

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS

“CREATING SUCCESS TOGETHER...ONE STUDENT AT A TIME”

FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
TABLE OF CONTENTS
Year Ended June 30, 2015

Table of Contents	i
Official Roster	v
Independent Auditors Report	1

FINANCIAL STATEMENTS

Statement of Net Position	5
Statement of Activities	6
Balance Sheet — Governmental Funds	7
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds	9
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances —Governmental Funds to the Statement of Activities	10
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – General Fund (10000)	11
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – Title I (24101)	12
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – Teacher and School Leader Incentive Pay Group (27190)	13
Statement of Fiduciary Assets and Liabilities — Agency Fund	14
Notes to the Financial Statements	15

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Schedule of the District’s Proportionate Share of Net Pension Liability	42
Schedule of the District’s Contributions	43
Notes to the Required Supplementary Information	44

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
TABLE OF CONTENTS (Continued)
Year Ended June 30, 2015

SUPPLEMENTARY INFORMATION

Major Capital Project Fund Budget

Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – Educational Technology Equipment Fund (31900)	45
---	----

Non-Major Governmental Funds

Combining Balance Sheet – All non-major governmental funds	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All non-major governmental funds	51

Non-Major Governmental Funds Budgets

Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Food Services (21000)	56
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Athletics (22000)	57
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – IDEA-B Entitlement (24106)	58
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) IDEA B Preschool (24109)	59
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) IDEA B Risk Pool (24120)	60
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Improving Teacher Quality (24154)	61
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Title I Stimulus Fund (24201)	62
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Medicaid (25153)	63
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – Farm to School (25208)	64

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
TABLE OF CONTENTS (Continued)
Year Ended June 30, 2015

Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) REAP (25233)	65
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Dental (26176)	66
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Dual Credit (27103)	67
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) 2010 GO Bonds (27106)	68
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) 2012 GO Bonds (27107)	69
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Formative Assessments (27114)	70
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Incentives for School Improv (27138)	71
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Parent Advocacy Project (27193)	72
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Youth Conservation Corp (28133)	73
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – School Based Health Center (29130)	74
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Bond Building Fund (31110)	75
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Capital Improvements – SB-9 (31700)	76
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) – Debt Service Fund (41000)	77
Statement of Revenues and Expenditures — Budget and Actual (Non- GAAP Budgetary Basis) Ed Technology Debt Service Fund (43000)	78
General Fund	
Statement of Combining Balance Sheet - General Fund	79

**STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
TABLE OF CONTENTS (Continued)
Year Ended June 30, 2015**

Statement of Combining Statement of Revenues and Expenditures and Changes in Fund Balance - General Fund	80
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Operational Fund (11000)	81
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Teacherage Fund (12000)	82
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Transportation Fund (13000)	83
Statement of Revenues and Expenditures — Budget and Actual (Non-GAAP Budgetary Basis) Instructional Materials Fund (14000)	84

OTHER SUPPLEMENTARY INFORMATION

Schedule of Cash Receipts and Disbursements - All Funds by School District Classification	85
Schedule of Changes in Assets and Liabilities - All Agency Funds	86

OTHER (UNAUDITED) INFORMATION

Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)	87
Notes to Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)	88

COMPLIANCE

Report of Independent Auditors 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	89
Summary Schedule of Prior Audit Findings	92
Schedule of Findings and Responses	93
Exit Conference	95

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
OFFICIAL ROSTER
Year Ended June 30, 2015

Board of Education

Damon Brown
Barry Hittson
Zach Osborn
Scott Warner
Lloyd Miller

President
Vice-President
Treasurer
Member
Member

Stacy Diller
Terri Trujillo

School Officials

Superintendent
Business Manager

Independent Auditor's Report

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and the major special revenue funds of the Des Moines Municipal Schools (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements 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 the District's non major governmental funds, budgetary comparison for the major capital project fund, and the budgetary comparisons all non-major funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental funds of the District as of June 30, 2015, and the respective changes in financial position and respective budgetary comparison for the major capital project fund and all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 10 to the financial statements, effective July 1, 2014, the District adopted Governmental Accounting Standards Board Statement (GASB) No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's, Discussion, and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

Accounting principles generally accepted in the United States of America also require that the Schedule of the District's Proportionate Share of Net Pension Liability and Schedule of the District's Contributions on pages 42 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by and the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

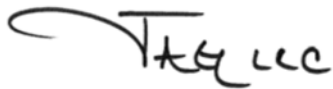
Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and budgetary comparisons. The Schedule of Changes in Fiduciary Net Assets and Liabilities – Agency Funds and the Schedule of Cash Receipts and Disbursements – All Funds by School District Classification required by the New Mexico State Audit Rule 2.2.2. NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Changes in Fiduciary Net Assets and Liabilities – Agency Funds and the Schedule of Cash Receipts and Disbursements – All Funds by School District Classification are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Changes in Fiduciary Net Assets and Liabilities – Agency Funds and the Schedule of Cash Receipts and Disbursements – All Funds by School District Classification are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

The Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT) required by Section 2.2.2 NMAC has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the District's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 16, 2015

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF NET POSITION
As of June 30, 2015

		Governmental Activities
Assets		
Current assets		
Cash and cash equivalents	\$	399,393
Taxes receivable		3,024
Due from grantors		128,616
Inventory		-
Total current assets		531,033
Non-current assets		
Capital assets, net		4,222,400
	\$	4,753,433
 Deferred Outflows of Resources		
Pension liability:		
Contributions to pension subsequent to measurement date		150,774
Change in proportionate share of pension liability		21,889
Total deferred outflows of resources		172,663
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		4,926,096
 Liabilities		
Current liabilities		
Unearned revenue	\$	40,164
Accounts payable		7,467
Accrued liabilities		104,296
Accrued interest		398
Current portion of long-term obligations		85,000
Total current liabilities		237,325
Long-term obligations		
Compensated absences		6,441
Non-current portion of long-term obligations		80,000
Net pension liability		2,018,679
Total long-term obligations		2,105,120
Total liabilities		2,342,445
 Deferred Inflows of Resources		
Pension liability:		
Difference between expected and actual actuarial experience		30,074
Difference between expected and actual investment earnings		183,522
Total deferred inflows of resources		213,596
 Net Position		
Net investment in capital assets		4,057,400
Restricted for		
Capital projects		168,810
Debt service		7,184
Special grants		153,477
Unrestricted (deficit)		(2,016,816)
Total net position		2,370,055
 TOTAL DEFERRED INFLOWS OF RESOURCES, LIABILITIES, AND NET POSITION		\$ 4,926,096
<i>See accompanying notes.</i>		

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Expenses:				
Governmental activities:				
Direct instruction	\$ 1,055,549	23,881	185,879	-
Instructional support	1,317,243	-	267,783	-
Food services	64,785	19,177	23,909	-
Interest on long-term obligations	4,739	-	-	-
Total Governmental activities	<u>\$ 2,442,316</u>	<u>43,058</u>	<u>477,571</u>	<u>-(1,921,687)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose				13,222
Property taxes, levied for capital project				57,631
Property taxes, levied for debt service				80,622
Federal and State aid not restricted to specific purpose:				
State Equalization Guarantee				1,405,636
Emergency State Equalization Guarantee				203,000
Other				9,374
Interest and investment earnings				2,265
Remittal of prior year cash balances to NM PED				(10,862)
Total general revenues				<u>1,771,750</u>
				Change in net position (149,937)
				Net position - beginning of year 4,583,010
				Prior period restatement (2,063,018)
				<u>Net position - beginning of year, as restated 2,519,992</u>
				<u>Net position - end of year \$ 2,370,055</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - GOVERNMENTAL FUNDS
As of June 30, 2015

	<i>Fund 10000</i>	<i>Fund 24101</i>	<i>Fund 27190</i>	<i>Fund 31900</i>		
	General	Title I	Teacher and School Leader Incentive	Educational Technology Equipment Act	Other Governmental	Total
Assets						
Cash and cash equivalents	\$ 130,424	-	-	79,675	189,294	399,393
Accounts receivable	295	-	-	-	2,729	3,024
Inventory	-	-	-	-	-	-
Due from grantor	-	34,520	42,659	-	51,437	128,616
Due from other funds	128,616	-	-	-	-	128,616
Total Assets	\$ 259,335	34,520	42,659	79,675	243,460	659,649
Liabilities						
Accounts payable	1,562	-	-	-	5,905	7,467
Accrued liabilities	104,296	-	-	-	-	104,296
Interest payable	-	-	-	-	398	398
Due to other funds	-	34,520	42,659	-	51,437	128,616
Unearned revenues	-	-	-	-	40,164	40,164
Total Liabilities	105,858	34,520	42,659	-	97,904	280,941
Fund Balance						
Non-spendable	-	-	-	-	-	-
Restricted for debt service	-	-	-	-	7,184	7,184
Restricted for capital projects	-	-	-	79,675	89,135	168,810
Restricted by grantor	-	-	-	-	49,237	49,237
Unassigned	153,477	-	-	-	-	153,477
Total Fund Balance	153,477	-	-	79,675	145,556	378,708
Total Liabilities and Fund Balances	\$ 259,335	34,520	42,659	79,675	243,460	659,649

See accompanying notes.

DES MOINES MUNICIPAL SCHOOLS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For The Year Ended June 30, 2015

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

Total fund balances - governmental funds	\$	378,708
--	----	---------

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

The cost of capital assets	7,592,411
Accumulated depreciation	(3,370,011)

Deferred inflow of resources are not financial resources and are not reported in the funds and include:

Contributions to pension subsequent to measurement date	150,774
Change in proportionate share of pension liability	21,889

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Bonds payable	(165,000)
Compensated absences	(6,441)
Net pension liability	(2,018,679)

Deferred outflow of resources are not financial resources and are not reported in the funds and include:

Difference between expected and actual actuarial experience	(30,074)
Difference between expected and actual investment earnings	(183,522)

Total net position - government funds	\$	<u>2,370,055</u>
---------------------------------------	----	------------------

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

	<i>Fund 10000</i>	<i>Fund 24101</i>	<i>Fund 27190</i> Teacher and School Leader Incentive	<i>Fund 31900</i> Educational Technology Equipment Act	Other Governmental	Total
Revenues	General	Title I				
Property taxes	\$ 13,222	-	-	-	138,253	151,475
Charges for services	-	-	-	-	43,058	43,058
Local sources	-	-	-	-	-	-
State sources	1,806,968	-	42,659	-	70,563	1,920,190
Federal sources	7,239	63,720	-	-	111,732	182,691
Earnings from investments	1,001	-	-	501	763	2,265
Gifts and donations	22	-	-	-	3,265	3,287
Rents and leases	2,570	-	-	-	-	2,570
Refunds	13,637	-	-	700	8,258	22,595
Other revenue	3,517	-	-	-	-	3,517
Total Revenues	1,848,176	63,720	42,659	1,201	375,892	2,331,648
Expenditures						
Current:						
Direct instruction	914,323	29,073	25,592	34,926	45,289	1,049,203
Instructional support	927,805	34,647	17,067	-	140,335	1,119,854
Food services	-	-	-	-	64,785	64,785
Capital outlay	-	-	-	-	49,609	49,609
Debt service						
Bonds - Principal	-	-	-	-	100,000	100,000
Bonds - Interest	-	-	-	-	4,739	4,739
Total Expenditures	1,842,128	63,720	42,659	34,926	404,757	2,388,190
Excess (deficiency) of revenues over expenditures	6,048	-	-	(33,725)	(28,865)	(56,542)
Other financing sources (uses)						
Remittal of prior year cash balances to NM PEE	(1,581)	-	-	-	(9,281)	(10,862)
Transfers	-	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-	-
Total other financing sources (uses)	(1,581)	-	-	-	(9,281)	(10,862)
Net change in fund balance	4,467	-	-	(33,725)	(38,146)	(67,404)
Fund balance beginning of year	149,010	-	-	113,400	183,702	446,112
Fund balance end of year	\$ 153,477	-	-	79,675	145,556	378,708

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES -GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

Total net changes in fund balances - governmental funds \$ (67,404)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	(190,721)	
Capital outlays	12,009	
Adjustments to capital assets	(9,539)	
Excess of depreciation expense over capital outlay	(188,251)	(188,251)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

Decrease in compensated absences	2,312	
Contributions to pension plan subsequent to measurement date	150,774	
Pension expense	(147,368)	

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds while the repayments of the principal of long-term debt consumes the current of financial resources of governmental funds.

Repayment of principal on long-term debt	100,000	
--	---------	--

Change in net position of governmental activities \$ (149,937)

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (10000)(Combination of Funds 11000, 12000, 13000, and 14000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 12,436	12,436	13,138	702
Charges sources	5,000	5,000	7,239	2,239
Local sources	2,400	2,400	2,610	210
State sources	1,752,365	1,809,873	1,824,144	14,271
Federal sources	-	-	-	-
Earnings from investments	500	500	961	461
Total revenues	<u>\$ 1,772,701</u>	<u>1,830,209</u>	<u>1,848,092</u>	<u>17,883</u>
EXPENDITURES				
Direct instruction	\$ 955,285	944,097	-	944,097
Instructional support	997,935	1,082,273	935,117	147,156
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 1,953,220</u>	<u>2,026,370</u>	<u>935,117</u>	<u>1,091,253</u>
BUDGETED CASH BALANCE	<u>\$ 180,519</u>	<u>196,161</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 1,848,092
Change in receivables	84
Modified accrual basis	<u>\$ 1,848,176</u>
EXPENDITURES	
Budgetary basis	\$ 935,117
Change in payables	907,011
Modified accrual basis	<u>\$ 1,842,128</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND (24101)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 62,857	73,251	125,740	52,489
Total revenues	<u>\$ 62,857</u>	<u>73,251</u>	<u>125,740</u>	<u>52,489</u>
EXPENDITURES				
Direct instruction	\$ 57,329	67,149	57,638	9,511
Instructional support	5,528	6,102	6,082	20
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 62,857</u>	<u>73,251</u>	<u>63,720</u>	<u>9,531</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 125,740
Change in receivables	(62,020)
Modified accrual basis	<u>\$ 63,720</u>
EXPENDITURES	
Budgetary basis	\$ 63,720
Change in payables	-
Modified accrual basis	<u>\$ 63,720</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER AND SCHOOL LEADER INCENTIVE PAY GROUP (27190)
For The Year Ended June 30, 2015

	<u>Budget</u>	<u>Final Budget</u>	<u>Amount</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ -	42,750	-	(42,750)
Total revenues	<u>\$ -</u>	<u>42,750</u>	<u>-</u>	<u>(42,750)</u>
EXPENDITURES				
Direct instruction	\$ -	25,651	25,592	59
Instructional support	-	17,099	17,067	32
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>42,750</u>	<u>42,659</u>	<u>91</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	42,659
Modified accrual basis	<u>\$ 42,659</u>
EXPENDITURES	
Budgetary basis	\$ 42,659
Change in payables	-
Modified accrual basis	<u>\$ 42,659</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES - AGENCY FUNDS
As of June 30, 2015

Assets

Cash and cash equivalents	\$ 74,909
Total Assets	<u>\$ 74,909</u>

Liabilities

Deposits held for others	\$ 74,909
Total Liabilities	<u>\$ 74,909</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Des Moines Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United State of America (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 GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Des Moines Municipal School's Board of Education was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes Annotated 1978 (NMSA), to provide public education for the children within the District. The Board of Education is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The Board is comprised of five members who are elected for terms of four years.

The GASB has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As more fully described in the accounting standards, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units as defined by the GASB as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the Board of Education Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Major Funds - The major funds presented in the fund financial statements include:

General Fund (10000) – The primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds. This fund includes the following sub-funds: Operational (11000), Teacherage (12000), Transportation (13000) and Instructional Material (14000).

Special Revenue Fund – Title I (24101) - 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 et seq.

Special Revenue Fund – Teacher and School Leader Incentive Pay Group (27190) - This fund is part of a one-time allocation that is being made available to Districts to reward effective teachers and principals, either individually or as a group within a school, with stipends. The NM Public Education Department authorized the creation of this fund in their Policies and Procedures Manual to track activity for this pay-for-performance pilot program designed to increase teacher salaries, raise teacher morale and help recruit and retain teachers.

Capital Projects Fund – Educational Technology Equipment Act (31900) – To account for State funding to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities.

Agency Funds – Account for assets that the government holds for others in an agency capacity. These agency fund are as follows: School Activity Fund – Accounts for assets held by the District as an agent for the school organizations.

Non-Major Funds - The District also reports additional Governmental Funds: They include:

Special Revenue Fund - Food Services (21000) – This program provided financing for the 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, Public Law 79-396, Section 2-12, 60 Stat. 230, 42 U.S.C 1751 et seq.; 80 stat. 889, as amended, 84 sta. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 sat. 3341; Public Law 100-71, 101 stat. 430.

Special Revenue Fund - Athletics (22000) - This fund provides financing for school athletic activities. Funding is provided by fees from patrons. Fund is authorized by 6-20-2 NMAC.

Special Revenue Fund – IDEA-B Entitlement (24106) – To account for resources received for the operation and maintenance of meeting special education need of children with disabilities.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund - Preschool IDEA-B (24109) - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Special Revenue Fund IDEA-B Risk Pool (24120) - It is a reallocation of monies awarded the previous year to IDEA-B but not allocated. It is to be used to pay the excess costs of providing special education and related services to children with disabilities and supplements State, local and federal funds.

Special Revenue Fund - Improving Teacher Quality (24154) - To account for resources received to enable the District to become a community learning center to keep children safe in the after school hours. Resources are provided by New Mexico Legislation and the Federal Title IV Act. Funding and Authority is provided by the Elementary and Secondary Education Act of 1965, as amended, Title IV, Part B.

Special Revenue Fund - Title I Stimulus (24201) - To account for funds received from the Federal Government to supplement State and local funding to help low-achieving children, especially in high-poverty schools. The program finances the additional academic support and learning opportunities that are often required to help disadvantaged students progress along with their classmates. Financing and authority for this program are the American Recovery and Reinvestment Act.

Special Revenue Fund - Medicaid (25153) - To account for reimbursement of health-related services of medical eligible students receiving related services for administrative time study, and for a statement of service costs study. The fund is administered by the Lea Regional Cooperative Center #7. It is included in this report to identify the loan from operational to cover cost not yet reimbursed by the Cooperative Authorized by Public Law 92-222, Public Law 104-208.

Special Revenue Fund - Farm-to-School (25208) - The purpose of the USDA Farm to School Grant Program is to assist eligible entities in implementing farm to school programs that improve access to local foods in eligible schools.

Special Revenue Fund - REAP (Rural Education Achievement Program) (25233) - To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Special Revenue Fund - Dental - NM Community Foundation (26176) - Funding received from the NM Community Foundation and recommendations from the School Based Health Clinic Advisory Committee.

Special Revenue Fund - Dual Credit Instructional Materials (27103) - This grant is intended for dual credit instructional materials for the students.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund - 2010 G.O. Bonds Student Library (27106) - The purpose of the 2010 general obligation bonds is to acquire library books, equipment and library resources for public school libraries. These funds were made available through Senate Bill 1, Laws of 2010, 2nd Special Session, Chapter 3, Section B3.

Special Revenue Fund - 2012 GO Bond Student Library Fund (27107) - Funds used to purchase library books and library supplies for all school sites.

Special Revenue Fund New Mexico Reads to Lead! (27114) - K-3 Reading Initiative legislative funded.

Special Revenue Fund - Incentives for School Improvement Act (27138) - 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.

Special Revenue Fund - Parent Advocacy Project (27193) - To account for the availability of a Student-Parent Portal program to every district in NM affording them the opportunity to receive services to develop a student- parent portal. These portals can be used to deliver student information and reports to students and parents online. The authority for creation of this fund is in the New Mexico PED Policies and Procedures Manual.

Special Revenue Fund - Youth Conservation Corp (28133) - To account for resources received from Energy, Minerals and Natural Resources Department to provide for youth conservation activities and training. Financing and authority provided by Energy, Minerals and Natural Resources Department.

Special Revenue Fund - School Based Health Center (29130) - To account for resources provided by the State for the purpose of providing a health center on campus for students.

Capital Projects Fund - Bond Building (31100) - To account for resources received from the state of general obligation bonds for the purpose of constructing and renovating school buildings.

Debt Services Fund - Debt Service (41000) - To account for resources for the purpose of paying general obligation bonds and interest coupons. Fund are received from property taxes levied against property located within the school district and levied specifically for this purpose.

Debt Services Fund - Educational Technology Bonds (43000) - To account for resources for the purpose of paying technology bonds and interest coupons. Fund are received from property taxes levied against property located within the school district and levied specifically for this purpose.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of the GASB.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Allocation of Indirect Expense. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements

Governmental Funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these fund present increase and decrease in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes (property taxes) are susceptible to full accrual on the government wide financial statements. Property tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied. Total delinquent property taxes are not available from the County Treasurers for the current year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Sales and use taxes (which include oil/gas taxes and equipment taxes) are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Property taxes are levied each year of the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund and SB-9 Capital Improvement Fund. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after 30 days. Taxes on real property are liens on the property on January 1 of the year for which the taxes are imposed.

State Equalization Guarantee 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 8-25, 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) bi-lingual multi-cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance).

Transportation Distribution money is distributed for the purpose of making payments to each school district for the to-and-from school transportation costs of students in the grades K through 12 attending public school within the school district. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for during in excess of twenty miles one way.

Money in the vocational education transportation distribution of the public school fund is used for the purpose of making payments to school districts for transportation of students to and from their regular attendance centers and the place where vocation education programs are being offered, pursuant to Section 22-16-4.1 (NMSA 1978) of the Act. The transportation distribution is allocated to each school district according to an objective formula developed by the state transportation director and the director of public school finance.

In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each school district's forty-day average daily membership bears to the forty-day average daily membership of all school districts to receive allocations.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local school boards shall negotiate school bus contracts in accordance with regulations promulgated by the state transportation director with the approval of the State Board of Education.

Local school boards, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-2 NMSA 1978 to meet established program needs.

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

Public School Capital Outlay, is to be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms. Under the provisions of Chapter 22, Article 24, the public school capital outlay fund was created. The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action:
2. The residents of the District have provided all available resources to the District to meet its capital outlay requirements;
3. The District has used its resources in a prudent manner
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 was certified by the property tax division; and
5. The District has provided insurance for building of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food service operations, and distributions of commodities through the New Mexico Human Services Department.

Unearned Revenue. Unearned revenue represents advances on cost-reimbursement type grants which have not yet been earned.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and are therefore not accrued.

Other Financing Uses (Sources)

Transfers between funds are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

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

D. Budgets

Basis of Budgetary Presentation. The accompanying budget statements; Statement of Revenues and Expenditures - Budget and Actual, (Non-GAAP Budgetary Basis), for the year ended June 30, 2015, are prepared on the basis of accounting prescribed by the State of New Mexico law and Public Education Department (PED) Regulations. These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. The budget comparisons are presented as the legally adopted budget with actual data on a non-GAAP budgetary basis. Each budget

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

presented in the financial statements has a reconciliation at the bottom of the statement to reconcile them back to the GAAP basis funds statements. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget is integrated formally into the accounting system. Encumbrances are used as an element of control and are integrated into the budget system. The District makes corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments are reviewed and approved by the SBPU.
5. 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 Public Education Department.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by major function.
8. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
10. 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.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

Budgetary Control. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amount. 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.

E. Encumbrances

Encumbrances represent commitment related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following year’s budget.

F. Assets, Liabilities and Fund Equity

Cash & Cash Equivalents. The District’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities three months or less from the date of acquisition. The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments. All money not immediately necessary for the public use of the District may be invested in:

- a. Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or
- b. Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- c. In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investments.

Accounts Receivable. Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. Management estimates that all receivables are collectible, accordingly, no allowance for uncollectible accounts has been recorded.

The information required to report property taxes at full accrual was not available during the year.

Accounts receivable consist of the following:

	<u>General</u>	<u>Other Major</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes	\$ 295	-	2,729	3,024
Intergovernmental	-	77,179	51,437	128,616
	<u>\$ 295</u>	<u>77,179</u>	<u>54,166</u>	<u>131,640</u>

Capital Assets. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value).

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000, per Section 12-6-10 NMSA 1978, and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets. Estimated useful life is management's estimate of how long the assets is expected to meet service demands.

Straight line depreciation is used based on the following estimated useful lives:

Land improvements	50 years
Buildings & building improvements	20 to 50 years
Furniture & equipment	10 years
Auto/Vehicle	10 years

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which included roads, bridges, traffic signals, etc. The District did not own any infrastructures assets.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

Unearned Revenues. The District reports unearned revenues on its Statement of Net Position and fund balance sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for the unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences. All 12-month or full-time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees cannot accumulate more than 20 days of vacation leave. Upon retirement, unused vacation leave up to 20 days is paid to employees. No reimbursement or accrual is made for unused sick leave. The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Fund Balance of Fund Financial Statements. The fund financial statements utilize a fund balance presentation. Fund balances are categorized as follows:

Nonspendable - portion of net resources that cannot be spent because of their form or because they must remain intact.

Restricted - amounts constrained by external parties, constitutional provision, or enabling legislation.

Committed - amounts constrained by a government using its highest level of decision-making authority. The Board of Education is the highest level of decision making authority. There are no committed funds in the current year.

Assigned - amounts a government intends to use for a particular purpose. There are no assigned funds in the current year.

Unassigned - amounts that are not constrained at all will be reported in the general fund.

Net Position of Governmental Activities Financial Statements. The governmental activities financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets - This category reflects the portion of net position that is associated with capital assets less outstanding capital asset related debt.

Restricted net position - This category reflects the portion of net position that has third party limitations on its use.

Unrestricted net position - This category reflects net position of the District not restricted for any project or other purposes.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Interfund Transactions. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures /expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on deposit at each financial institution at June 30, 2015 are as follows:

Farmers & Stockmen's Bank	Checking (operating)*	\$ 518,500
Farmers & Stockmen's Bank	Certificate of Deposit	16,026
Farmers & Stockmen's Bank	Certificate of Deposit	29,017
Farmers & Stockmen's Bank	Certificate of Deposit	3,364
		<u>\$ 566,907</u>
Total amount of deposit		\$ 566,907
Outstanding checks		<u>(92,605)</u>
Total per financial statements		<u>\$ 474,302</u>
Cash - Governmental Activities		\$ 399,393
Cash and cash equivalents - Agency Funds		<u>74,909</u>
Total per financial statements		<u>\$ 474,302</u>

*Interest bearing account

At June 30, 2015, the carrying amount of the District's bank balances were \$566,907. Of this balance \$298,407 was covered by federal depository insurance and the remaining \$268,500 was covered by collateral.

Cash and cash equivalents on deposit at June 30, 2015	\$ 566,907
Less F.D.I.C coverage	<u>(298,407)</u>
Uninsured Funds	<u>268,500</u>
50% Collateral requirement	134,250
Pledged collateral	<u>747,855</u>
Excess of pledged collateral	<u>\$ 613,605</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk – Deposits – Custodial Credit Risk is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk other than following state statutes noted in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$268,500 of the District’s bank balance of \$566,907 was exposed to custodial credit risk:

Uninsured and uncollateralized	\$ -
Uninsured and collateralized with securities held by the pledging securities held by the pledging bank's trust department not in the District's name	268,500
	\$ 268,500

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the District’s 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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. New Mexico 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 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. The collateral pledged is shown as follows:

Farmers & Stockmen's Bank	Maturity Date	Fair Market Value
Carlsbad, NM #142735DH9	8/1/2017	\$ 150,000
HOBBS NM SCH #433866ET3	7/15/2019	250,000
SBA 521911 #83165AKY9	1/25/2025	216,976
FNMA 745653 #31403DMA4	11/1/2035	21,684
FHLMC #3128LXQC7	8/1/2036	109,195
		\$ 747,855

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits the District’s investment portfolio to maturities of less than one year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 3. CAPITAL ASSETS

Capital assets balances and activity for the year ended June 30, 2015 are as follows:

	Balance July 1, 2014	Additions	Deletions Adjustments	Transfer	Balance June 30, 2015
Land	\$ 1,000	-	-	-	1,000
Construction-in-process	490,522	-	-	(490,522)	-
Total not being depreciated assets	491,522	-	-	(490,522)	1,000
Land improvements	449,457	-	-	-	449,457
Building & building improvements	5,666,511	-	(9,539)	490,522	6,147,494
Vehicles	241,679	-	-	-	241,679
Furniture, fixtures, and equipment	740,772	12,009	-	-	752,781
Total depreciable assets	7,098,419	12,009	(9,539)	490,522	7,591,411
Total assets	7,589,941	12,009	(9,539)	-	7,592,411
Accumulated depreciation:					
Land improvements	(204,327)	(20,651)	-	-	(224,978)
Building & building improvements	(2,129,102)	(148,089)	-	-	(2,277,191)
Vehicles	(197,208)	(8,685)	-	-	(205,893)
Furniture, fixtures and equipment	(648,653)	(13,296)	-	-	(661,949)
Total	(3,179,290)	(190,721)	-	-	(3,370,011)
Capital assets, net	\$ 4,410,651	(178,712)	(9,539)	-	4,222,400

Depreciation expense was \$190,721 for the year ended June 30, 2015 and is allocated to instructional support in the statement of activities.

NOTE 4. LONG-TERM LIABILITIES

During the year ended June 30, 2015, the following changes occurred in the long-term liabilities reported in the Statement of Net Position:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
General Obligation Bonds	\$ 265,000	-	(100,000)	165,000	85,000
Compensated Absences	8,752	-	(2,311)	6,441	-
Total	\$ 273,752	-	(102,311)	171,441	85,000

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 4. LONG-TERM LIABILITIES (CONTINUED)

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Transportation Fund, Food Services Fund and Title I Fund.

The current portion of the compensated absences is estimated at zero as there are no anticipated retirements or terminations.

The following is a summary of bond activity of the District for the year ended June 30, 2015:

General obligation bonds	
Payable, June 30, 2014	\$ 265,000
Bonds paid	(100,000)
Bonds issued	<u>-</u>
General obligation bonds	
Payable, June 30, 2015	\$ <u>165,000</u>

The bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to school buildings and improving school grounds. For the purpose of providing the necessary funds to meet the interest and principal as they become due, there is annually assessed, levied, and collected a tax upon all of the taxable property within the school district.

The details of the bond issues and the remaining retirement amounts are summarized below.

Series	Date of Issue	Amount	Interest Rate	Balance
2012	05-15-12	350,000	1.00% - 3.00%	<u>165,000</u>
				<u>\$ 165,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2015, including interest payments are as follows:

Year	Principal	Interest	Total
2016	\$ 85,000	3,180	88,180
2017	80,000	1,480	81,480
	<u>\$ 165,000</u>	<u>4,660</u>	<u>169,660</u>

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 5. RELATED PARTY TRANSACTION

The District contracts with Right Click Technologies for network and computer services. This vendor is owned by a board member's relative and hired another board member to work with the vendor. The amount paid to this vendor during the year ended June 30, 2015 was \$27,088. There were no amounts due to or from Right Click Technologies at June 30, 2015.

NOTE 6. HIGH PLAINS REGIONAL EDUCATIONAL COOPERATIVE #3

The District is a member of the High Plains Regional Educational Cooperative #3. The High Plains Regional Educational Cooperative #3 issues a separate, publicly available financial report that includes financial statements and required supplementary information. A copy of that audit report can be obtained by writing to the High Plains Regional Educational Cooperative #3, 144 South First Street, Raton, New Mexico, 87740.

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and commissions; and injuries to employees; and natural disasters. The District as a New Mexico Public school is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are provided by the District to NMPSIA for coverage provided in the following areas:

Workers Compensation
Property and Automobile Liability and Physical Damage
Liability and Civil Rights and Personal Injury
Contract School Bus Coverage, and
Crime

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

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

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

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$150,774 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$2,018,679 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

At June 30, 2014, the District's proportion was .035380 percent, which was an increase of .00047 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$147,368.

Pension Expense Calculation	
Add: Net pension liability - end of the year	\$ 2,018,679
Deduct: Net pension liability - beginning of the year	(2,191,521)
Deduct: Deferred outflows of resources during the year	(21,889)
Add: First year of amortization of deferred outflows of resources	-
Add: Deferred inflows of resources during the year	213,596
Deduct: First year of amortization of deferred inflows of resources	-
Add: Layered amortization of prior year(s) deferred outflows of resources	-
Deduct: Layered amortization of prior year(s) deferred inflows of resources	-
Reductions to ending net pension liability due to 2014 contributions paid	128,503
Total Pension Expense	\$ 147,368

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual actuarial experience change of assumptions	\$ -	\$ 30,074
Net difference between projected and actual earnings on pension plan investments	-	183,522
Changes in proportion and differences between District contributions and proportionate share of contributions	21,889	-
District contributions subsequent to the measurement date	150,774	-
Total	\$ 172,663	\$ 213,596

\$150,774 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ (48,718)
2017	(48,718)
2018	(48,377)
2019	(45,877)
2020	-
Total	\$ (191,690)

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042 Asset
Valuation Method	5 year smoothed market for funding valuation (fair value for valuation method)
Inflation	3.00%
	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates 90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

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

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1 % Decrease 6.75%	Current Discount Rate 7.75%	1 % Increase 8.75%
District's proportionate share of the net pension liability	\$ 2,746,647	2,018,681	1,410,744

Pension plan fiduciary net position. Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provided health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978). The Board is responsible for establishing and amending benefit provisions of title healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which event the time period required for employee and employer contributions shall become the

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

period of time between the employers effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$21,294, \$19,506, and \$17,768, respectively, which equal, the required contributions for each year.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 10. RESTATEMENT OF GOVERNMENT WIDE FINANCIAL STATEMENTS FOR NET PENSION LIABILITY

The Governmental Accounting Standards Board (GASB) issued a new accounting pronouncement (Statement No. 68 - *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*) effective for the year ended June 30, 2015.

As a cost-share employer participating in the ERB Pension Plan (Plan) (see note 8), the District has included in its June 30, 2015 financial statements, the pro rata share of the Plan’s collective “Net Pension Liability”. The Plan’s “Net Pension Liability” represents the difference between Plan’s Total Plan Liability and the Plan’s Net Plan Position, reported at the market value of the investment assets.

With the adoption of the new accounting pronouncement, the District has restated its unrestricted net position at the beginning of the fiscal year in the government-wide financial statements in the amount of \$2,063,018.

NOTE 11. DUE TO AND DUE FROM OTHER FUNDS

All funds pool their cash in one bank account. At June 30, 2015, those funds in the “Due From” column had negative cash balances that were reclassified to “Due From” the Operational Fund (11000). For presentation purposes, the Operational Fund’s cash balance was reduced accordingly.

<u>Fund</u>	<u>Due to</u>	<u>Due From</u>
11000	\$ 128,616	-
24101	-	34,520
24106	-	18,460
24109	-	100
24120	-	20
24154	-	997
25153	-	8,557
27103	-	56
27107	-	2,572
27114	-	18,677
27190	-	42,659
27193	-	1,998
	\$ 128,616	\$ 128,616

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 11. TRANSFERS

During the year ended June 30, 2015, the District transferred \$38,451 in excess cash from fund 41000 to fund 31100. These transfers are presented in the financial statements as interfund transfers. Additionally, the District transferred \$55,829 in cash from fund 11000 to certain federal funds that had deficit fund balances that occurred prior to fiscal year 2015. Prior year financial statements eliminated these deficit balances as a due from the Operational Fund (11000) with offsetting interfund transfers.

NOTE 12. REMITTAL OF PRIOR YEAR CASH BALANCES TO THE NEW MEXICO DEPARTMENT OF PUBLIC EDUCATION

During the year ended June 30, 2015, the District remitted the following cash to the New Mexico Public Education Department:

\$1,588 from fund 13000 for 50% of the excess transportation cash balances at June 30, 2014 in accordance with Sections 10-15-1 and 22-8-12, NMSA, 1978 Compilation.

\$2,662 from fund 24201 and \$6,619 from fund 27138. Both of these funds were dormant and had excess cash balances.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
New Mexico Educational Retirement Board (ERB) Pension Plan
For the Year Ended June 30, 2015
Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.35380%
District's proportionate share of the net pension liability	\$ 2,018,679
District's covered-employee payroll	\$ 975,278
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207%
ERB Plan fiduciary net position as a percentage of the total pension liability	66.54%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
New Mexico Educational Retirement Board (ERB) Pension Plan
For the Year Ended June 30, 2015
Last 10 Fiscal Years*

		2015
Contractually required contribution	\$	128,249
Contributions in relation to the contractually required	\$	(128,249)
Contribution deficiency	\$	-
District's covered-employee payroll	\$	975,278
Contribution as a percentage of covered-employee payroll		13.15%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Changes of benefit terms. The COLA and retirement eligibility benefits changes in recent years are described in the benefits provided subsection of the financial statement note disclosure on the Pension Plan (Note 8).

Changes of assumptions.

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

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

See also the actuarial assumptions subsection of the financial statement note disclosure on the Pension Plan (Note 8).

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATIONAL TECHNOLOGY EQUIPMENT ACT - 31900
MAJOR CAPITAL PROJECTS FUND
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Earnings from investments	\$ -	-	501	501
Bond proceeds	-	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>501</u>	<u>501</u>
EXPENDITURES				
Instructional support	\$ -	-	-	-
Bonds principal	-	-	-	-
Bond interest	-	-	-	-
Other services	19,050	113,400	34,927	78,473
Total expenditures	<u>\$ 19,050</u>	<u>113,400</u>	<u>34,927</u>	<u>78,473</u>
BUDGETED CASH BALANCE	<u>\$ 19,050</u>	<u>19,050</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 501
Change in receivables	700
Modified accrual basis	<u>\$ 1,201</u>
EXPENDITURES	
Budgetary basis	\$ 34,927
Change in payables	(1)
Modified accrual basis	<u>\$ 34,926</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - ALL NON-MAJOR
GOVERNMENTAL FUNDS
As of June 30, 2015

Special Revenue Funds

	<i>Fund 21000</i>	<i>Fund 22000</i>	<i>Fund 24106</i>	<i>Fund 24109</i>	<i>Fund 24120</i>
	Food Services	Athletics	IDEA-B Entitlement	IDEA-B Preschool	IDEA-B Risk Pool
Assets					
Cash and cash equivalent	\$ 38,180	11,057	-	-	-
Accounts receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Due from grantor	-	-	18,460	100	20
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 38,180</u>	<u>11,057</u>	<u>18,460</u>	<u>100</u>	<u>20</u>
Liabilities					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	-	-	18,460	100	20
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,460</u>	<u>100</u>	<u>20</u>
Fund Balance					
Non-spendable	-	-	-	-	-
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted by grantor	38,180	11,057	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>38,180</u>	<u>11,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities And Fund Balances	<u>\$ 38,180</u>	<u>11,057</u>	<u>18,460</u>	<u>100</u>	<u>20</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - ALL NON-MAJOR
GOVERNMENTAL FUNDS
As of June 30, 2015

Special Revenue Funds

	<i>Fund 24154</i>	<i>Fund 24201</i>	<i>Fund 25153</i>	<i>Fund 25208</i>	<i>Fund 25233</i>
	Improving Teacher Quality	Title I Stimulus	Medicaid	Farm to School Fund	REAP
Assets					
Cash and cash equivalent	\$ -	-	-	2,870	194
Accounts receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Due from grantor	997	-	8,557	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 997	-	8,557	2,870	194
Liabilities					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	997	-	8,557	-	-
Unearned revenues	-	-	-	2,870	194
Total Liabilities	997	-	8,557	2,870	194
Fund Balance					
Non-spendable	-	-	-	-	-
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted by grantor	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
Total Liabilities And Fund Balances	\$ 997	-	8,557	2,870	194

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - ALL NON-MAJOR
GOVERNMENTAL FUNDS
As of June 30, 2015

Special Revenue Funds

	<i>Fund 26176</i>	<i>Fund 27103</i>	<i>Fund 27106</i>	<i>Fund 27107</i>	<i>Fund 27114</i>
	Dental	Dual Credit	2010 GO	2012 GO	New Mexico
	(NM Community	Fund	Bonds Student	Bonds Student	Reads to Lead
	Foundation)		Library Fund	Library Fund	
Assets					
Cash and cash equivalent	\$ 27,835	-	-	-	-
Accounts receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Due from grantor	-	56	-	2,572	18,677
Due from other funds	-	-	-	-	-
Total Assets	\$ 27,835	56	-	2,572	18,677
Liabilities					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	-	56	-	2,572	18,677
Unearned revenues	27,835	-	-	-	-
Total Liabilities	27,835	56	-	2,572	18,677
Fund Balance					
Non-spendable	-	-	-	-	-
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted by grantor	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
Total Liabilities And Fund Balances	\$ 27,835	56	-	2,572	18,677

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - ALL NON-MAJOR
GOVERNMENTAL FUNDS
As of June 30, 2015

	Special Revenue Funds			
	Fund 27138 Incentives for School Improvement	Fund 27193 Parent Advocacy Project	Fund 28133 Youth Conservation Group	Fund 29130 School Based Health Center
Assets				
Cash and cash equivalent	\$ -	-	617	8,648
Accounts receivable	-	-	-	-
Inventory	-	-	-	-
Due from grantor	-	1,998	-	-
Due from other funds	-	-	-	-
Total Assets	\$ -	1,998	617	8,648
Liabilities				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	1,998	-	-
Unearned revenues	-	-	617	8,648
Total Liabilities	-	1,998	617	8,648
Fund Balance				
Non-spendable	-	-	-	-
Restricted for debt service	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted by grantor	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	-	-
Total Liabilities And Fund Balances	\$ -	1,998	617	8,648

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
BALANCE SHEET - ALL NON-MAJOR
GOVERNMENTAL FUNDS
As of June 30, 2015

	Capital Projects Funds		Debt Service Funds		Totals
	Fund 31100 Bond Building	Fund 31700 Capital Improvements SB-9	Fund 41000 Debt Service	Fund 43000 Educational Technology Debt Service	
Assets					
Cash and cash equivalent	\$ 60,244	33,562	22	6,065	189,294
Accounts receivable	-	1,234	29	1,466	2,729
Inventory	-	-	-	-	-
Due from grantor	-	-	-	-	51,437
Due from other funds	-	-	-	-	-
Total Assets	\$ 60,244	34,796	51	7,531	243,460
Liabilities					
Accounts payable	3,300	2,605	-	-	5,905
Accrued liabilities	-	-	-	-	-
Interest payable	-	-	-	398	398
Due to other funds	-	-	-	-	51,437
Unearned revenues	-	-	-	-	40,164
Total Liabilities	3,300	2,605	-	398	97,904
Fund Balance					
Non-spendable	-	-	-	-	-
Restricted for debt service	-	-	51	7,133	7,184
Restricted for capital projects	56,944	32,191	-	-	89,135
Restricted by grantor	-	-	-	-	49,237
Unassigned	-	-	-	-	-
Total Fund Balance	56,944	32,191	51	7,133	145,556
Total Liabilities And Fund Balances	\$ 60,244	34,796	51	7,531	243,460

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

Special Revenue Funds

	Fund 21000	Fund 22000	Fund 24106	Fund 24109	Fund 24120
	Food Services	Athletics	IDEA-B Entitlement	IDEA-B Preschool	IDEA-B Risk Pool
Revenues					
Property taxes	\$ -	-	-	-	-
Charges for services	19,177	23,881	-	-	-
Local sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	23,909	-	33,767	933	20
Earnings from investments	270	56	-	-	-
Gifts and donations	3,265	-	-	-	-
Rents and leases	-	-	-	-	-
Refunds and Miscellaneous	-	-	-	-	-
Total Revenues	<u>46,621</u>	<u>23,937</u>	<u>33,767</u>	<u>933</u>	<u>20</u>
Expenditures					
Current:					
Direct instruction	-	-	22,755	933	20
Instructional support	-	24,142	11,012	-	-
Food services	64,785	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Bonds	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>64,785</u>	<u>24,142</u>	<u>33,767</u>	<u>933</u>	<u>20</u>
Excess (deficiency) of revenues over expenditures	(18,164)	(205)	-	-	-
Other financing sources (uses)					
Remittal of prior year cash balances to NM PED	-	-	-	-	-
Transfers	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(18,164)</u>	<u>(205)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance beginning of year	<u>56,344</u>	<u>11,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance end of year	<u>\$ 38,180</u>	<u>11,057</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

Special Revenue Funds					
	Fund 24154 Improving Teacher Quality	Fund 24201 Title I Stimulus	Fund 25153 Medicaid	Fund 25208 Farm to School Fund	Fund 25233 REAP
Revenues					
Property taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Local sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	1,963	-	36,364	-	14,776
Earnings from investments	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Rents and leases	-	-	-	-	-
Refunds and Miscellaneous	-	2,662	-	-	-
Total Revenues	<u>1,963</u>	<u>2,662</u>	<u>36,364</u>	<u>-</u>	<u>14,776</u>
Expenditures					
Current:		-			
Direct instruction	1,963	-	-	-	14,068
Instructional support	-	-	36,364	-	708
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Bonds	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>1,963</u>	<u>-</u>	<u>36,364</u>	<u>-</u>	<u>14,776</u>
Excess (deficiency) of revenues over expenditures	-	2,662	-	-	-
Other financing sources (uses)					
Remittal of prior year cash balances to NM PED	-	(2,662)	-	-	-
Transfers	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

	Special Revenue Funds				
	Fund 26176 Dental (NM Community Foundation)	Fund 27103 Dual Credit Fund	Fund 27106 2010 GO Bonds Student Library Fund	Fund 27107 2012 GO Bonds Student Library Fund	Fund 27114 New Mexico Reads to Lead
Revenues					
Property taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Local sources	-	-	-	-	-
State sources	-	371	-	2,572	50,000
Federal sources	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Rents and leases	-	-	-	-	-
Refunds and Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>371</u>	<u>-</u>	<u>2,572</u>	<u>50,000</u>
Expenditures					
Current:					
Direct instruction	-	-	-	-	3,250
Instructional support	-	371	-	2,572	46,750
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Bonds	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>371</u>	<u>-</u>	<u>2,572</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources (uses)					
Remittal of prior year cash balances to NM PED	-	-	-	-	-
Transfers	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance end of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

	Special Revenue Funds			
	<i>Fund 27138</i> Incentives for School Improvement	<i>Fund 27193</i> Parent Advocacy Project	<i>Fund 28133</i> Youth Conservation Group	<i>Fund 29130</i> School Based Health Center
Revenues				
Property taxes	\$ -	-	-	-
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	-	1,998	-	15,622
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Gifts and donations	-	-	-	-
Rents and leases	-	-	-	-
Refunds and Miscellaneous	6,619	-	-	-
Total Revenues	<u>6,619</u>	<u>1,998</u>	<u>-</u>	<u>15,622</u>
Expenditures				
Current:				
Direct instruction	-	-	-	-
Instructional support	-	1,998	-	15,622
Food services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Bonds	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,998</u>	<u>-</u>	<u>15,622</u>
Excess (deficiency) of revenues over expenditures	6,619	-	-	-
Other financing sources (uses)				
Remittal of prior year cash balances to NM PED	(6,619)	-	-	-
Transfers	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Total other financing sources (uses)	<u>(6,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

	Capital Projects Funds		Debt Service Funds		Totals
	Fund 31100 Bond Building	Fund 31700 Capital Improvements SB-9	Fund 41000 Debt Service	Fund 43000 Educational Technology Debt Service	
Revenues					
Property taxes	\$ -	57,631	-	80,622	\$ 138,253
Charges for services	-	-	-	-	43,058
Local sources	-	-	-	-	-
State sources	-	-	-	-	70,563
Federal sources	-	-	-	-	111,732
Earnings from investments	236	201	-	-	763
Gifts and donations	-	-	-	-	3,265
Rents and leases	-	-	-	-	-
Refunds and Miscellaneous	-	-	(1,023)	-	8,258
Total Revenues	<u>236</u>	<u>57,832</u>	<u>(1,023)</u>	<u>80,622</u>	<u>375,892</u>
Expenditures					
Current:					
Direct instruction	2,300	-	-	-	45,289
Instructional support	-	-	-	796	140,335
Food services	-	-	-	-	64,785
Capital outlay	-	49,609	-	-	49,609
Debt service	-	-	-	-	-
Bonds	-	-	20,000	80,000	100,000
Interest	-	-	-	4,739	4,739
Total Expenditures	<u>2,300</u>	<u>49,609</u>	<u>20,000</u>	<u>85,535</u>	<u>404,757</u>
Excess (deficiency) of revenues over expenditures	(2,064)	8,223	(21,023)	(4,913)	(28,865)
Other financing sources (uses)					
Remittal of prior year cash balances to NM PED	-	-	-	-	(9,281)
Transfers	38,451	-	(38,451)	-	-
Proceeds from bond issuance	-	-	-	-	-
Total other financing sources (uses)	<u>38,451</u>	<u>-</u>	<u>(38,451)</u>	<u>-</u>	<u>(9,281)</u>
Net change in fund balance	<u>36,387</u>	<u>8,223</u>	<u>(59,474)</u>	<u>(4,913)</u>	<u>(38,146)</u>
Fund balance beginning of year	<u>20,557</u>	<u>23,968</u>	<u>59,525</u>	<u>12,046</u>	<u>183,702</u>
Fund balance end of year	\$ <u>56,944</u>	<u>32,191</u>	<u>51</u>	<u>7,133</u>	<u>145,556</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICES (21000)
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amount</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ -	-	-	-
Charges sources	13,500	13,500	19,177	5,677
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	25,000	25,000	25,051	51
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 38,500</u>	<u>38,500</u>	<u>44,228</u>	<u>5,728</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	-	-	-	-
Food services	94,710	94,710	64,785	29,925
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 94,710</u>	<u>94,710</u>	<u>64,785</u>	<u>29,925</u>
BUDGETED CASH BALANCE	<u>\$ 56,210</u>	<u>56,210</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 44,228
Change in receivables	2,393
Modified accrual basis	<u>\$ 46,621</u>
EXPENDITURES	
Budgetary basis	\$ 64,785
Change in payables	-
Modified accrual basis	<u>\$ 64,785</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETICS (22000)
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local sources	\$ 15,000	15,000	23,881	8,881
Total revenues	<u>\$ 15,000</u>	<u>15,000</u>	<u>23,881</u>	<u>8,881</u>
 EXPENDITURES				
Direct instruction	\$ 24,782	24,782	24,142	640
Total expenditures	<u>\$ 24,782</u>	<u>24,782</u>	<u>24,142</u>	<u>640</u>
 BUDGETED CASH BALANCE	 <u>\$ 9,782</u>	 <u>9,782</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 23,881
Change in receivables	56
Modified accrual basis	<u>\$ 23,937</u>
 EXPENDITURES	
Budgetary basis	\$ 24,142
Change in payables	-
Modified accrual basis	<u>\$ 24,142</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA-B ENTITLEMENT FUND (24106)
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amount</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal sources	\$ 28,584	62,956	38,220	(24,736)
Total revenues	<u>\$ 28,584</u>	<u>62,956</u>	<u>38,220</u>	<u>(24,736)</u>
EXPENDITURES				
Direct instruction	\$ 18,271	52,643	24,234	28,409
Instructional support	10,313	10,313	9,531	782
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 28,584</u>	<u>62,956</u>	<u>33,765</u>	<u>29,191</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 38,220
Change in receivables	(4,453)
Modified accrual basis	<u>\$ 33,767</u>
EXPENDITURES	
Budgetary basis	\$ 33,765
Change in payables	2
Modified accrual basis	<u>\$ 33,767</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA B PRESCHOOL (24109)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 840	933	1,766	833
Total revenues	\$ 840	933	1,766	833
EXPENDITURES				
Direct instruction	\$ 840	933	933	-
Total expenditures	\$ 840	933	933	-
BUDGETED CASH BALANCE	\$ -	-		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 1,766
Change in receivables	833
Modified accrual basis	<u>\$ 933</u>
EXPENDITURES	
Budgetary basis	\$ 933
Change in payables	-
Modified accrual basis	<u>\$ 933</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA B RISK POOL (24120)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	20	193	173
Total revenues	<u>\$ -</u>	<u>20</u>	<u>193</u>	<u>173</u>
EXPENDITURES				
Direct instruction	\$ -	20	20	-
Total expenditures	<u>\$ -</u>	<u>20</u>	<u>20</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 193
Change in receivables	(173)
Modified accrual basis	<u>\$ 20</u>
EXPENDITURES	
Budgetary basis	\$ 20
Change in payables	-
Modified accrual basis	<u>\$ 20</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY (24154)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 4,347	6,544	5,862	(682)
Total revenues	<u>\$ 4,347</u>	<u>6,544</u>	<u>5,862</u>	<u>(682)</u>
EXPENDITURES				
Direct instruction	\$ 4,347	6,544	1,963	4,581
Instructional support	-	-	-	-
Total expenditures	<u>\$ 4,347</u>	<u>6,544</u>	<u>1,963</u>	<u>4,581</u>

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 5,862
Change in receivables	(3,899)
Modified accrual basis	<u>\$ 1,963</u>
EXPENDITURES	
Budgetary basis	\$ 1,963
Change in payables	-
Modified accrual basis	<u>\$ 1,963</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I - STIMULUS (24201)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Total expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	2,662
Modified accrual basis	<u>\$ 2,662</u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEDICAID (25153)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 42,000	42,000	27,805	(14,195)
Total revenues	<u>\$ 42,000</u>	<u>42,000</u>	<u>27,805</u>	<u>(14,195)</u>
EXPENDITURES				
Instructional support	\$ 42,000	42,000	36,364	5,636
Total expenditures	<u>\$ 42,000</u>	<u>42,000</u>	<u>36,364</u>	<u>5,636</u>

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 27,805
Change in receivables	8,560
Modified accrual basis	<u>\$ 36,365</u>
EXPENDITURES	
Budgetary basis	\$ 36,364
Change in payables	-
Modified accrual basis	<u>\$ 36,364</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FARM TO SCHOOL (25208)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amount	Favorable Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Direct instruction	\$ 2,870	2,870	-	2,870
Instructional support	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 2,870</u>	<u>2,870</u>	<u>-</u>	<u>2,870</u>
BUDGETED CASH BALANCE	<u>\$ 2,870</u>	<u>2,870</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<u>\$ -</u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REAP (25233)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	14,475	14,936	461
Total revenues	<u>\$ -</u>	<u>14,475</u>	<u>14,936</u>	<u>461</u>
EXPENDITURES				
Direct instruction	\$ 7,410	16,986	14,068	2,918
Instructional support	7,164	16,565	5,708	10,857
Total expenditures	<u>\$ 14,574</u>	<u>33,551</u>	<u>19,776</u>	<u>2,918</u>

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 14,936
Change in receivables	(160)
Modified accrual basis	<u>\$ 14,776</u>
EXPENDITURES	
Budgetary basis	\$ 19,776
Change in payables	(5,000)
Modified accrual basis	<u>\$ 14,776</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DENTAL (NM COMMUNITY FOUNDATION FUND)(26176)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	28,177	28,177	-	28,177
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 28,177</u>	<u>28,177</u>	<u>-</u>	<u>28,177</u>
BUDGETED CASH BALANCE	<u>\$ 28,177</u>	<u>28,177</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<u>\$ -</u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DUAL CREDIT (27103)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	371	315	(56)
Total revenues	<u>\$ -</u>	<u>371</u>	<u>315</u>	<u>(56)</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	-	371	371	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>371</u>	<u>371</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 315
Change in receivables	56
Modified accrual basis	<u>\$ 371</u>
EXPENDITURES	
Budgetary basis	\$ 371
Change in payables	-
Modified accrual basis	<u>\$ 371</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
2010 GO BONDS (27106)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	-	547	547
Total revenues	<u>\$ -</u>	<u>-</u>	<u>547</u>	<u>547</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 547
Change in receivables	(547)
Modified accrual basis	<u>\$ -</u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
2012 GO BONDS (27107)
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ 3,851	3,851	2,157	(1,694)
Total revenues	<u>\$ 3,851</u>	<u>3,851</u>	<u>2,157</u>	<u>(1,694)</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	3,851	3,851	2,572	1,279
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 3,851</u>	<u>3,851</u>	<u>2,572</u>	<u>1,279</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 2,157
Change in receivables	415
Modified accrual basis	<u>\$ 2,572</u>
EXPENDITURES	
Budgetary basis	\$ 2,572
Change in payables	-
Modified accrual basis	<u>\$ 2,572</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NEW MEXICO READS TO LEAD (27114)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 50,000	50,000	68,684	18,684
Total revenues	\$ 50,000	50,000	68,684	18,684
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	50,000	50,000	50,000	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	\$ 50,000	50,000	50,000	-
BUDGETED CASH BALANCE	\$ -	-		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 68,684
Change in receivables	(18,684)
Modified accrual basis	<u>\$ 50,000</u>
EXPENDITURES	
Budgetary basis	\$ 50,000
Change in payables	-
Modified accrual basis	<u>\$ 50,000</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCENTIVES FOR SCHOOL IMPROVEMENT (27138)
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ -	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	6,619
Modified accrual basis	<u>\$ 6,619</u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARENT ADVOCACY PROJECT (27193)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	1,998	-	(1,998)
Total revenues	<u>\$ -</u>	<u>1,998</u>	<u>-</u>	<u>(1,998)</u>
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	-	1,998	1,998	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>1,998</u>	<u>1,998</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	1,998
Modified accrual basis	<u>\$ 1,998</u>
EXPENDITURES	
Budgetary basis	\$ 1,998
Change in payables	-
Modified accrual basis	<u>\$ 1,998</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH CONSERVATION CORP. (28133)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	-	-	-
Total revenues	\$ -	-	-	-
EXPENDITURES				
Direct instruction	\$ 612	612	-	612
Total expenditures	\$ 612	612	-	612
BUDGETED CASH BALANCE	\$ 612	612		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	\$ -
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	\$ -

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL BASED HEALTH CENTER FUND (29130)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Amount	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	-	-	-
Total revenues	\$ -	-	-	-
EXPENDITURES				
Direct instruction	\$ -	-	-	-
Instructional support	26,399	25,783	16,284	9,499
Food services	-	-	-	-
Capital outlay	-	616	-	616
Total expenditures	\$ 26,399	26,399	16,284	10,115
BUDGETED CASH BALANCE	\$ 26,399	26,399		

Reconciliation of budgetary basis to modified accrual statements

REVENUES		
Budgetary basis	\$ -	
Change in receivables	15,622	
Modified accrual basis	\$ 15,622	
EXPENDITURES		
Budgetary basis	\$ 16,284	
Change in payables	(662)	
Modified accrual basis	\$ 15,622	

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND BUILDING FUND (31110)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	-	236	236
Earnings on investments	-	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>236</u>	<u>236</u>
EXPENDITURES				
Capital outlay	\$ -	21,557	-	21,557
Total expenditures	<u>\$ -</u>	<u>21,557</u>	<u>-</u>	<u>21,557</u>
BUDGETED CASH BALANCE	<u><u>\$ -</u></u>	<u><u>-</u></u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 236
Change in receivables	-
Modified accrual basis	<u><u>\$ 236</u></u>
EXPENDITURES	
Budgetary basis	\$ -
Change in payables	2,300
Modified accrual basis	<u><u>\$ 2,300</u></u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS - SB-9 FUND (31700)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 60,589	60,589	57,425	(3,164)
State sources	-	-	-	-
Earnings on investments	-	-	202	202
Total revenues	<u>\$ 60,589</u>	<u>60,589</u>	<u>57,627</u>	<u>(2,962)</u>
EXPENDITURES				
Instructional support	-	1,200	574	626
Capital outlay	\$ 110,637	109,437	73,798	35,639
Total expenditures	<u>\$ 110,637</u>	<u>110,637</u>	<u>74,372</u>	<u>35,639</u>
BUDGETED CASH BALANCE	<u>\$ 50,048</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 57,627
Change in receivables	205
Modified accrual basis	<u>\$ 57,832</u>
EXPENDITURES	
Budgetary basis	\$ 74,372
Change in payables	(24,763)
Modified accrual basis	<u>\$ 49,609</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND (41000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	165	165
Earnings from investments	-	-	-	-
Total revenues	<u>\$ -</u>	<u>-</u>	<u>165</u>	<u>165</u>
EXPENDITURES				
Instructional support	\$ 10	10	2	8
Bank fees / other charges	41,822	38,299	-	38,299
Bonds principal	20,000	20,000	20,000	-
Bond interest	300	300	300	-
Total expenditures	<u>\$ 62,132</u>	<u>58,609</u>	<u>20,302</u>	<u>38,307</u>
BUDGETED CASH BALANCE	<u>\$ 62,132</u>	<u>62,132</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 165
Change in receivables	(1,188)
Modified accrual basis	<u>\$ (1,023)</u>
EXPENDITURES	
Budgetary basis	\$ 20,302
Change in payables	(302)
Modified accrual basis	<u>\$ 20,000</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND (43000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 73,759	73,759	79,520	5,761
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 73,759</u>	<u>73,759</u>	<u>79,520</u>	<u>5,761</u>
EXPENDITURES				
Instructional support	\$ -	1,000	795	205
Bank fees / other charges	\$ 3,589	420	321	99
Bonds principal	80,000	80,000	80,000	-
Bond interest	4,780	4,780	4,780	-
Total expenditures	<u>\$ 88,369</u>	<u>86,200</u>	<u>85,896</u>	<u>99</u>
BUDGETED CASH BALANCE	<u>\$ 14,610</u>	<u>14,610</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 79,520
Change in receivables	1,102
Modified accrual basis	<u>\$ 80,622</u>
EXPENDITURES	
Budgetary basis	\$ 85,896
Change in payables	(361)
Modified accrual basis	<u>\$ 85,535</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF COMBINING BALANCE SHEET
GENERAL FUND (10000)
Year Ended June 30, 2015

	<i>Fund 11000</i>	<i>Fund 12000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>	
	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Total</u>
ASSETS					
Cash and cash equivalent	\$ 105,682	6,447	182	18,113	130,424
Accounts receivable	295	-	-	-	295
Due from other funds	128,616	-	-	-	128,616
Total assets	<u>\$ 234,593</u>	<u>6,447</u>	<u>182</u>	<u>18,113</u>	<u>259,335</u>
LIABILITIES					
Accounts payable	\$ 1,562	-	-	-	1,562
Accrued liabilities	104,296	-	-	-	104,296
Due to other funds	-	-	-	-	-
Cash overdraft	-	-	-	-	-
Rental deposit	-	-	-	-	-
Total liabilities	<u>105,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,858</u>
FUND BALANCES					
Unassigned	128,735	6,447	182	18,113	153,477
Total fund balance	<u>128,735</u>	<u>6,447</u>	<u>182</u>	<u>18,113</u>	<u>153,477</u>
Total Liabilities And Fund Balances	<u>\$ 234,593</u>	<u>6,447</u>	<u>182</u>	<u>18,113</u>	<u>259,335</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND (10000)
Year Ended June 30, 2015

	<i>Fund 11000</i>	<i>Fund 12000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>	
	Operational	Teacherage	Transportation	Instructional Materials	Total
REVENUES					
Property taxes	\$ 13,222	-	-	-	13,222
Charges for services	-	-	-	-	-
Local sources	-	-	-	-	-
State sources	1,608,636	-	192,427	5,905	1,806,968
Federal sources	7,239	-	-	-	7,239
Earnings from investments	881	40	-	80	1,001
Gifts and donations	22	-	-	-	22
Rents and leases	-	2,570	-	-	2,570
Refunds	13,637	-	-	-	13,637
Other revenue	3,517	-	-	-	3,517
Total revenues	<u>1,647,154</u>	<u>2,610</u>	<u>192,427</u>	<u>5,985</u>	<u>1,848,176</u>
EXPENDITURES					
Direct instruction	914,323	-	-	-	914,323
Instructional support	728,584	3,462	193,826	1,933	927,805
Total expenditures	<u>1,642,907</u>	<u>3,462</u>	<u>193,826</u>	<u>1,933</u>	<u>1,842,128</u>
Excess (deficiency) of revenues over expenditures	4,247	(852)	(1,399)	4,052	6,048
Other financing sources (uses)					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Remittal of prior year cash balances to NM PED	-	-	(1,581)	-	(1,581)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,581)</u>	<u>-</u>	<u>(1,581)</u>
Net change in fund balance	4,247	(852)	(2,980)	4,052	4,467
Fund balance at beginning of year	124,488	7,299	3,162	14,061	149,010
Fund balance at end of year	<u>\$ 128,735</u>	<u>6,447</u>	<u>182</u>	<u>18,113</u>	<u>153,477</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - OPERATIONAL FUND (11000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 12,436	12,436	13,138	702
Other items	5,000	5,000	7,239	2,239
Local sources	-	-	-	-
State sources	1,522,384	1,611,542	1,625,812	14,270
Federal sources	-	-	-	-
Earnings from investments	500	500	881	381
Total revenues	<u>1,540,320</u>	<u>1,629,478</u>	<u>1,647,070</u>	<u>17,592</u>
EXPENDITURES				
Direct instruction	955,285	944,097		944,097
Instructional support	757,380	857,726	735,395	122,331
Food services	-	-	-	-
Total expenditures	<u>1,712,665</u>	<u>1,801,823</u>	<u>735,395</u>	<u>1,066,428</u>
BUDGETED CASH BALANCE	<u>\$ 172,345</u>	<u>172,345</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 1,647,070
Change in receivables	84
Modified accrual basis	<u>\$ 1,647,154</u>
EXPENDITURES	
Budgetary basis	\$ 735,395
Change in payables	907,512
Modified accrual basis	<u>\$ 1,642,907</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - TEACHERAGE FUND (12000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Charges for Services	-	-	-	-
Local sources	2,400	2,400	2,610	210
State sources	-	-	-	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>2,400</u>	<u>2,400</u>	<u>2,610</u>	<u>210</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Repairs and maintenance	10,574	10,574	3,963	6,611
Food services	-	-	-	-
Total expenditures	<u>10,574</u>	<u>10,574</u>	<u>3,963</u>	<u>6,611</u>
BUDGETED CASH BALANCE	<u>\$ 8,174</u>	<u>8,174</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 2,610
Change in receivables	-
Modified accrual basis	<u>\$ 2,610</u>
EXPENDITURES	
Budgetary basis	\$ 3,963
Change in payables	(501)
Modified accrual basis	<u>\$ 3,462</u>

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - TRANSPORTATION FUND (13000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Charges for Services	-	-	-	-
Local sources	-	-	-	-
State sources	225,458	192,427	192,427	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	225,458	192,427	192,427	-
EXPENDITURES				
Direct instruction	-	-	-	-
Instructional support	225,458	194,008	193,826	182
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	225,458	194,008	193,826	182
BUDGETED CASH BALANCE	\$ -	(1,581)		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 192,427
Change in receivables	-
Modified accrual basis	\$ 192,427
EXPENDITURES	
Budgetary basis	\$ 193,826
Change in payables	-
Modified accrual basis	\$ 193,826

See accompanying notes.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - INSTRUCTIONAL MATERIALS FUND (14000)
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Charges for Services	-	-	-	-
Local sources	-	-	-	-
State sources	4,523	5,904	5,905	1
Federal sources	-	-	-	-
Earnings from investments	-	-	80	80
Total revenues	<u>4,523</u>	<u>5,904</u>	<u>5,985</u>	<u>81</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Instructional support	4,523	19,965	1,933	18,032
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>4,523</u>	<u>19,965</u>	<u>1,933</u>	<u>18,032</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>(14,061)</u>		

Reconciliation of budgetary basis to modified accrual statements

REVENUES	
Budgetary basis	\$ 5,985
Change in receivables	-
Modified accrual basis	<u>\$ 5,985</u>
EXPENDITURES	
Budgetary basis	\$ 1,933
Change in payables	-
Modified accrual basis	<u>\$ 1,933</u>

See accompanying notes.

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF CASH RECEIPTS AND
DISBURSEMENTS - ALL FUNDS BY
SCHOOL DISTRICT CLASSIFICATION
Year Ended June 30, 2015

	<i>General Fund 10000</i>						Funds 26000 - 29000
	<i>Fund 11000</i>	<i>Fund 12000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>	<i>Fund 21000</i>	<i>Fund 22000</i>	State/ State/Local
	Operational	Teachergage	Transportation	Instructional Materials	Food Services	Athletics	Funds
Cash balance, June 30, 2014	\$ 186,465	7,799	3,162	14,061	55,202	11,262	19,938
Remittal of prior year fund balances to NM PED	-	-	(1,581)	-	-	-	(6,619)
Transfers	(55,829)	-	-	-	-	-	-
Cash receipts	1,647,070	2,610	192,427	5,985	47,763	23,937	71,702
Cash disbursements	(1,647,704)	(3,962)	(196,988)	(1,933)	(64,785)	(24,142)	(113,883)
Cash balance, unadjusted, June 30, 2015	130,002	6,447	182	18,113	38,180	11,057	(28,862)
Checks held at year end	104,296	-	-	-	-	-	-
Loans (pooled cash)	(128,616)	-	-	-	-	-	65,962
Cash balance, adjusted, June 30, 2015	\$ 105,682	6,447	182	18,113	38,180	11,057	37,100
	<i>Fund 31900</i>	<i>Funds 24000 - 25000</i>	<i>Fund 31100</i>	<i>Fund 31700</i>	<i>Fund 41000</i>	<i>Fund 43000</i>	
	Ed Tech Equipment Act	Federal Funds	Bond Building	Capital Improvement SB-9	Debt Service	Ed Tech Debt Service	Total
Cash balance, June 30, 2014	\$ 113,400	(170,736)	21,557	50,307	58,609	12,441	383,467
Remittal of prior year fund balances to NM PED	-	(2,662)	-	-	-	-	(10,862)
Transfers*	-	55,829	38,451	-	(38,451)	-	-
Cash receipts	1,201	214,520	236	57,628	165	79,520	2,344,764
Cash disbursements	(34,926)	(156,541)	-	(74,373)	(58,752)	(85,896)	(2,463,885)
Cash balance, unadjusted, June 30, 2015	79,675	(59,590)	60,244	33,562	22	6,065	295,097
Checks held at year end	-	-	-	-	-	-	104,296
Loans (pooled cash)	-	62,654	-	-	-	-	-
Cash balance, adjusted, June 30, 2015	\$ 79,675	3,064	60,244	33,562	22	6,065	399,393

*Transfers between the operational and federal funds previously presented and accounted for in the financial statements.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For The Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalent	\$ 79,170	29,187	33,447	74,909
Total assets	\$ 79,170	29,187	33,447	74,909
LIABILITIES				
Deposits held for others:				
6th Grade	\$ -	-	-	-
7th Grade	-	-	-	-
8th Grade	-	-	-	-
All School Account	4,175	1,856	2,488	3,543
Billy Hittson	1,114	1,043	1,000	1,157
Cheerleaders	636	424	617	442
Counselor Fund	-	-	-	-
Demonettes	571	-	-	571
District FCCLA	-	-	-	-
District III FFA	-	-	-	-
Elementary School	-	178	125	52
FCCLA	-	-	-	-
FFA	1,005	18,513	15,314	4,204
FFA Investment	3,363	-	-	3,363
Honor Society	-	-	-	-
In/out	1,395	787	2,060	122
Jeff Bannon Memorial Scholarship	37	2	-	39
Jerry Langston Memorial Scholarship	136	538	250	424
Library	1,283	1,439	55	2,667
Masonic Lodge Scholarship	27	-	-	27
Miscellaneous	-	-	-	-
Patrick & Loren Dougherty Scholarship	65	9	-	74
PeeWee (CSAC Group)	-	-	-	-
Rodeo Club	522	-	-	522
Scholarship Activity	7,851	28	-	7,879
Scholarship Investment	45,223	-	-	45,223
Seniors	-	-	-	-
Sophomores	-	-	-	-
Weatherly Scholarship	9,223	-	7,500	1,723
Yearbook	2,544	4,371	4,038	2,877
Total liabilities	\$ 79,170	29,187	33,447	74,909

OTHER UNAUDITED INFORMATION

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
Year Ended June 30, 2015

RFB# / RFP# / State-Wide Price Agreement#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendors that Responded	In-State/Out-of- State Vendor (Y or No) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or No)	Brief Description of the Scope of Work
--	------------------------	-------------------	-------------------------------------	-------------------------------------	--	--	---	---

There were no contracts that meet the criteria required for this Schedule.

See notes to Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
NOTES TO SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING
GRT)
Year Ended June 30, 2015

This Schedule includes:

Competitive procurements in FY 2015 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2015;

Sole-source procurements in FY 2015 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2015; and

Emergency procurements in FY 2015 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2015.

This Schedule does not include:

Information on a multi-year procurement that occurred in a prior year, even if it resulted in expenditures of \$60,000 or more in FY 2015, unless there was a contract amendment that occurred in the current fiscal year (i) of a contract with a maximum contract price of \$60,000 or more, or (ii) that increased the maximum contract price of an existing contract to equal or exceed \$60,000; and Procurements based on statewide pricing agreements in FY2015.

COMPLIANCE

REPORT OF INDEPENDENT AUDITORS 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

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Des Moines Municipal Schools (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplementary information, and have issued our report thereon dated November 16, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-045.

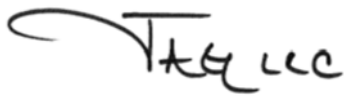
The District's Responses to Findings

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

Mr. Tim Keller
New Mexico State Auditor
&
The Board of Education
Des Moines Municipal Schools

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "JAG LLC". The signature is stylized, with a large, sweeping initial "J" that loops back to the right.

Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 16, 2015

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

#	Finding	Status of Prior Year Finding	Compliance	Significant Deficiency	Other Matter
2009-004	Reconciliation of Activity Funds	RESOLVED		X	
2010-005	Cash Loans to Other Funds	RESOLVED		X	
2010-033	Required Support for Disbursements & Procurement	RESOLVED	X		
2010-045	Clause Required Missing in Lease Agreement	REPEATED	X		

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2015

2010-045 CLAUSE REQUIRED MISSING IN LEASE AGREEMENT (FINDING THAT DOES NOT RISE TO THE LEVEL OF A SIGNIFICANT DEFICIENCY)

CONDITION

The lease agreement for copiers signed by management had the “unappropriated clause” missing. This lease is \$1,177 per month, began in March 2011, and runs for 60 months. The District has not addressed this finding, as the lease is coming due in March 2016 and will be corrected then.

CRITERIA

According to State Statutes all operating leases are required to include an “unappropriated clause” to ensure if the local government ceases to continue then there is no liability to continue the lease.

CAUSE

Management did not ensure this clause was included before entering into the agreement.

EFFECT

State statutes are not being followed.

RECOMMENDATION

The clause should be included in the agreement as soon as possible.

MANAGEMENT’S RESPONSE

The Business Manager will contact the company and see that an “unappropriated clause” is included in the future contracts by March of 2016.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2015

**2015-001 PURCHASE ORDERS DATED AFTER GOODS/SERVICES PROVIDED
(SIGNIFICANT DEFICIENCY)**

CONDITION

During our testing of disbursements, we noted four purchase orders out of twenty tested, totaling \$10,975.65 that were dated after the goods or services were provided.

CRITERIA

The New Mexico Procurement Code, Sections 13-1-1 through 13-1-199, NMSA 1978 and NM Public Education Department Manual of Procedures for Public School Accounting and Budgeting Supplement 13, provide specific procedures over the issuance of purchase orders for disbursing government fund for purchases.

CAUSE

There was oversight on these disbursements to prepare the purchase order in advance.

EFFECT

It is possible that budget would not be available for a purchase.

RECOMMENDATION

We recommend that as soon as the purchase requisition is approved, the District issue a purchase order and obtain approvals before commitments are made for purchases.

MANAGEMENT'S RESPONSE

The Business Manager and Superintendent will review the criteria requirements by December 2015 and ensure purchase orders exist prior to goods or services being procured.

STATE OF NEW MEXICO
DES MOINES MUNICIPAL SCHOOLS
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2015

An exit conference was held at the District on November 13, 2015 to discuss the audit report. In attendance were the following individuals:

Management

Mark Chandler, Superintendent (by phone)
Kodi Sumpter, District Principal
Terri Trujillo, Business Manager (by phone)
Debbie Martinez, Assistant Business Manager

Governance

Scott Warner, Board of Education & Audit Committee Member

Independent Auditors

Audrey J. Jaramillo, CPA, CFE
Scott Eliason, CPA (by phone)

FINANCIAL STATEMENT PREPARATION

The financial statements for the year ended June 30, 2015 were prepared by Jaramillo Accounting Group LLC (JAG) with the assistance of management.