Property Taxes	\$ 77,175	\$ 77,175	\$ 80,519	\$ 3,344
Interest	-	-	695	695
TOTAL REVENUE	<u>77,175</u>	<u>77,175</u>	<u>81,214</u>	<u>4,039</u>
BUDGETED CASH BALANCE	<u>877</u>	<u>877</u>		
TOTAL REVENUE & CASH	<u>\$ 78,052</u>	<u>\$ 78,052</u>		
EXPENDITURES				
Support Services General Administration	\$ 772	\$ 772	\$ 805	\$ (33)
Debt Service				
Principal	70,105	70,105	70,000	105
Interest and Fiscal Charge	7,175	7,175	7,175	-
TOTAL EXPENDITURES	<u>\$ 78,052</u>	<u>\$ 78,052</u>	<u>77,980</u>	<u>72</u>

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

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2009

<u>Bank</u>	<u>ACCT TYPE</u>	<u>FUND</u>	<u>BANK BALANCE</u>	<u>OUTSTANDING (CHECKS) DEPOSITS</u>	<u>NET CASH BALANCE</u>
Farmers & Stockmans Bank of Clayton	Checking	General Fund	* \$ 748,087	\$ (99,740)	\$ 648,347
	Checking	Cafeteria	25,861	-	25,861
	Checking	Operational & Transportation	14,262	-	14,262
Total F&S Bank		Total Checking Accts.	<u>788,210</u>	<u>(99,740)</u>	<u>688,470</u>
Farmers & Stockmans Bank of Clayton	CD's	Activity	* 23,002	-	23,002
	CD's	Activity	* 3,363	-	3,363
	CD's	Activity	* 29,017	-	29,017
		Total CD Accounts:	<u>55,382</u>	<u>-</u>	<u>55,382</u>
Total All Accounts			<u>\$ 843,592</u>	<u>\$ (99,740)</u>	<u>\$ 743,852</u>

* Interest Bearing

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

SCHEDULE 2

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2009

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Farmers & Stockmans Bank	<u>\$ 843,592</u>	<u>\$ 240,122</u>	<u>\$ 603,470</u>	<u>\$ 301,735</u>	<u>\$ 823,930</u>	<u>\$ -</u>
<u>Collateral</u>	<u>Amount</u>	<u>Matures</u>				
FFCB31331X2Q4 CPN 5.00%	<u>\$ 823,930</u>	<u>09/04/13</u>				
Total	<u>\$ 823,930</u>					

All pledged securities are held by the financial institutions agent, the Federal Home Loan Bank of Dallas, Texas, in the name of the School District.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2009

	Operational	Transportation	Instructional Materials	Food Services	Athletics
Audited Net Cash					
JUNE 30, 2008	\$ 52,440	\$ 56,955	\$ 15,051	\$ 5,974	\$ 625
Investments on hand/Loans	-	-	-	-	-
TOTAL CASH BALANCE					
JUNE 30, 2009	52,440	56,955	15,051	5,974	625
Add: Prior year void checks	1,624	4	-	-	50
2008-2009 Revenue	1,490,336	228,450	8,418	42,684	20,054
Transfers Out & Due To	10,982	3,280	-	10,543	-
TOTAL AVAILABLE CASH	1,555,382	288,689	23,469	59,201	20,729
Net Change					
2008-2009 Expenditures	1,494,672	228,730	5,929	33,340	14,939
Transfers In & Due From	49,728	20,755	-	-	-
	1,544,400	249,485	5,929	33,340	14,939
NET CASH, JUNE 30, 2009	10,982	39,204	17,540	25,861	5,790
Cash On hand	-	-	-	-	-
Investments on Hand	-	-	-	-	-
TOTAL CASH, JUNE 30, 2009	\$ 10,982	\$ 39,204	\$ 17,540	\$ 25,861	\$ 5,790

SCHEDULE 3

Federal Projects	Local / State	Bond Building	Special Capital Outlay State	SB - 9	Ed Tech Equipment Act	Debt Service	Ed Tech Debt Service
\$ 52,086	\$ 93,781	\$ 112,883	\$ -	\$ 7,353	\$ 153,916	\$ 180,243	\$ 79,046
-	-	-	-	-	-	-	-
52,086	93,781	112,883	-	7,353	153,916	180,243	79,046
-	-	-	-	-	-	-	-
28,180	144,999	660	-	70,283	1,065	34,946	81,214
15,948	18,557	-	-	-	26,322	-	-
96,214	257,337	113,543	-	77,636	181,303	215,189	160,260
-	-	-	-	-	-	-	-
54,209	162,057	20,762	-	54,944	24,979	128,496	77,980
-	886	-	-	4,044	-	-	-
54,209	162,943	20,762	-	58,988	24,979	128,496	77,980
-	-	-	-	-	-	-	-
42,005	94,394	92,781	-	18,648	156,324	86,693	82,280
-	-	-	-	-	-	-	-
<u>\$ 42,005</u>	<u>\$ 94,394</u>	<u>\$ 92,781</u>	<u>\$ -</u>	<u>\$ 18,648</u>	<u>\$ 156,324</u>	<u>\$ 86,693</u>	<u>\$ 82,280</u>

Roy Woodard & Associates

Certified Public Accountants

116 East Grand, P.O. Box 1874, Clovis, New Mexico 88102 Office (575) 762-3811 Fax (575) 762-3866

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

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Des Moines Municipal Schools
Des Moines, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information of Des Moines Municipal School District, as of and for the year ended June 30, 2009, which collectively comprise the Des Moines Municipal School District's basic financial statements as listed in the table of contents and have issued our report thereon dated August 12, 2010. We also have audited the financial statements of each of the non major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Des Moines Municipal School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Des Moines Municipal School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Des Moines Municipal School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Des Moines Municipal School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Des Moines Municipal Schools District's financial statements that is more than inconsequential will not be prevented or detected by the Des Moines Municipal School District's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses significant deficiencies in internal control over financial reporting, 2008-1, 2009-1, 2009-2, 2009-3, and 2009-4.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Des Moines Municipal Schools District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Des Moines Municipal School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under Government Auditing Standards paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying Schedule of Findings and Responses as items 2007-1, 2007-3, 2008-2, 2009-5, and 2009-6 .

The Des Moines Municipal School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Des Moines Municipal School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the school board, management, the Office of the State Auditor, the New Mexico Public Education Department, New Mexico State Legislature, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



August 12, 2010

STATE OF NEW MEXICO
 DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2009

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	2008-1, 2009-1, 2009-2, 2009-3 and 2009-4
Material weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None

II. FINANCIAL STATEMENT FINDINGS

Control

2008-1 Bank Reconciliation's

Condition: Bank accounts were not reconciled to the books on a timely basis. As a result the operational account had to be adjusted for additional income of \$8,466 and amounts wired into a food service account were not recognized timely.

Criteria: The process of bank reconciliation must tie to the bank balance. Records of the reconciling items must be adequate to provide a clear audit trail and prove that a cash record is maintained pursuant to NMSA 6-10-2. Reconciliation's should also be made in a timely manner after month end to ensure all receipts and disbursements are recorded properly.

Cause: The District had staff in charge of the reconciling process and did not ensure they had adequate training on the accounting software and other elements of financial reporting that are unique to school districts.

Effect: Unreconciled balances and/or untimely prepared reconciliation's of bank balances could result in delays in finding errors or irregularities in bank account balances. It also weakens controls designed to prevent errors, misstatements, and the possibility of misappropriations.

Recommendation: The District should develop policies for training staff, especially in use of the accounting software system and the reconciliation process using that software.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

2008 - 1 Bank Reconciliations (continued)

Response: The District concurs and is re-evaluating all training within the District and working to provide additional training to those charged with reconciliation of bank accounts to the general ledger. The District is also scheduled to upgrade Visions software, which includes substantial training for those personnel who will use the software.

2009 - 1 Minutes

Condition: Minutes of the meetings of the school board were incomplete as to content and information, also the minutes for one meeting could not be immediately located. Details of motions for approvals of prior minutes did not identify those minutes by date. Approvals of financial motions, such as BAR's and transfers, did not identify amounts or funds.

Criteria: New Mexico statutes require that all resolutions and orders, as soon as may be after their passage, shall be recorded in a book kept for that purpose and be authenticated by the signature of the presiding officer of the board and the secretary. Every legislative act of the board of a general or permanent nature shall be by resolution. In order to have an accurate record of those resolutions the information contained in the book of record (minutes) should include the details of those actions.

Cause: The board of the District were all fairly new and had not had much board training. There was not anyone reviewing the accuracy of the minutes on a timely basis and those records were not kept in neat and detailed order.

Effect: Violation of laws regarding public records could result in the state taking action against the board.

Recommendation: The board should review the minutes thoroughly to ensure they are in tact and complete as to content. The secretary of the board, should take the responsibility of either preparing the minutes or designating someone to prepare them, with the secretaries oversight.

Response: The District has already made significant changes to the keeping of the minutes of the board. Attachments are made to the minutes showing detailed information regarding various actions of the board. The board will continue to work on making the minutes an accurate record of the activities of their activities.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

2009 - 2 Board Action

- Condition: A board member made a motion for board action regarding an exception to District policy as it related to the board members student child.
- Criteria: It is a violation of board policy for a board member to make a motion or vote on any board action regarding a related party to the board member. Standard procedures dictate that the board member leave the board meeting while the issue is in discussion and under action.
- Cause: The board ignored their policy regarding related party actions by the board.
- Effect: Violation of board policies could send the wrong message to all District employees, that board policies and procedures are not required to be adhered to.
- Recommendation: The board should follow its policies regarding board discussion and actions which involve related parties.
- Response: The District concurs and the board will not allow this to happen again.

2009 - 3 Travel Reimbursement

- Condition: The superintendent authorized their own per diem request.
- Criteria: Good controls dictate that someone other than the person making a request for travel reimbursement, should approve that request.
- Cause: The superintendent ignored the standard procedures for per diem requests.
- Effect: Circumvention of established controls puts assets of the District at risk.
- Recommendation: The District needs to establish clear written control procedures regarding travel and per diem requests, especially as they pertain to management. Those controls should require that proper approval be on all requests before any payment be issued.
- Response: The District concurs and the board will be working on evaluating control procedures and establish those in writing so all personnel understand the importance of following them.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

2009 - 4 Activity Funds

- Condition: Individual activity fund balances were not timely reconciled to the cash balance. They were not reconciled until the after the audit process had started.
- Criteria: All funds, including agency funds, are required by statute, at 6-10-2, and by District policy, to be reconciled on a regular basis.
- Cause: The business manager had not prioritized the importance of the reconciliation process as it pertains to the activity funds. This is due to the fact the District needs additional help in the business office.
- Effect: All the books of record were not ready for audit timely. Also, any errors that might occur can not be discovered timely, without monthly reconciliations.
- Recommendation: All funds, including the agency funds, must be made a priority for reconciliation. The board should consider hiring additional help to provide the business manager the time to complete all their duties more timely.
- Response: The District concurs and is evaluating the need for either a full time or part time staff member in the business office.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

2009 - 5 Segregation of Duties

Condition: Although, not considered a significant deficiency in internal control, the business manager has access to all functions of the cash disbursement system.

Criteria: Good internal control would split responsibilities of various accounting functions to prevent compliance violations with both the state manual of procedures and in some cases grant requirements.

Cause: With the accounting software system it is more difficult to cut out certain functions in the disbursements procedures that normally would be performed by someone other than the business manager. Also, the size of the entity creates problems with segregation of duties due to limited numbers of qualified personnel.

Effect: When duties are not segregated then controls over cash management are weakened.

Recommendation: Re-evaluate the steps in the cash disbursement function and determine what steps or procedures could be moved to another position to perform and/or implemented in such a way to strengthen control over cash management.

Response: The District is in the process of evaluating all areas of the accounting system to modify and strengthen controls within the limits of the size, complexity and budget of the District.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

Compliance

2007-1 Overspent Budget

Condition: Expenditures exceeded the approved budget amounts for the following funds:

<u>Fund</u>	<u>Function</u>	<u>Amount</u>
Operational	3100 \$	24,102
Athletics	1000 \$	944
NM Community Foundation	2100 \$	2,514
Tech Grant	2000 \$	13,012
Tech Grant	2100 \$	24,901
City/County Grants	1000 \$	522
SB-9	2300 \$	29
SB-9	4000 \$	11,789
Debt Service	2300 \$	871
Ed Tech Debt Service	2300 \$	33

Criteria: Any funds expended by the District shall have an approved budget for the expenditure per Chapter 22 Article 8 of NMSA 1978.

Cause: The District was not entering the approved BAR's into the accounting program on a timely basis. As a result, the interim reports were not correct as to the amount of budget remained in each fund and some functions were overspent.

Effect: Violation of state statutes regarding expenditures could result in a loss of future funding or repayment of funding already received and expended.

Recommendation: The District should re-evaluate training procedures for staff in charge of inputting budget information into the accounting system, and develop procedures to allow someone to check or verify information inputted is both timely and correct.

2007-3 Commodities Inventory

Condition: Ending inventory for food service was not completed, however, it is considered immaterial as prior years inventory amounted to \$18.

Criteria: Ending inventory is to be maintained pursuant to USDA Regulations and Policies--Food Distribution under 7 CFR part 250.

Cause: A change in staffing in the food service department resulted in the inventory not being taken. Staff were unaware of the requirements.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

June 30, 2009

2007 - 3 Commodities Inventory (continued)

Effect: Failure to maintain records required by 7 CFR Section 250.16 shall be considered prima facie evidence of improper distribution or loss of donated foods, and the District could be liable for the value of the food or replacement of the food in kind.

Recommendation: The District should reevaluate training procedures of all new staff in the food service department and should develop a system of controls to allow for someone outside of the food service department to review the inventory calculations for timeliness and accuracy pursuant to USDA guidelines.

Response: The District has already started working with the staff in charge of the cafeteria duties. A physical inventory was taken for 6/30/09, however, the person in charge did not understand the need to apply costs and extensions for a total inventory at cost. The business manager will be responsible for ensuring the inventory is prepared properly for the next fiscal year.

2008-2 Late Audit

Condition: The June 30, 2009 audit report was received by the New Mexico State Auditor's Office on August 16, 2010.

Criteria: The New Mexico State Auditor's office has issued 2. NMAC 2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for public school district audits to be submitted by November 15, 2009.

Cause: Because of the late report in the prior year, the contract for the June 30, 2009 audit was not completed until after the November 15 due date. Due to time constraints the audit was started in January 2010. Once fieldwork commenced then issues arose with respect to the bank reconciliations, activity funds, and receiving information from a third party, which delayed the report further.

Effect: Late audits can result in the state withholding future funding to the District.

Recommendation: Corrections to the reconciliation process for banks and activity funds will prevent delays in the audit process. All banks and activity funds should be reconciled and information pertaining to the 403B plan should be complete and available when the auditor arrives.

Response: The District has already received the information for the 2010 audit regarding the 403B plan. Reconciliations will be complete for the bank accounts and activity funds, prior to the entrance conference with the auditor for fiscal year ending June 30, 2010.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2009

2009 - 6 Employee Files

Condition: One employee file of nine tested, did not have a W-4 in the file.

Criteria: The IRS regulations require that a W-4 be completed by every employee and be kept on file by the employer.

Cause: There is not a review process to ensure all employee files are complete as to required documentation.

Effect: The District has no proof that the amounts being withheld on behalf of the employee are correct. This could make the District liable for taxes which could be claimed should have been withheld.

Recommendation: The District should include in its procedures a review process for employee files.

Response: The District will be evaluating all control procedures and will develop a process to ensure that employee files are maintained properly.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES (continued)

June 30, 2009

IV. PRIOR YEAR AUDIT FINDINGS

2007 – 1 Overspent Budget	Repeated
2007 - 3 Commodities Inventory	Repeated
2008 - 1 Bank Reconciliations	Repeated
2008 - 2 Late Audit	Repeated

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

OTHER DISCLOSURES

Year Ended June 30, 2009

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

Exit Conference

An Exit Conference was held on August 12, 2010. Present were Damon Brown, Board President, Tena Hoyle, Superintendent, Justin Sumpter, Business Manager, and D. Brent Woodard, CPA.