

State of New Mexico
Carlsbad Municipal School
District No. 20

FINANCIAL STATEMENTS

For the Year Ended June 30, 2017



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INGRAM

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Annual Financial Report
 June 30, 2017
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STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Official Roster
June 30, 2017

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Abel Montoya		Board President
David Shoup		Board Vice President
Simon Rubio		Board Secretary
Andrew Harris		Board Member
Ron Singleton		Board Member
	<u>School Officials</u>	
Greg Rodriguez		Superintendent
Laura Garcia		Director of Finance

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Brian S. Colón
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund of Carlsbad Municipal School District No. 20 (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. 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 financial statement presentation.

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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America requires the Schedules I and II and the Notes to the Required Supplementary Information on pages 64 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Supporting Schedules III through VI required by section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VI required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VI required by section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 February 19, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
February 19, 2019

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Statement of Net Position
 June 30, 2017

	Primary Government	Component Units	
	Governmental Activities	Jefferson Montessori Academy Charter School	Pecos Connections Academy Charter School
Assets			
Current assets			
Cash and cash equivalents	\$ 16,340,532	\$ 294,773	\$ 200,606
Investments	32,133,628	-	-
Receivables:			
Taxes	1,655,378	-	-
Due from other governments	1,658,961	149,635	40,830
Other	214,992	6,574	19,252
Inventory	283,552	-	-
Total current assets	52,287,043	450,982	260,688
Noncurrent assets			
Unspent bond proceeds	16,151,907	-	-
Restricted cash and cash equivalents	2,698,478	-	-
Capital assets	174,081,340	6,295	-
Less: accumulated depreciation	(68,601,592)	(1,400)	-
Total noncurrent assets	124,330,133	4,895	-
Total assets	176,617,176	455,877	260,688
Deferred outflows of resources			
Net difference between projected and actual investments earnings on pension plan investments	5,760,453	163,536	-
Changes in proportion	3,752,978	73,554	-
Changes of assumptions	1,964,423	55,769	-
Differences between expected and actual experience	418,668	25,317	-
Employer contributions subsequent to the measurement date	5,381,682	158,874	87,771
Total deferred outflows of resources	17,278,204	477,050	87,771
Total assets and deferred outflows of resources	\$ 193,895,380	\$ 932,927	\$ 348,459

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

	Primary Government	Component Units	
	Governmental Activities	Jefferson Montessori Academy Charter School	Pecos Connections Academy Charter School
Liabilities			
Current liabilities			
Accounts payable	\$ 1,363,349	\$ -	\$ -
Accrued payroll	3,429,220	166,023	10,999
Accrued interest	985,969	-	-
Current portion of accrued compensated absences	283,416	-	-
Current portion of bonds payable	6,225,000	-	-
Total current liabilities	<u>12,286,954</u>	<u>166,023</u>	<u>10,999</u>
Noncurrent liabilities			
Accrued compensated absences	238,943	-	-
Bonds payable	56,777,256	-	-
Net pension liability	96,503,454	2,739,682	-
Total noncurrent liabilities	<u>153,519,653</u>	<u>2,739,682</u>	<u>-</u>
<i>Total liabilities</i>	<u>165,806,607</u>	<u>2,905,705</u>	<u>10,999</u>
Deferred inflows of resources			
Differences between expected and actuarial experience	917,870	39,489	-
Change in proportion	-	201,145	-
<i>Total deferred inflows of resources</i>	<u>917,870</u>	<u>240,634</u>	<u>-</u>
Net position			
Net investment in capital assets	58,629,399	4,895	-
Restricted for:			
Special revenue	3,528,859	36,273	-
Debt service	19,599,039	-	-
Capital projects	19,952,098	159,072	-
Unrestricted	(74,538,492)	(2,413,652)	337,460
<i>Total net position</i>	<u>27,170,903</u>	<u>(2,213,412)</u>	<u>337,460</u>
<i>Total liabilities, deferred inflows of resources and net position</i>	<u>\$ 193,895,380</u>	<u>\$ 932,927</u>	<u>\$ 348,459</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Statement of Activities
 For the Year Ended June 30, 2017

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
Governmental Activities:				
Instruction	\$ 58,948,464	\$ 897,224	\$ 4,832,028	\$ -
Support services	19,127,381	80,549	208,264	50,000
Central services	2,674,145	-	-	-
Operation and maintenance of plant	9,307,932	-	-	-
Student transportation	1,908,455	-	1,665,264	-
Food services operations	4,337,828	910,417	3,141,265	-
Community services operations	146,322	-	-	-
Interest on long-term debt	1,865,328	-	-	-
<i>Total governmental activities</i>	<u>\$ 88,156,938</u>	<u>\$ 1,888,190</u>	<u>\$ 9,846,821</u>	<u>\$ 50,000</u>
Component Unit Activities:				
Jefferson Montessori Academy	\$ 2,166,861	\$ 24,653	\$ 180,385	\$ 126,611
Pecos Connections Academy	1,681,892	-	54,634	-
	<u>\$ 2,166,861</u>	<u>\$ 24,653</u>	<u>\$ 180,385</u>	<u>\$ 126,611</u>

General Revenues:

Taxes:

- Property taxes, levied for operating programs
- Property taxes, levied for debt services
- Property taxes, levied for capital projects
- Oil and gas
- State equalization guarantee
- Interest and investment earnings
- Miscellaneous

Subtotal, general revenues

Change in net position

Net position, beginning

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government	Component Units	
Governmental Activities	Jefferson Montesorri Academy Charter School	Pecos Connections Academy Charter School
\$ (53,219,212)	\$ -	\$ -
(18,788,568)	-	-
(2,674,145)	-	-
(9,307,932)	-	-
(243,191)	-	-
(286,146)	-	-
(146,322)	-	-
(1,865,328)	-	-
(76,371,927)	-	-
	(1,835,212)	-
	-	(1,627,258)
514,096	124,607	-
12,292,178	-	-
1,939,140	-	-
9,966,036	-	-
49,280,785	1,700,943	1,964,718
169,015	-	-
376,387	547	-
74,537,637	1,826,097	1,964,718
(1,834,290)	(9,115)	337,460
29,005,193	(2,204,297)	-
<u>\$ 27,170,903</u>	<u>\$ (2,213,412)</u>	<u>\$ 337,460</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Balance Sheet
 Governmental Funds
 June 30, 2017

	<u>General Fund</u>	<u>Bond Building</u>	<u>Capital Improvements HB-33</u>	<u>SB-9 Capital Improvement-Local</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 7,167,848	\$ 480,517	\$ 14,939,907	\$ 5,170,400
Investments	1,241,485	15,671,390	-	-
Receivables:				
Taxes	73,402	-	302,349	301,812
Due from other governments	28,112	-	-	-
Other	316	-	-	-
Inventory	223,874	-	-	-
Due from other funds	1,250,758	-	-	-
<i>Total assets</i>	<u>\$ 9,985,795</u>	<u>\$ 16,151,907</u>	<u>\$ 15,242,256</u>	<u>\$ 5,472,212</u>
<i>Liabilities, deferred inflows and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 175,741	\$ -	\$ 411,766	\$ 675,392
Accrued payroll	3,101,980	-	-	-
Due to other funds	-	-	8	-
<i>Total liabilities</i>	<u>3,277,721</u>	<u>-</u>	<u>411,774</u>	<u>675,392</u>
<i>Deferred inflows</i>				
Unavailable revenue	16,369	-	71,479	71,449
<i>Total deferred inflows</i>	<u>16,369</u>	<u>-</u>	<u>71,479</u>	<u>71,449</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	223,874	-	-	-
Spendable:				
Restricted for:				
Educational purposes	-	-	-	-
Food services	-	-	-	-
Capital acquisitions and improvements	-	16,151,907	14,759,003	4,725,371
Debt service	-	-	-	-
Extracurricular activities	-	-	-	-
Committed for:				
Subsequent years' expenditures	6,467,831	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>6,691,705</u>	<u>16,151,907</u>	<u>14,759,003</u>	<u>4,725,371</u>
<i>Total liabilities, deferred inflows and fund balances</i>	<u>\$ 9,985,795</u>	<u>\$ 16,151,907</u>	<u>\$ 15,242,256</u>	<u>\$ 5,472,212</u>

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

Debt Service	Other Governmental Funds	Total
\$ 2,698,478	\$ 4,733,767	\$ 35,190,917
11,297,039	3,923,714	32,133,628
505,260	472,555	1,655,378
-	1,630,849	1,658,961
-	214,676	214,992
-	59,678	283,552
-	8	1,250,766
<u>\$ 14,500,777</u>	<u>\$ 11,035,247</u>	<u>\$ 72,388,194</u>
\$ -	\$ 100,450	\$ 1,363,349
-	327,240	3,429,220
-	1,250,758	1,250,766
-	1,678,448	6,043,335
38,714	196,535	394,546
38,714	196,535	394,546
-	59,678	283,552
-	1,203,202	1,203,202
-	1,777,560	1,777,560
-	467,724	36,104,005
14,462,063	5,136,976	19,599,039
-	548,097	548,097
-	-	6,467,831
-	(32,973)	(32,973)
14,462,063	9,160,264	65,950,313
<u>\$ 14,500,777</u>	<u>\$ 11,035,247</u>	<u>\$ 72,388,194</u>

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

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Governmental Funds
 Reconciliation of the Balance Sheet to the Statement of Net Position
 June 30, 2017

Exhibit B-1
 Page 2 of 2

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

Fund balances - total governmental funds	\$ 65,950,313
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	105,479,748
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities	394,546
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:	
Deferred outflows of resources related to employer contributions subsequent to the measurement date	5,381,682
Deferred outflows of resources related to the net difference between projected and actual investment earnings on pension plan investments	5,760,453
Deferred outflows of resources related to changes in proportion	3,752,978
Deferred outflows of resources related to changes of assumptions	1,964,423
Deferred outflows of resources related to differences between expected and actual experience	418,668
Deferred inflows of resources related to expected and actuarial experience	(917,870)
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:	
Accrued interest	(985,969)
Some liabilities, including bonds payable, the net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(522,359)
Bonds payable	(63,002,256)
Net pension liability	(96,503,454)
<u>Net pension liability</u>	<u>(96,503,454)</u>
<i>Total net position - governmental activities</i>	<u><u>\$ 27,170,903</u></u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Bond Building</u>	<u>Capital Improvements HB-33</u>	<u>SB-9 Capital Improvement-Local</u>
<i>Revenues</i>				
Taxes	\$ 1,131,988	\$ -	\$ 4,585,490	\$ 4,571,921
Intergovernmental revenue				
Federal flowthrough	85,247	-	-	-
Federal direct	3,017	-	-	-
Local	-	-	-	-
State flowthrough	49,493,567	-	-	-
State direct	214,356	-	-	-
Transportation distribution	1,665,264	-	-	-
Charges for services	359,547	-	-	-
Investment income	14,282	122,854	27,402	-
Miscellaneous	1,445	-	537	-
<i>Total revenues</i>	<u>52,968,713</u>	<u>122,854</u>	<u>4,613,429</u>	<u>4,571,921</u>
<i>Expenditures</i>				
Current				
Instruction	34,039,334	-	-	-
Support services	12,418,883	1,074	299	2,862,302
Central services	2,336,808	-	-	-
Operation and maintenance of plant	5,839,891	-	-	-
Student transportation	1,672,363	-	-	-
Food services operations	-	-	-	-
Community services operations	92,970	-	-	-
Capital outlay	905,192	4,193,959	2,330,186	2,425,403
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,305,441</u>	<u>4,195,033</u>	<u>2,330,485</u>	<u>5,287,705</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,336,728)</u>	<u>(4,072,179)</u>	<u>2,282,944</u>	<u>(715,784)</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(4,336,728)</u>	<u>(4,072,179)</u>	<u>2,282,944</u>	<u>(715,784)</u>
<i>Fund balances - beginning, as originally stated</i>	11,028,433	20,224,086	12,476,059	-
<i>Fund balance - reclassification (note 18)</i>	-	-	-	5,441,155
<i>Fund balances - beginning, as reclassified</i>	<u>11,028,433</u>	<u>20,224,086</u>	<u>12,476,059</u>	<u>5,441,155</u>
<i>Fund balances - ending</i>	<u>\$ 6,691,705</u>	<u>\$ 16,151,907</u>	<u>\$ 14,759,003</u>	<u>\$ 4,725,371</u>

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

Debt Service	Other Governmental Funds	Total
\$ 10,043,651	\$ 5,258,511	\$ 25,591,561
-	5,647,794	5,733,041
-	1,291,963	1,294,980
-	20,424	20,424
-	295,118	49,788,685
-	466,370	680,726
-	-	1,665,264
-	1,528,643	1,888,190
3,751	726	169,015
-	368,981	370,963
<u>10,047,402</u>	<u>14,878,530</u>	<u>87,202,849</u>
-	3,091,541	37,130,875
49,584	3,447,928	18,780,070
-	44,264	2,381,072
-	-	5,839,891
-	32,914	1,705,277
-	3,794,951	3,794,951
-	-	92,970
-	3,551,043	13,405,783
6,610,000	4,150,000	10,760,000
2,434,653	1,337	2,435,990
<u>9,094,237</u>	<u>18,113,978</u>	<u>96,326,879</u>
<u>953,165</u>	<u>(3,235,448)</u>	<u>(9,124,030)</u>
-	4,000,000	4,000,000
-	4,000,000	4,000,000
<u>953,165</u>	<u>764,552</u>	<u>(5,124,030)</u>
17,567,478	9,778,287	71,074,343
<u>(4,058,580)</u>	<u>(1,382,575)</u>	<u>-</u>
<u>13,508,898</u>	<u>8,395,712</u>	<u>71,074,343</u>
<u>\$ 14,462,063</u>	<u>\$ 9,160,264</u>	<u>\$ 65,950,313</u>

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

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ (5,124,030)
--	----------------

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

Capital expenditures recorded in capital outlay	13,405,783
Depreciation expense	(10,158,917)

Revenues in the Statement of Activities that do not provide current financial
 resources are not reported as revenue in the funds:

Decrease in deferred inflows related to unavailable property taxes	(880,111)
--	-----------

Expenses in the Statement of Activities that do not consume current financial
 resources are not reported as expenditures in the funds:

Increase in accrued compensated absences	180,357
Decrease in accrued interest	57,471

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

District pension contribution	5,381,682
Pension expense	(11,969,716)

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial
 resources to governmental funds, while the repayment of the principal of long-term
 debt consumes the current financial resources of governmental funds. Neither
 transaction, however, has any effect on net position. Also, governmental funds
 report the effect of issuance costs, premiums, discounts, and similar items when
 debt is first issued, whereas these amounts are deferred and amortized in the
 statement of activities:

Amortization of premiums	513,191
Bond proceeds	(4,000,000)
Principal payments on bonds	10,760,000

<i>Change in net position of governmental activities</i>	<u><u>\$ (1,834,290)</u></u>
--	------------------------------

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 1,327,067	\$ 1,327,067	\$ 1,106,940	\$ (220,127)
Intergovernmental revenue				
Federal flowthrough	60,000	60,000	85,247	25,247
Federal direct	-	-	3,017	3,017
State flowthrough	51,244,597	49,244,161	49,493,688	249,527
State direct	158,830	158,830	228,771	69,941
Transportation distribution	1,665,264	1,665,264	1,665,264	-
Charges for services	426,000	426,000	358,916	(67,084)
Investment income	20,000	20,000	14,282	(5,718)
Miscellaneous	-	-	1,445	1,445
<i>Total revenues</i>	<u>54,901,758</u>	<u>52,901,322</u>	<u>52,957,570</u>	<u>56,248</u>
<i>Expenditures</i>				
Current				
Instruction	37,590,923	35,026,762	34,066,603	960,159
Support services	13,930,893	13,999,762	12,513,633	1,486,129
Central services	3,792,916	2,507,156	2,323,824	183,332
Operation and maintenance of plant	7,948,063	7,235,063	6,437,408	797,655
Student transportation	1,665,264	1,673,264	1,672,363	901
Food services operations	7,000	5,000	-	5,000
Community services operations	100,963	100,963	92,970	7,993
Capital outlay	428,000	2,895,500	101,991	2,793,509
<i>Total expenditures</i>	<u>65,464,022</u>	<u>63,443,470</u>	<u>57,208,792</u>	<u>6,234,678</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,562,264)</u>	<u>(10,542,148)</u>	<u>(4,251,222)</u>	<u>6,290,926</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	10,562,264	10,542,148	-	(10,542,148)
Transfers in (out)	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,562,264</u>	<u>10,542,148</u>	<u>-</u>	<u>(10,542,148)</u>
<i>Net change in fund balances</i>	-	-	(4,251,222)	(4,251,222)
<i>Fund balances - beginning</i>	-	-	10,848,441	10,848,441
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,597,219</u>	<u>\$ 6,597,219</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,251,222)
Adjustments to revenues for intergovernmental revenues and tax revenues				11,143
Adjustments to expenditures for salaries, supplies and professional services expenditures				<u>(96,649)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (4,336,728)</u>

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

Exhibit D-1

Assets

Cash and cash equivalents	\$ 91,475
Accounts receivable	<u>928</u>
<i>Total assets</i>	<u><u>\$ 92,403</u></u>

Liabilities

Deposits held in trust for others	<u>\$ 92,403</u>
<i>Total liabilities</i>	<u><u>\$ 92,403</u></u>

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies

Carlsbad Municipal School District No. 20 (the "District") is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the City of Carlsbad and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates three schools and two charter school within the District. In conjunction with the regular educational programs, some of these schools offer special education.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's and the Charters School's financial statements. The financial statements and notes are the representation of the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

During the year ended June 30, 2017, the District adopted GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 (partial)*, No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. These six Statements are required to be implemented as of June 30, 2017, if applicable.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement was effective and was implemented for the June 30, 2017 year end, and a portion is effective for June 30, 2017 year end. Effective for June 30, 2017 are the provisions of the statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. This does not have a material effect on the financial statements of the District, as its pension plan is within the scope of Statement 68.

The objective of GASB Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement does not affect the District's financial statements directly; however, the effects on the District's OPEB plan, administered through the New Mexico Retiree Health Care Authority, will be seen in future periods.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources came from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed after time – by including information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future. Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government’s tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;
- The gross dollar amount of taxes abated during the period;
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

For tax abatement agreements entered into by other governments, the following should be disclosed:

- The names of the governments that entered into the agreements;
- The specific taxes being abated; and
- The gross dollar amount of taxes abated during the period.

This statement does not have a material effect on the financial statements of the District.

The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided to employees of state or local governmental employers. The District’s pension plan does not meet the criteria for exclusion.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

The objective of GASB Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

GASB Statement No. 82 clarified and adjusted several items from GASB 67 and 68, including the definition of covered payroll, the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

A. Financial Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 amended by GASB Statements No. 39, No. 61 and No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

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

The District's Board of Education approved the Jefferson Montessori Academy Charter School and Pecos Connections Academy Charter School for operation in accordance with the criteria listed above. The charter schools are deemed to be fiscally dependent upon the District and have been deemed to be a separate legal entity based on state statute and are presented as a discrete component unit.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

The discretely presented component units do not have separately issued financial statements. Pecos Connections Academy Charter School began operations during the fiscal year ended June 30, 2017.

B. Government-wide and fund financial statements

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

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – Net investment in capital assets, restricted net position; and unrestricted net position.

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

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.

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

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

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

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

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

within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion.

All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

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

The Bond Building Capital Projects Fund is used to account for the erecting, remodeling, additions and furnishings of school buildings. This particular Bond Building Fund is for the bonds issued in 2007.

The Capital Improvements HB-33 fund is used to account for two mill levy funds authorized by the Public School Capital Improvement Act. The levy must be voted on by local residents and allows the District to impose a property tax.

The Capital Improvements SB-9 – Local Capital Projects Fund is used to account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

The Debt Service fund is used to accumulate resources for payment of principal and interest due on general obligation bonds. Financing is provided by a special tax levy approved by the voters, and assessed by the County Assessor and collected and remitted to the District by the County Treasurer.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Additionally, the District reports the following agency fund:

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Schools to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of pool shares. As of June 30, 2017, the District does not have any investments with Local Governmental Investment Pool.

Restricted Assets: Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants. The Bond Building fund has \$16,151,907 in unspent bond proceeds as of June 30, 2017. The statement of net position also reports \$2,698,478 in restricted cash for debt service which cannot be used for general operations.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

The District receives monthly income from a tax levy from Eddy County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2017 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2017. Period of availability is deemed to be sixty days subsequent to year end. The portion of property taxes receivable not collected within 60 days is classified as a deferred inflow.

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

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Food Service Special Revenue Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as expenditures at the time individual inventory items are consumed.

U.S.D.A. commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	20-50
Equipment	5-20

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has one type of item which arises under the modified accrual basis of accounting that qualifies for reporting in this category.

Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The District has recorded \$394,546 related to property taxes considered "unavailable." In addition, the District has one type of item which arises due to the implementation of GASB 68 and the related net pension liability presented on the Statement of Net Position accordingly, the item, differences between expected and actuarial experience of \$917,870 is reported on the Statement of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The Jefferson Montessori Academy Charter School reports two type of deferred inflows that qualify for reporting in this category; accordingly, the items, differences between expected and actuarial experience, of \$39,489 and changes in proportion, of \$201,145 as reported in the Statement of Net Position. The Pecos Connections Academy Charter School did not have any items that qualify for reporting in this category.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The District has five types of items that qualify for reporting in this category. Accordingly, the items, the net difference between projected and actual investments earnings on pension plan investments of \$5,760,453, changes in proportion of \$3,752,978, changes of assumptions of \$1,964,423, differences between expected and actual experience of \$418,668, and employer contributions subsequent to measurement date in the amount of \$5,381,682 are reported in the Statement of Net Position and are deferred and recognized as outflows in future periods. In addition, the Jefferson Montessori Academy Charter School component unit has five types of items that qualify for reporting in this category. Accordingly, the items, the net difference between projected and actual investments earnings on pension plan investments of \$163,536, changes in proportion of \$73,554, changes of assumptions of \$55,769, differences between expected and actual experience of \$25,317, and employer contributions subsequent to measurement date in the amount of \$158,874 are also reported in the Statement of Net Position. The Pecos Connections Academy Charter School has one item that qualify for reporting in this category; employer contributions subsequent to measurement date in the amount of \$87,771.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

Pensions (continued): For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences: The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service employees.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are included in bonds payable reported in the statement of net position and are amortized into interest expense over the term of the bonds using the straight line method.

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

Fund Balance Classification Policies and Procedures: The District has implemented GASB Statement No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

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

Nonspendable Fund Balance: At June 30, 2017, the nonspendable fund balances in the general fund and food service fund are made up of inventory in the amount of \$223,874 and \$59,678, respectively, which are not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2017, the restricted fund balance on the governmental funds balance sheet is made up of \$59,231,903 for the purposes described on pages 30 and 72-75. The District also has committed funds of \$6,467,831 in the general fund rebudgeted for the subsequent year's expenditures. The District has no minimum fund balance policy. Residual amounts of fund balance are reported as unassigned in the general fund.

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

- a. **Net investment in capital assets:** Net investment in capital assets includes capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District had \$16,151,907 in unspent bond proceeds at June 30, 2017.
- b. **Restricted:** This components consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for "special revenue," "debt service" and "capital projects" are described on pages 30 and 72-75.
- c. **Unrestricted:** This components consists of all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The District's estimates include the useful lives of depreciable assets, net pension liability and related deferred inflows and outflows of resources, and the current portion of compensated absences. Accordingly, actual results could differ from those estimates.

Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, the net pension liability and related amounts, and the current portion of accrued compensated absences.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs." A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance.

The District received \$49,280,785 in state equalization guarantee distributions during the year ended June 30, 2017. Jefferson Montessori Academy Charter School received \$1,700,943 in state equalization guarantee distributions during the year ended June 30, 2017. Pecos Connections Academy received \$1,964,718 in state equalization guarantee distributions during the year ended June 30, 2017.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements.

The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$14,745,414 in property tax revenues during the year ended June 30, 2017. Jefferson Montessori Academy Charter School recognized \$124,607 in property tax revenues during the year ended June 30, 2017. The amounts are included in revenue from taxes reported in the statement of activities. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. The District received \$9,966,036 in oil and gas tax revenues in fiscal year 2017.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,665,264 in transportation distributions during the year ended June 30, 2017.

Instructional Materials: The Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$207,164, Jefferson Montessori Academy Charter School received \$10,537 and Pecos Connections Academy received \$13,804 in instructional materials during the year ended June 30, 2017.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the Schools 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. This District received \$0 in State SB-9 matching during the year ended June 30, 2017.

Public School Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L). Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved. The District did not receive any funds from PSCOC awards during the year ended June 30, 2017.

Federal Grants: The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds.

Each program operates under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects 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.

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

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information(continued)

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

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

The 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 District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local 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 is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make 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 shall be reviewed and approved by the DBPU.
6. 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.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
10. 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.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information(continued)

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

The appropriated budget for the year ended June 30, 2017, was properly amended by the District’s Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 10,562,264	\$ 11,661,413
Bond Building	23,595,162	24,336,414
Capital Improvements HB-33 SB-9 Capital Improvements -	9,527,613	12,408,607
Local	3,727,661	5,837,838
Debt Service	11,199,702	13,185,800
Nonmajor Funds	5,885,045	8,364,329

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

The District and Charter Schools budgets on a modified cash basis with payroll or held checks being accrued and expensed, therefore, fund balances on the budget statements do not reconcile to cash due to the Charters School’s accrued payroll which is presented on the accrual basis.

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

NOTE 3. Deposits and Investments

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2017.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute.

The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance. The collateral pledged is listed on Schedule V in this report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 3. Deposits and Investments (continued)

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

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

All of the District's accounts at an insured depository institution, including non-interest bearing accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2017, \$59,000,526 of the District's bank balance of \$70,048,977 was subject to custodial credit risk. \$49,113,888 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$9,886,638 of the District's deposits were uninsured and uncollateralized at June 30, 2017.

Primary Government

	<u>Carlsbad National Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Commerce</u>	<u>Total</u>
Amount of deposits	\$ 8,011,207	\$ 7,760,340	\$ 37,815,192	\$ 53,586,739
Repurchase agreement	-	16,462,238	-	16,462,238
FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(10,298,451)</u>	<u>(11,048,451)</u>
Total uninsured public funds	<u>7,511,207</u>	<u>23,972,578</u>	<u>27,516,741</u>	<u>59,000,526</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>9,346,049</u>	<u>22,946,839</u>	<u>16,821,000</u>	<u>49,113,888</u>
uncollateralized	<u><u>\$ (1,834,842)</u></u>	<u><u>\$ 1,025,739</u></u>	<u><u>\$ 10,695,741</u></u>	<u><u>\$ 9,886,638</u></u>
Collateral requirements				
(102% of repurchase agree)	\$ -	\$ 16,791,483	\$ -	\$ 16,791,483
(50% of uninsured funds)	3,755,604	3,755,170	13,758,371	21,269,144
Pledged Collateral	<u>9,346,049</u>	<u>22,946,839</u>	<u>16,821,000</u>	<u>49,113,888</u>
Over (Under) collateralized	<u><u>\$ 5,590,446</u></u>	<u><u>\$ 2,400,186</u></u>	<u><u>\$ 3,062,630</u></u>	<u><u>\$ 11,053,261</u></u>

Western Commerce Bank maintains multiple brokered CD's for the District which are individually collateralized by the FDIC for up to \$250,000.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 3. Deposits and Investments (continued)

The collateral pledged is listed on Schedule V of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, school district or political subdivision of the State of New Mexico.

The District has presented certificates of deposits of \$32,133,628 as investments in the Statement of Net Position; however, these are classified as deposits for disclosure purposes.

Reconciliation to the Statement of Net Position

The carrying amounts of deposits shown above are included in the District's Statement of Net Position as follows:

Cash and cash equivalents per Exhibit A-1	\$ 16,340,532
Investments per Exhibit A-1	32,133,628
Unspent bond proceeds per Exhibit A-1	16,151,907
Restricted cash and cash equivalents per Exhibit A-1	2,698,478
Agency funds cash per Exhibit D-1	<u>91,475</u>
 Total cash and cash equivalents	 <u>67,416,020</u>
 Less deposits in transit	 (2,563,879)
Less petty cash	(51,200)
Add outstanding checks	<u>5,248,036</u>
Less other adjustments	<u>-</u>
 Bank balance of deposits	 <u><u>\$ 70,048,977</u></u>

Jefferson Montessori Academy Charter School:

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. The Jefferson Montessori Academy Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2017, \$49,717 of the component unit's bank balance of \$299,717 was subject to custodial credit risk. \$49,717 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the Charter School's name. \$0 of the Charter School's deposits were uninsured and uncollateralized at June 30, 2017.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 3. Deposits and Investments (continued)

Jefferson Montessori Academy Charter School (continued):

	Wells Fargo Bank
Amount of deposits	\$ 299,717
FDIC Insurance	(250,000)
Total uninsured public funds	49,717
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Component Unit's name	49,717
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ -
Pledged Collateral	50,602
Over (Under) collateralized	\$ 50,602

The collateral pledged is listed on Schedule V of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, school district or political subdivision of the State of New Mexico.

As of June 30, 2017, the Charter School did not have any investment balances.

Reconciliation to the Statement of Net Position

The carrying amount of deposits shown above are included in the Jefferson Montessori Academy Charter School's statement of net position as follows:

Cash and cash equivalents per Exhibit A-1	\$ 294,773
Total cash and cash equivalents	294,773
Add: outstanding checks	5,144
Less: petty cash	(200)
Bank balance of deposits	\$ 299,717

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 3. Deposits and Investments (continued)

Pecos Connections Academy Charter School:

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Component Unit’s deposits may not be returned to it. The Pecos Connections Academy Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2017, there were no amounts of the component unit’s bank balance of \$212,256 subject to custodial credit risk.

	Wells Fargo Bank
Amount of deposits	\$ 212,256
FDIC Insurance	(212,256)
Total uninsured public funds	-
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Component Unit's name	-
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ -
Pledged Collateral	-
Over (Under) collateralized	\$ -

As of June 30, 2017, the Charter School did not have any investment balances

Reconciliation to the Statement of Net Position

The carrying amount of deposits shown above are included in the Charters School’s statement of net position as follows:

Cash and cash equivalents per Exhibit A-1	\$ 200,606
Total cash and cash equivalents	200,606
Add: outstanding checks	11,650
Bank balance of deposits	\$ 212,256

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 4. Accounts Receivable

Accounts receivable for the District as of June 30, 2017, are as follows:

	<u>General</u>	<u>Capital Improvements HB-33</u>	<u>Capital Improvements SB-9 Local</u>
Taxes receivable:			
Property taxes	\$ 27,392	\$ 119,530	\$ 117,798
Oil and gas taxes	46,010	182,819	184,014
Due from other governments:			
State	28,112	-	-
Federal	-	-	-
Other receivables:			
Reimbursements	316	-	-
Totals by fund	<u>\$ 101,830</u>	<u>\$ 302,349</u>	<u>\$ 301,812</u>

	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes receivable:			
Property taxes	\$ 383,770	\$ -	\$ 648,490
Oil and gas taxes	121,490	472,555	1,006,888
Due from other governments:			
State	-	247,067	275,179
Federal	-	1,383,782	1,383,782
Other receivables:			
Reimbursements	-	214,676	214,992
Totals by fund	<u>\$ 505,260</u>	<u>\$ 2,318,080</u>	<u>\$ 3,529,331</u>

The above receivables are deemed 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$394,546 were not collected within the period of availability have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 4. Accounts Receivable (continued)

Component Units:

The Jefferson Montessori Academy Charter School had receivables due from other governments in the amount of \$149,635 and other receivables in the amount of \$6,574. All receivables are considered 100% collectible.

The Pecos Connections Academy Charter School had receivables due from state and local sources in the amount of \$40,830 and other receivables in the amount of \$19,252. All receivables are considered 100% collectible.

NOTE 5. Interfund Receivables and Payables

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. All interfund balances are to be repaid within one year. The composition of interfund balances during the year ended June 30, 2017 is as follows:

Primary Government:

<u>Governmental Activities</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		
Operational	\$ 1,250,758	\$ -
Capital Projects Funds		
Capital Improvements HB-33	-	8
Nonmajor Funds		
Title I	-	430,018
Migrant Children Education	-	6,317
Entitlement IDEA-B	-	366,296
Preschool IDEA-B	-	7,837
IDEA Private School Share	-	487
IDEA-B Results Plan	-	51,123
Teacher/Principal Training & Recruiting	-	202,577
Title I 1300A School Improvement	-	8,402
Carl D Perkins Secondary – Current	-	17,187
Carl D Perkins Redistribution	-	4,027
Carl D Perkins HSTW - Redistribution	-	916
Dual Credit Instructional Materials	-	6,810
2012 G.O. Bond Student Library Fund	-	31,622
New Mexico Reads to Lead	-	42,980
Breakfast for Elementary Students	-	12,650
K3 Plus	-	61,501
NM Highway Dept (Road)	8	8
Total	<u><u>\$ 1,250,766</u></u>	<u><u>\$ 1,250,766</u></u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 5. Interfund Receivables and Payables (continued)

Component Unit – Jefferson Montessori Academy:

<u>Governmental Activities</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		
Operational	\$ 110,910	\$ -
Special Revenue Funds		
Entitlement IDEA-B	-	42,539
New Mexico Reads to Lead	-	64,788
Capital Projects Funds		
Public School Capital Outlay - 20%	-	3,583
Total	<u>\$ 110,910</u>	<u>\$ 110,910</u>

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

Component Unit – Pecos Connections Academy:

<u>Governmental Activities</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		
Operational	\$ 40,830	\$ -
Special Revenue Fund		
Entitlement IDEA-B	-	40,830
Total	<u>\$ 40,830</u>	<u>\$ 40,830</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2017, follows. Land and construction in progress are not subject to depreciation.

Capital assets, net of accumulated depreciation, at June 30, 2017 appear in the Statement of Net Position as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,346,923	\$ -	\$ -	\$ 1,346,923
Construction in progress	35,832,927	748,899	35,730,849	850,977
Total capital assets not being depreciated	<u>37,179,850</u>	<u>748,899</u>	<u>35,730,849</u>	<u>2,197,900</u>
Capital assets being depreciated:				
Land improvements	14,946,450	2,639,550	-	17,586,000
Buildings and improvements	101,719,235	43,618,269	-	145,337,504
Equipment	6,875,243	2,129,914	45,221	8,959,936
Total capital assets being depreciated	<u>123,540,928</u>	<u>48,387,733</u>	<u>45,221</u>	<u>171,883,440</u>
Less accumulated depreciation:				
Land Improvements	5,595,070	6,219,766	-	11,814,836
Buildings and improvements	49,233,594	2,980,622	-	52,214,216
Equipment	3,659,232	958,529	(45,221)	4,572,540
Total accumulated depreciation	<u>58,487,896</u>	<u>10,158,917</u>	<u>(45,221)</u>	<u>68,601,592</u>
Total capital assets, net of depreciation	<u>\$ 102,232,882</u>	<u>\$ 38,977,715</u>	<u>\$ 35,821,291</u>	<u>\$ 105,479,748</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following functions:

Direct Instruction	\$ 8,899,210
Support Services-Students	650,172
Central Services	30,475
Operation and maintenance of plant	284,449
Student Transportation	101,589
Food service operations	172,704
Community service operations	20,318
Total	<u>\$ 10,158,917</u>

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NOTE 6. Capital Assets (continued)

Component Unit: Jefferson Montessori Academy Charter School

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 124,614	\$ -	\$ 118,319	\$ 6,295
Less accumulated depreciation:				
Furniture, fixtures and equipment	<u>(119,019)</u>	<u>(700)</u>	<u>(118,319)</u>	<u>(1,400)</u>
Total capital assets, net of depreciation	<u>\$ 5,595</u>	<u>\$ (700)</u>	<u>\$ -</u>	<u>\$ 4,895</u>

Depreciation expense in the amount of \$700 was charged to Direct Instruction in the statement of activities.

Component Unit: Pecos Connections Academy Charter School

The Pecos Connections Academy Charter School does not have any capital assets as of June 30, 2017.

NOTE 7. Long-term Debt

Primary Government

On June 24, 2004, the District issued general obligation bonds secured by ad valorem taxes to provide funds for the acquisition and construction of major capital facilities. The original amount of the issue was \$7,100,000. The bonds are issued with varying terms, interest rates that range between 2.5% to 4%, and varying amounts of principal maturing each year.

On November 20, 2007, the District issued general obligation bonds secured by ad valorem taxes to provide funds for purposes of purchasing, improving, renovating, remodeling, upgrading, and making additions to the heating and cooling systems in elementary and secondary schools, restrooms at P.R. Leyva Middle School auditorium, playground equipment at elementary schools, and outside lockers at Carlsbad High School. The original amount of the issue was \$7,100,000. The bonds are issued with varying terms, interest rates that range between 3.75% to 4%, and varying amounts of principal maturing each year.

On June 24, 2011, the District issued general obligation bonds secured by ad valorem taxes for purposes of providing funds for an on-going school building and renovation program, to purchase or improve schools grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act. The original amount of the issue was \$7,000,000. The bonds are issued with varying terms, interest rates that range between 2% to 3.5%, and varying amounts of principal maturing each year.

On February 8, 2012, the District issued general obligation bonds secured by ad valorem taxes for purposes of a lease purchase of educational technology equipment. The original amount of the issue was \$740,000. The bonds are issued with varying terms, interest rates that range between .2% and .85%, with principal in the amount of \$140,000 maturing in 2013, and \$150,000 of principal maturing each subsequent year through 2017.

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NOTE 8. Long-term Debt (continued)

On May 21, 2014, the District issued general obligation bonds secured by ad valorem taxes for purposes of erecting, remodeling and making additions to and furnish school buildings within the District, to purchase or improve school grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant the Public School Capital Outlay Act. The original amount of the issue was \$30,000,000. The bonds are issued with varying terms, interest rates that range between 2.5% and 5% and varying amounts of principal maturing each year through August 1, 2027.

On August 31, 2015, the District issued Educational Technology Note Series 2016 secured by ad valorem taxes. The note was issued for an undivided interest in the right to receive certain rent payments. The original amount of the issue was \$2,800,000. The bonds are issued with interest rate of .24% and principal due and paid on September 1, 2015.

On January 19, 2016, the District issued general obligation bonds secured by ad valorem taxes for purposes of erecting, remodeling and making additions to and furnishing school buildings within the District, to purchase or improve school grounds, to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant the Public School Capital Outlay Act. The original amount of the issue was \$30,000,000. The bonds are issued with varying terms, interest rate of 1.97% and varying amounts of principal maturing each year through August 1, 2029.

The following is a summary of the long-term debt and the activity for the District for the year ending June 30, 2017.

	Balance			Balance	Due Within
	June 30, 2016	Additions	Retirements	June 30, 2017	One Year
Bonds	\$ 64,055,000	\$ -	\$ 6,760,000	\$ 57,295,000	\$ 6,225,000
Notes	-	4,000,000	4,000,000	-	-
Plus issuance premium	6,220,447	-	513,191	5,707,256	-
Compensated Absences	702,716	158,085	338,442	522,359	283,416
Total long-term debt	\$ 7,248,287	\$ 4,158,085	\$ 11,611,633	\$ 63,524,615	\$ 6,508,416

The final year of payment for bonds outstanding is fiscal year 2028. The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments are as follows:

Fiscal Year			Total Debt
Ending June 30,	Principal	Interest	Service
2018	\$ 6,225,000	\$ 2,220,794	\$ 8,445,794
2019	6,790,000	1,916,475	8,706,475
2020	5,050,000	1,642,094	6,692,094
2021	4,250,000	1,425,250	5,675,250
2022	4,350,000	1,220,500	5,570,500
2023-2027	20,820,000	3,398,875	24,218,875
2028-2030	9,810,000	414,750	10,224,750
	\$ 57,295,000	\$ 12,238,738	\$ 69,533,738

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NOTE 8. Long-term Debt (continued)

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences decreased by \$180,357 from the prior year accrual. In prior years, the general fund was typically used to liquidate long-term liabilities.

Component Unit: Jefferson Montessori Academy Charter School

The Jefferson Montessori Academy Charter School has no long-term debt for the year ending June 30, 2017.

Component Unit: Pecos Connections Academy Charter School

The Pecos Connections Academy Charter School has no long-term debt for the year ending June 30, 2017.

NOTE 9. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Therefore, the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool.

The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance. The NMPSIA provides coverage for up to a maximum of \$500,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. No settlements exceeded insurance coverage for 2017.

NOTE 10. Pension Plan – Educational Retirement Board

General Information about the Pension Plan

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

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

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

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum 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.

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions. The contribution requirements of 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, 2015 employers contributed 13.90% 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 10.70% of their gross annual salary. For fiscal year ended June 30, 2017 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 \$5,381,682 for the year ended June 30, 2017. Contributions to the pension plan from the Jefferson Montessori Academy Charter School was \$158,874 for the year ended June 30, 2017. Contributions to the pension plan from the Pecos Connections Academy Charter School was \$87,771, for the year ended June 30, 2017.

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, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2017, the District and Jefferson Montessori Academy Charter School reported a liability of \$96,503,454 and \$2,739,682 respectively for their 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was 1.34099 percent, which was an increase of 0.03476 from its proportion measured as of June 30, 2015. At June 30, 2016, the Jefferson Montessori Academy Charter School's proportion was 0.03807 percent, which was a decrease of 0.00357 from its proportion measured as of June 30, 2015. The Pecos Connections Charter School began operations during fiscal year 2017, and therefore was not allocated any pension-related items from the measurement date of June 30, 2016.

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

For the year ended June 30, 2017, the District Jefferson Montessori Academy Charter School and Pecos Connections Academy Charter School recognized pension expense of \$11,969,718, \$247,345 and \$0, respectively. At the June 30, 2017, the District and component unit reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 418,668	\$ 917,870
Net difference between projected and actual earnings on pension plan investments	5,760,453	-
Changes of assumptions	1,964,423	-
Changes in proportion	3,752,978	-
District's contributions subsequent to the measurement date	<u>5,381,682</u>	<u>-</u>
Total	<u>\$ 17,278,204</u>	<u>\$ 917,870</u>

Jefferson Montessori Academy Charter School:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 25,317	\$ 39,489
Net difference between projected and actual earnings on pension plan investments	163,536	-
Changes of assumptions	55,769	-
Changes in proportion	73,554	201,145
Jefferson Montessori Academy's contributions subsequent to the measurement date	<u>158,874</u>	<u>-</u>
Total	<u>\$ 477,050</u>	<u>\$ 240,634</u>

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

Pecos Connections Academy Charter School:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pecos Connections Academy's contributions subsequent to the measurement date	87,771	-
Total	\$ 87,771	\$ -

\$5,381,682 reported as deferred outflows of resources related to pensions resulting from District contributions, \$158,874 reported as deferred outflows of resources related to pensions resulting from the Jefferson Montessori Academy Charter School contributions, and \$87,771 reported as deferred outflows of resources related to pensions resulting from the Pecos Connections Academy Charter School's contributions subsequent to the measurement date of June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government:

Year ended June 30:

2017	\$ (3,466,143)
2018	(2,925,615)
2019	(3,182,152)
2020	(1,404,742)
2021	-
Thereafter	-

Jefferson Montessori Academy Charter School:

2017	\$ 15,711
2018	(22,633)
2019	(30,740)
2020	(39,880)
2021	-
Thereafter	-

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2016. The liabilities reflect the impact of Senate Bill 115, signed into law March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2016 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

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 the Board on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.
5. For 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 contributions rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity 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
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. ERB’s investment allocation policy was reviewed and amended by the Board of Trustees on August 26, 2016. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted August 26, 2016 as well as the prior allocation policy targets.

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NOTE 10. Pension Plan – Educational Retirement Board (continued)

Comparative Schedule of Target Investment Allocation

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>After 8/26/2016</u>	<u>Prior to 8/26/2016</u>
Equities		
<i>Domestic Equities</i>		
Large cap equities	16%	18%
Small- mid cap equities	3%	2%
<i>International Equities</i>		
Developed	5%	5%
Emerging markets	9%	10%
Total equities	<u>33%</u>	<u>35%</u>
Fixed Income		
Opportunistic credit	18%	20%
Core bonds	6%	6%
Emerging market debt	2%	2%
Total fixed income	<u>26%</u>	<u>28%</u>
Alternatives		
Real estate - REITS	7%	7%
Real assets	8%	8%
Private equity	13%	11%
Absolute return	4%	0%
Global asset allocation	3%	5%
Risk parity	5%	5%
Total alternatives	<u>40%</u>	<u>36%</u>
Cash	<u>1%</u>	<u>1%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>

For the years ended June 30, 2016 and 2015, the annual money-weighted rates of return on pension plan investments were 2.68% and 4.06%, respectively.

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 Notes to Financial Statements
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NOTE 10. 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, 2016 and June 30, 2015. 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 shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2016. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

Primary Government:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District’s proportionate share of the net pension	\$ 127,816,584	\$ 96,503,454	\$ 70,522,403

Jefferson Montessori Academy Charter School:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Jefferson Montessori Charter School’s proportionate share of the net pension liability	\$ 3,628,646	\$ 2,739,682	\$ 2,002,094

Pecos Connections Academy Charter School:

No proportionate share as of June 30, 2016, as the school did not open until July 1, 2016.

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2016 and June 30, 2015 which are publicly available at www.nmerb.org.

Payables to the pension plan. The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2017 there were no contributions due and payable for either the District or Jefferson Montessori Academy Charter School.

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NOTE 11. 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 postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the 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 period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 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 postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's 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 their employees. 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.

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Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 11. Post-Employment Benefits – State Retiree Health Care (continued)

The District’s contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$772,866, \$764,642, and \$739,418, respectively, which equal the required contributions for each year. The Jefferson Montessori Academy Charter School’s contributions for fiscal year ending June 30, 2017, 2016 and 2015 were \$22,858, \$21,720, and \$21,788. The Pecos Connections Academy Charter School’s contributions for fiscal year ending June 30, 2017 were \$11,313.

NOTE 12. Contingent Liabilities

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

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

NOTE 13. Other Required Individual Fund Disclosures

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

- A. Deficit fund balance of individual funds. The following funds maintained a deficit fund balance as of June 30, 2017:

Non-major Funds	
Athletics Fund	\$ (1,351)
2012 GO Bond Student Library Fund	(31,622)
Total Governmental Funds	<u>\$ (32,973)</u>

The District had more liabilities than assets in these funds in the current year. The District anticipates these fund balances will not be in a deficit state in subsequent years.

- B. Excess of expenditures over appropriations. The District, Jefferson Montessori Academy Charter School and Pecos Connections Academy Charter School had no funds in which line item expenditures were in excess of the budgeted appropriations for the year ended June 30, 2017.
- C. Designated cash appropriations in excess of available balance The District, Jefferson Montessori Academy Charter School and Pecos Connections Academy Charter School had no designated cash appropriations in excess of available balances in any funds as of June 30, 2017.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 14. Payroll Related Expenditures

The District and Charter Schools' expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures are budgeted on the budgetary comparisons in those funds that have accrued payroll at year end have been adjusted to account for this requirement.

NOTE 15. Tax Abatements

The District was impacted by the following tax abatements:

Agency number for Agency making the disclosure (Abating Agency)	5008
Abating Agency Name	Eddy County
Abating Agency Type	County
Tax Abatement Agreement Name	Industrial Revenue Bond Agreement
Name of agency affected by abatement agreement (Affected Agency)	Carlsbad Municipal Schools
Agency number of Affected Agency	7010
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Enterprise Field Services, LLC
Tax abatement program (name and brief description)	Industrial Revenue Bonds
Specific Tax(es) Being Abated	Gross Receipts Taxes, Compensating Taxes and Ad Valorem Taxes
Authority under which abated tax would have been paid to Affected Agency	NMSA 4-59-1 et seq, 1978 Comp as amended
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$328,871.29
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$328,871.29
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Notes to Financial Statements
 June 30, 2017

NOTE 16. Concentrations

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

NOTE 17. Commitments

The District's construction commitments as of June 30, 2017 are as follows:

<u>Construction Projects</u>	<u>Projected Completion Date</u>	<u>Contract Amount</u>
CHS HVAC	November 2017	\$ 1,253,723
CHS Soccer Field	July 2017	9,728
CIS Science Lab	December 2017	284,330
CSGA Home Ec Upgrade	August 2017	63,738
Ocotillo Erosion Control	July 2017	43,319
Sunset HVAC	September 2017	366,558
Sunset Plumbing	July 2017	25,051
		<u>\$ 2,046,447</u>

Lease Agreement

The Charter School Jefferson Montessori Academy (Academy) leases from the District a portion of the Eisenhower School, office space, and playground space situated at 500 West Church Street in Carlsbad, New Mexico. The term of the lease is from July 1, 2013 through June 30, 2018. The annual rent paid to the District is based on the amount of a lease reimbursement grant made to the Academy which is determined by the Academy enrollment for the year pursuant to NMSA Section 22-24-41(1)(b)(2007) as amended. The total amount paid by the Academy to the District for fiscal year 2017 was \$126,610.

NOTE 18. Fund Balance Reclassification

During fiscal year 2017 the District reclassified fund balances for and separately reported funds that had previously been reported together. These reclassifications included the SB-9 Capital Improvements-Local and Capital Improvement SB-9 funds in the amount of \$5,441,155, the Debt Service and Education Technology Debt Service funds in the amount of \$4,058,580, and the Carl D. Perkins Secondary – Current and Carl D. Perkins Redistribution Special Revenue funds in the amount of \$41. The net effect of these reclassifications was \$0.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 19. Restricted Net Position

The government-wide statement of net position for the District reports \$43,079,996 of restricted amounts, all of which is restricted by enabling legislation. For the Jefferson Montessori Academy Charter School restricted net position is \$195,345. For the Pecos Connections Academy Charter School there is not a restricted net position. For descriptions of the related restrictions for net position amounts restricted for special revenue, debt service and capital projects, see pages 30 and 72-75.

NOTE 20. Subsequent Events

The date to which events occurring after June 30, 2017, have been evaluated for possible adjustment to the financial statements or disclosures is February 19, 2019. No other events occurring after June 30, 2017 necessitate adjustment to the financial statements or disclosure in the notes.

NOTE 21. Subsequent Pronouncements

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District expects this pronouncement to have a material effect on the financial statements.

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84, *Fiduciary Activities*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2017, GASB Statement No. 85, *Omnibus 2017*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to in-substance defeasance of debt using only existing resources. The District does not expect the pronouncement to have a material effect on the financial statements.

In June 2017, GASB Statement No. 87, *Leases*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Financial Statements
June 30, 2017

NOTE 21. Subsequent Pronouncements (continued)

In April 2018, GASB Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 90 *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

Schedule I

Carlsbad Municipal School District No. 20
 Schedule of Proportionate Share of the Net Pension Liability
 Educational Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

	2017	2016	2015
	Measurement	Measurement	Measurement
	Date (As of	Date (As of	Date (As of
	and for the	and for the	and for the
	Year Ended	Year Ended	Year Ended
Primary Government	<u>June 30, 2016)</u>	<u>June 30, 2015)</u>	<u>June 30, 2014)</u>
Carlsbad Municipal School District No. 20's proportion of the net pension liability (asset)	1.34099%	1.30623%	1.2628%
Carlsbad Municipal School District No. 20's proportionate share of the net pension liability (asset)	\$ 96,503,454	\$ 84,607,996	\$ 72,050,819
Carlsbad Municipal School District No. 20's covered payroll	38,299,188	35,664,263	34,806,911
Carlsbad Municipal School District No. 20's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	252%	237%	207%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	61.58%	61.58%

See Independent Auditors' Report.
 See notes to required supplementary information.

STATE OF NEW MEXICO

Schedule I

Carlsbad Municipal School District No. 20
 Schedule of Proportionate Share of the Net Pension Liability
 Educational Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

Component Unit - Jefferson Montessori Academy	2017 Measurement Date (As of and for the Year Ended June 30, 2016)	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
Jefferson Montessori Academy Charter School's proportion of the net pension liability (asset)	0.03807%	0.04164%	0.03926%
Jefferson Montessori Academy Charter School's proportionate share of the net liability pension (asset)	\$ 2,739,682	\$ 2,697,134	\$ 2,240,061
Jefferson Montessori Academy Charter School's covered payroll	1,082,295	1,136,905	1,082,138
Jefferson Montessori Academy Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	253%	237%	207%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	61.58%	61.58%

Component Unit - Pecos Connections Academy	2017 Measurement Date (As of and for the Year Ended June 30, 2016)	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
Pecos Connections Academy Charter School's proportion of the net pension liability (asset)	0.00000%	0.00000%	0.00000%
Pecos Connections Academy Charter School's proportionate share of the net liability pension (asset)	\$ -	\$ -	\$ -
Pecos Connections Academy Charter School's covered payroll	-	-	-
Pecos Connections Academy Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%

* 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, Carlsbad Municipal School District No. 20, Jefferson Montessori Academy Charter School, and Pecos Connections Academy Charter School will present information for those years for which information is available.

See Independent Auditors' Report.
 See notes to required supplementary information.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Contributions
 Educational Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

Schedule II

Primary Government	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contribution	\$ 5,381,682	\$ 5,316,325	\$ 5,161,306
Contributions in relation to the contractually required contribution	<u>5,381,682</u>	<u>5,316,325</u>	<u>5,161,306</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carlsbad Municipal School District No. 20 covered payroll	38,729,186	38,251,053	37,126,521
Contribution as a percentage of covered payroll	13.90%	13.90%	13.90%

See Independent Auditors' Report.
 See notes to required supplementary information.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Contributions
 Educational Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

Schedule II

Component Unit - Jefferson Montessori Academy	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contribution	\$ 158,874	\$ 151,242	\$ 164,554
Contributions in relation to the contractually required contribution	158,874	151,242	164,554
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Jefferson Montessori Academy Charter School covered payroll	1,142,981	1,088,295	1,184,015
Contribution as a percentage of covered payroll	13.90%	13.90%	13.90%
Component Unit - Pecos Connections Academy	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contribution	\$ 87,771	\$ -	\$ -
Contributions in relation to the contractually required contribution	87,771	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Pecos Connections Academy Charter School covered payroll	631,447	-	-
Contribution as a percentage of covered payroll	13.90%	0.00%	0.00%

* 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, Carlsbad Municipal School District No. 20, Jefferson Montessori Academy Charter School and Pecos Connections Academy Charter School will present information for those years for which information is available.

See Independent Auditors' Report.
 See notes to required supplementary information.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Notes to Required Supplementary Information
June 30, 2017

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 Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

Changes of assumptions.

The Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

- 1) Lower wage inflation from 4.25% to 3.75%
- 2) Update the mortality tables to incorporate generational improvements
- 3) Update demographic assumptions to use currently published tables, which may result in minor calculation changes
- 4) Maintain in current 3.00% inflation assumption
- 5) Retain net 4.75% real return assumption
- 6) Retain 7.75% nominal return assumption
- 7) No change to COLA assumption of 2.00% per year
- 8) Maintain current payroll growth assumption of 3.50%
- 9) Maintain experience-based rates for members who joined NMERB by June 30, 2010
- 10) Remove population growth assumption for projections
- 11) Lower population growth from .50% to zero (no impact on valuation results)

Assumption changes increased the Education Retirement Board's total pension liability by \$299,084,856 for fiscal year ending June 30, 2015 as a result of the changes of assumptions described above.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2017

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Food Services (21000) – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

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

Non-Instructional Support (23000) - To account for funds paid to the Schools for student activity travel. Accumulated funds are used to replace activity buses. Funding authority is the New Mexico Public Education Department.

Title I (24101) – This fund is used to provide supplemental educational opportunity for academically disadvantaged children. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Migrant Children Education (24103) – To account for federal sources administered by the State Public Education Department to provide for special education needs of children of migratory agricultural workers. Authority for the creation of this fund is Public Law 100-297.

Entitlement IDEA-B (24106) – To account for federal sources to assist in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420 .

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 age 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.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2017

SPECIAL REVENUE FUNDS (continued)

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

IDEA-B "Risk Pool" (24120) - Entitlement funds that are set aside each year for the Puente para los Ninos high cost child program.

IDEA-B Results Plan (24132) - This account is to support the individual school site's Educational Plan for Student Success, or areas of need of improvement as identified through an instructional audit. This is a pilot program for the New Mexico Real Results program required by US Dept. of Education of Special Education Programs. Authority for creation of this fund is New Mexico Public Education Department.

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

Title I 1300A School Improvement (24162) - To improve Title I schools identified for improvement, corrective action, or restructuring. Authority for the creation of this fund is School Improvement Grants (SIG) section 1003 (g) of Title I of the Elementary and Secondary Education Act of 1965.

Carl D Perkins Secondary - Current (24174), Carl D Perkins Secondary- PY Unliq. Obligation (24175), Carl D Perkins Redistribution (24176) and Carl D Perkins HSTW - Redistribution (24182) - To provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Title XIX Medicaid 3/21 Years (25153) - To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

Bridge Early College High School (26215) -To account for a program that is educationally driven by local business community to develop the local workforce and reduce the high school drop-out rate. Authority is Public School Code Section 22, NMSA 1978.

United Way (26218) - To account for mini-grants awarded to the District by the United Way of Carlsbad and South Eddy County. The awards are based on grant applications submitted by various schools and departments for instruction and instructional support purposes. The expenditures of the grant funds are made in support of the approved/funded proposals. The authority for this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2017

SPECIAL REVENUE FUNDS (continued)

Dual Credit Instructional Materials (27103) - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority is Senate Bills 943 and 31.

2008 GO Bond Student Library Fund (27105) - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority is Senate Bill 333, 2008.

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

New Mexico Reads to Lead (27114) - To account for a program that increases the quality of reading instruction, provides screening assessment for use in planning data-driven instruction and reaches out to parents and families with free resources in English and Spanish to support children's reading at home. Authority is Laws of 2013 House Bill 2.

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

K3 Plus (27166) -To account for a program that extends the school year for K-3 by 25 instructional days beginning before school starts. Authority for the creation of this fund is the New Mexico Public Education Department (Title II part A).

Workforce Readiness (27179) - This fund is used to help students discover the wide range of career options available to them, chart the most efficient path for students to achieve those goals and work directly with business and industry partners to ensure that their experience results in the most necessary skills, credentials, and technical knowledge to be successful in the students' next step as they enter postsecondary or workforce engagement. House Bill 2 of the regular 2013 Legislative Session provides funding for this fund.

New Mexico Grown Fruits & Vegetables (27183) - To account for appropriations received from the New Mexico Public Education Department for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs. Authority for the creation of this fund is the New Mexico Public Education Department.

College Counselor Initiative (27189) - The purpose of the NM College Counselor Initiative is to establish a cohort of high school counselors placed across the state whose role is solely dedicated to college attendance through education about college admission and financial aid. With a school counselor committed exclusively to college preparation and guidance, students will have greater access to information, as well as increased support throughout the application, admission and acceptance processes to colleges in New Mexico and across the country. New Mexico Public Education Department's Policy Division is issuing this RFA to all New Mexico high schools interested in hosting a college counselor to provide these services.

Teachers "Hard to Staff" Stipend (27195) - To account for the grant awarded to a school district as additional compensation for hard to staff positions of teachers. Funding authority for this fund is the New Mexico Public Education Department.

NM Highway Dept (Road) (28120) - To account for road funds, provided by the New Mexico Department of Transportation for parking lot and bus area improvements. Authority for creation of this fund is the Board of Education pursuant to grant agreement requirements.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Nonmajor Fund Descriptions
June 30, 2017

SPECIAL REVENUE FUNDS (continued)

Private Direct Grants (29102) – To provide additional classroom time for seniors to meet graduation requirements. Funding authority is the New Mexico Public Education Department.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for acquisition and construction of major facilities.

Special Capital Outlay – Local (31300) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects. To account for special appropriations made by the Public Schools Capital Outlay Council (PSCOC) based on school facility needs. The allocations are made through a standards-based process that ranks the condition of every school building in the State and provides funding to allow public school facilities to meet an adequate level statewide.

Special Capital Outlay – State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1966 for the purpose of specific capital outlay projects. Funding authority is the New Mexico Public Education Department.

Capital Improvements SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico’s State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Education Technology Notes (31900) – To account for revenue received from any revenue bonds issued into as part of a lease purchase agreement under the Education Technology Act. The Education Technology Act was enacted to implement a provision of Article IX Section 11 of the Constitution of New Mexico which declares that a school district may create a debt under the constitution by entering into a lease purchase arrangement to acquire education technology without submitting the proposition to a vote of the qualified electors of the school district.

DEBT SERVICE FUNDS

Education Technology (43000) – To account for tax collections and debt service payments specific to the Education Technology note funding. Authority for this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue			
	Food Services	Athletics	Non- Instructional Support	Title I
<i>Assets</i>				
Cash and cash equivalents	\$ 1,671,725	\$ 112	\$ 560,953	\$ -
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Due from other governments	83,870	-	-	472,003
Other	212,086	24	2,566	-
Inventory	59,678	-	-	-
Due from other funds	-	-	-	-
	<u>\$ 2,027,359</u>	<u>\$ 136</u>	<u>\$ 563,519</u>	<u>\$ 472,003</u>
<i>Liabilities</i>				
Accounts payable	55,617	1,487	3,086	691
Accrued payroll	134,504	-	12,336	41,294
Due to other funds	-	-	-	430,018
	<u>190,121</u>	<u>1,487</u>	<u>15,422</u>	<u>472,003</u>
<i>Deferred inflows</i>				
Unavailable revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	59,678	-	-	-
Spendable:				
Restricted for:				
Educational purposes	-	-	-	-
Food service	1,777,560	-	-	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Extracurricular activities	-	-	548,097	-
Unassigned	-	(1,351)	-	-
	<u>1,837,238</u>	<u>(1,351)</u>	<u>548,097</u>	<u>-</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 2,027,359</u>	<u>\$ 136</u>	<u>\$ 563,519</u>	<u>\$ 472,003</u>

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

Special Revenue

Migrant Children Education	Entitlement IDEA-B	Preschool IDEA-B	IDEA Private School Share	IDEA-B "Risk Pool"	IDEA-B Results Plan
\$ 2	\$ 1	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,315	466,608	19,246	630	-	51,123
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,317</u>	<u>\$ 466,609</u>	<u>\$ 19,246</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 51,123</u>
-	20,967	-	-	-	-
-	79,346	3,345	143	-	-
6,317	366,296	7,837	487	-	51,123
<u>6,317</u>	<u>466,609</u>	<u>11,182</u>	<u>630</u>	<u>-</u>	<u>51,123</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,064	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,064	-	-	-
<u>\$ 6,317</u>	<u>\$ 466,609</u>	<u>\$ 19,246</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 51,123</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue			
	Teacher/ Principal Training & Recruiting	Title I 1300A School Improvement	Carl D Perkins Secondary - Current	Carl D. Perkins Secondary- PY Unliq. Obligations
<i>Assets</i>				
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Due from other governments	239,291	8,402	17,341	14,010
Other	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 239,292</u>	<u>\$ 8,402</u>	<u>\$ 17,341</u>	<u>\$ 14,010</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 154	\$ 14,010
Accrued payroll	15,189	-	-	-
Due to other funds	202,577	8,402	17,187	-
<i>Total liabilities</i>	<u>217,766</u>	<u>8,402</u>	<u>17,341</u>	<u>14,010</u>
<i>Deferred inflows</i>				
Unavailable revenue	-	-	-	-
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	-	-	-	-
Spendable:				
Restricted for:				
Educational purposes	21,526	-	-	-
Food service	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Extracurricular activities	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>21,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 239,292</u>	<u>\$ 8,402</u>	<u>\$ 17,341</u>	<u>\$ 14,010</u>

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

Special Revenue

Carl D. Perkins Redistribution	Carl D. Perkins- HSTW	Title XIX Medicaid 3/21 Years	Bridge Early College High School	United Way	Dual Credit Instructional Materials
\$ -	\$ -	\$ 1,063,494	\$ -	\$ 4,188	\$ 1
-	-	-	-	-	-
-	-	-	-	-	-
4,027	916	78,383	-	-	34,532
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,027</u>	<u>\$ 916</u>	<u>\$ 1,141,877</u>	<u>\$ -</u>	<u>\$ 4,188</u>	<u>\$ 34,533</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	24,065	-	-	-
4,027	916	-	-	-	6,810
<u>4,027</u>	<u>916</u>	<u>24,065</u>	<u>-</u>	<u>-</u>	<u>6,810</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,117,812	-	4,188	27,723
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,117,812	-	4,188	27,723
<u>\$ 4,027</u>	<u>\$ 916</u>	<u>\$ 1,141,877</u>	<u>\$ -</u>	<u>\$ 4,188</u>	<u>\$ 34,533</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue			
	2008 GO Bond Student Library Fund	2012 GO Bond Student Library Fund	New Mexico Reads to Lead	Breakfast for Elementary Students
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Due from other governments	-	-	42,983	12,650
Other	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ 42,983	\$ 12,650
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	3	-
Due to other funds	-	31,622	42,980	12,650
	-	31,622	42,980	12,650
<i>Total liabilities</i>	-	31,622	42,983	12,650
<i>Deferred inflows</i>				
Unavailable revenue	-	-	-	-
	-	-	-	-
<i>Total deferred inflows</i>	-	-	-	-
<i>Fund balances</i>				
Nonspendable:				
Inventory	-	-	-	-
Spendable:				
Restricted for:				
Educational purposes	-	-	-	-
Food service	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Extracurricular activities	-	-	-	-
Unassigned	-	(31,622)	-	-
	-	(31,622)	-	-
<i>Total fund balances</i>	-	(31,622)	-	-
<i>Total liabilities, deferred inflows, and fund balances</i>	\$ -	\$ -	\$ 42,983	\$ 12,650

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

Special Revenue

K3 Plus	Workforce Readiness	New Mexico Grown Fruits and Vegetables	College Counselor Initiative	Teachers "Hard to Staff" Stipend	NM Highway Dept (Road)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
78,519	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8
<u>\$ 78,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,015	-	-	-	-	-
61,501	-	-	-	-	8
<u>78,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 78,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>		
	<u>Private Direct Grants</u>	<u>Special Capital Outlay-Local</u>	<u>Special Capital Outlay-State</u>	<u>Capital Improvements SB-9</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 23,886	\$ 150,000	\$ -	\$ 54,215
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 23,886</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 54,215</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,438
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,438</u>
<i>Deferred inflows</i>				
Unavailable revenue	-	-	-	-
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	-	-	-	-
Spendable:				
Restricted for:				
Educational purposes	23,886	-	-	-
Food service	-	-	-	-
Capital acquisitions and improvements	-	150,000	-	49,777
Debt service	-	-	-	-
Extracurricular activities	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>23,886</u>	<u>150,000</u>	<u>-</u>	<u>49,777</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 23,886</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 54,215</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Education Technology Notes</u>	<u>Education Technology</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 267,947	\$ 937,242	\$ 4,733,767
-	3,923,714	3,923,714
-	472,555	472,555
-	-	1,630,849
-	-	214,676
-	-	59,678
-	-	8
<u>\$ 267,947</u>	<u>\$ 5,333,511</u>	<u>\$ 11,035,247</u>
\$ -	\$ -	\$ 100,450
-	-	327,240
-	-	1,250,758
-	-	1,678,448
-	196,535	196,535
-	196,535	196,535
-	-	59,678
-	-	1,203,202
-	-	1,777,560
267,947	-	467,724
-	5,136,976	5,136,976
-	-	548,097
-	-	(32,973)
<u>267,947</u>	<u>5,136,976</u>	<u>9,160,264</u>
<u>\$ 267,947</u>	<u>\$ 5,333,511</u>	<u>\$ 11,035,247</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2017

	Special Revenue			
	Food Services	Athletics	Non- Instructional Support	Title I
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	2,915,523	-	-	979,096
Federal direct	225,742	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	910,417	130,167	488,059	-
Investment income	147	-	579	-
Miscellaneous	249	1,500	50,342	-
<i>Total revenues</i>	<u>4,052,078</u>	<u>131,667</u>	<u>538,980</u>	<u>979,096</u>
<i>Expenditures</i>				
Current				
Instruction	-	147,821	460,616	650,468
Support services	-	-	-	133,572
Central services	-	-	-	-
Student transportation	-	-	-	-
Food services operations	3,644,746	-	-	-
Capital outlay	215,891	-	18,847	195,056
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,860,637</u>	<u>147,821</u>	<u>479,463</u>	<u>979,096</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>191,441</u>	<u>(16,154)</u>	<u>59,517</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>191,441</u>	<u>(16,154)</u>	<u>59,517</u>	<u>-</u>
<i>Fund balances - beginning, as originally stated</i>	1,645,797	14,803	488,580	-
<i>Fund balance - reclassification (note 18)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning, as reclassified</i>	<u>1,645,797</u>	<u>14,803</u>	<u>488,580</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 1,837,238</u>	<u>\$ (1,351)</u>	<u>\$ 548,097</u>	<u>\$ -</u>

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

Special Revenue

Migrant Children Education	Entitlement IDEA-B	Preschool IDEA-B	IDEA Private School Share	IDEA-B "Risk Pool"	IDEA-B Results Plan
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,315	1,144,388	54,170	2,163	45	128,477
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,315</u>	<u>1,144,388</u>	<u>54,170</u>	<u>2,163</u>	<u>45</u>	<u>128,477</u>
742	859,920	9,989	-	-	117,344
882	204,085	30,891	2,163	-	11,133
-	40,830	-	-	45	-
-	-	-	-	-	-
-	-	-	-	-	-
4,691	39,553	5,226	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,315</u>	<u>1,144,388</u>	<u>46,106</u>	<u>2,163</u>	<u>45</u>	<u>128,477</u>
-	-	8,064	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,064	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2017

	Special Revenue			
	Teacher/ Principal Training & Recruiting	Title I 1300A School Improvement	Carl D Perkins Secondary - Current	Carl D. Perkins Secondary- PY Unliq. Obligations
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	315,618	45,000	33,590	14,010
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>315,618</u>	<u>45,000</u>	<u>33,590</u>	<u>14,010</u>
<i>Expenditures</i>				
Current				
Instruction	251,288	45,000	16,890	985
Support services	42,804	-	2,549	-
Central services	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	14,192	13,025
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>294,092</u>	<u>45,000</u>	<u>33,631</u>	<u>14,010</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21,526</u>	<u>-</u>	<u>(41)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>21,526</u>	<u>-</u>	<u>(41)</u>	<u>-</u>
<i>Fund balances - beginning, as originally stated</i>	-	-	-	-
<i>Fund balance - reclassification (note 18)</i>	-	-	41	-
<i>Fund balances - beginning, as reclassified</i>	<u>-</u>	<u>-</u>	<u>41</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 21,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue

Carl D. Perkins Redistribution	Carl D. Perkins- HSTW	Title XIX Medicaid 3/21 Years	Bridge Early College High School	United Way	Dual Credit Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,068	5,331	-	-	-	-
-	-	1,066,221	-	-	-
-	-	-	-	5,424	-
-	-	-	-	-	51,566
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,068</u>	<u>5,331</u>	<u>1,066,221</u>	<u>-</u>	<u>5,424</u>	<u>51,566</u>
3,892	1,987	80,556	1,608	1,236	23,843
135	3,344	418,697	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,027</u>	<u>5,331</u>	<u>499,253</u>	<u>1,608</u>	<u>1,236</u>	<u>23,843</u>
<u>41</u>	<u>-</u>	<u>566,968</u>	<u>(1,608)</u>	<u>4,188</u>	<u>27,723</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>41</u>	<u>-</u>	<u>566,968</u>	<u>(1,608)</u>	<u>4,188</u>	<u>27,723</u>
-	-	550,844	1,608	-	-
<u>(41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(41)</u>	<u>-</u>	<u>550,844</u>	<u>1,608</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,117,812</u>	<u>\$ -</u>	<u>\$ 4,188</u>	<u>\$ 27,723</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2017

	Special Revenue			
	2008 GO Bond Student Library Fund	2012 GO Bond Student Library Fund	New Mexico Reads to Lead	Breakfast for Elementary Students
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	21,688	-	142,387
State direct	-	-	183,836	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>21,688</u>	<u>183,836</u>	<u>142,387</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	183,836	-
Support services	-	53,310	-	-
Central services	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	142,387
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>53,310</u>	<u>183,836</u>	<u>142,387</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(31,622)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>(31,622)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning, as originally stated</i>	-	-	-	-
<i>Fund balance - reclassification (note 18)</i>	-	-	-	-
<i>Fund balances - beginning, as reclassified</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ (31,622)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue

K3 Plus	Workforce Readiness	New Mexico Grown Fruits and Vegetables	College Counselor Initiative	Teachers "Hard to Staff" Stipend	NM Highway Dept (Road)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,142	7,818	32,501	37,016	-
232,534	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232,534</u>	<u>2,142</u>	<u>7,818</u>	<u>32,501</u>	<u>37,016</u>	<u>-</u>
184,131	-	-	-	37,016	-
9,861	2,142	-	32,501	-	-
3,389	-	-	-	-	-
32,914	-	-	-	-	-
-	-	7,818	-	-	-
2,240	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232,535</u>	<u>2,142</u>	<u>7,818</u>	<u>32,501</u>	<u>37,016</u>	<u>-</u>
(1)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1)	-	-	-	-	-
4	-	-	-	-	-
-	-	-	-	-	-
4	-	-	-	-	-
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2017

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Private Direct Grants</u>	<u>Special Capital Outlay-Local</u>	<u>Special Capital Outlay-State</u>	<u>Capital Improvements SB-9</u>
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	15,000	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	50,000	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	150,000	-	166,890
<i>Total revenues</i>	<u>15,000</u>	<u>150,000</u>	<u>50,000</u>	<u>166,890</u>
<i>Expenditures</i>				
Current				
Instruction	12,373	-	-	-
Support services	-	-	-	461
Central services	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	3,741	-	50,000	116,652
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,114</u>	<u>-</u>	<u>50,000</u>	<u>117,113</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,114)</u>	<u>150,000</u>	<u>-</u>	<u>49,777</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(1,114)</u>	<u>150,000</u>	<u>-</u>	<u>49,777</u>
<i>Fund balances - beginning, as originally stated</i>	25,000	-	-	5,441,155
<i>Fund balance - reclassification (note 18)</i>	-	-	-	(5,441,155)
<i>Fund balances - beginning, as reclassified</i>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 23,886</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 49,777</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Education Technology Notes</u>	<u>Education Technology Debt</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 5,258,511	\$ 5,258,511
-	-	5,647,794
-	-	1,291,963
-	-	20,424
-	-	295,118
-	-	466,370
-	-	1,528,643
-	-	726
-	-	368,981
<u>-</u>	<u>5,258,511</u>	<u>14,878,530</u>
-	-	3,091,541
2,470,620	28,778	3,447,928
-	-	44,264
-	-	32,914
-	-	3,794,951
2,871,929	-	3,551,043
-	4,150,000	4,150,000
-	1,337	1,337
<u>5,342,549</u>	<u>4,180,115</u>	<u>18,113,978</u>
<u>(5,342,549)</u>	<u>1,078,396</u>	<u>(3,235,448)</u>
<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
<u>(1,342,549)</u>	<u>1,078,396</u>	<u>764,552</u>
1,610,496	-	9,778,287
<u>-</u>	<u>4,058,580</u>	<u>(1,382,575)</u>
<u>1,610,496</u>	<u>4,058,580</u>	<u>8,395,712</u>
<u>\$ 267,947</u>	<u>\$ 5,136,976</u>	<u>\$ 9,160,264</u>

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

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GENERAL FUND

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 General Fund
 Combining Balance Sheet
 June 30, 2017

Statement B-1

	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials</u>	<u>Total</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 7,053,246	\$ -	\$ 114,602	\$ 7,167,848
Investments	1,241,485	-	-	1,241,485
Receivables:				
Taxes	73,402	-	-	73,402
Due from other governments	28,112	-	-	28,112
Other	316	-	-	316
Inventory	223,874	-	-	223,874
Due from other funds	1,250,758	-	-	1,250,758
<i>Total assets</i>	<u>\$ 9,871,193</u>	<u>\$ -</u>	<u>\$ 114,602</u>	<u>\$ 9,985,795</u>
<i>Liabilities, deferred inflows and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 175,741	\$ -	\$ -	\$ 175,741
Accrued payroll	3,101,980	-	-	3,101,980
<i>Total liabilities</i>	<u>3,277,721</u>	<u>-</u>	<u>-</u>	<u>3,277,721</u>
<i>Deferred inflows</i>				
Unavailable revenue	16,369	-	-	16,369
<i>Total deferred inflows</i>	<u>16,369</u>	<u>-</u>	<u>-</u>	<u>16,369</u>
<i>Fund balances</i>				
<i>Nonspendable</i>				
Inventory	223,874	-	-	223,874
<i>Spendable:</i>				
<i>Committed for:</i>				
Subsequent year's expenditures	6,353,229	-	114,602	6,467,831
<i>Total fund balances</i>	<u>6,577,103</u>	<u>-</u>	<u>114,602</u>	<u>6,691,705</u>
<i>Total liabilities and fund balances</i>	<u>\$ 9,871,193</u>	<u>\$ -</u>	<u>\$ 114,602</u>	<u>\$ 9,985,795</u>

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

STATE OF NEW MEXICO

Statement B-2

Carlsbad Municipal School District No. 20

General Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2017

	Operational Fund	Transporation Fund	Instructional Materials	Total
<i>Revenues</i>				
Taxes	\$ 1,131,988	\$ -	\$ -	\$ 1,131,988
Intergovernmental revenues				
Federal flowthrough	85,247	-	-	85,247
Federal direct	3,017	-	-	3,017
State flowthrough	49,286,403	-	207,164	49,493,567
State direct	214,356	-	-	214,356
Transportation distribution	-	1,665,264	-	1,665,264
Charges for services	359,547	-	-	359,547
Investment income	14,282	-	-	14,282
Miscellaneous	1,445	-	-	1,445
<i>Total revenues</i>	<u>51,096,285</u>	<u>1,665,264</u>	<u>207,164</u>	<u>52,968,713</u>
<i>Expenditures</i>				
Current				
Instruction	33,694,139	-	345,195	34,039,334
Support services	12,418,883	-	-	12,418,883
Central services	2,336,808	-	-	2,336,808
Operation and maintenance of plant	5,839,891	-	-	5,839,891
Student transportation	7,099	1,665,264	-	1,672,363
Food services operations	-	-	-	-
Community services operations	92,970	-	-	92,970
Capital outlay	905,192	-	-	905,192
<i>Total expenditures</i>	<u>55,294,982</u>	<u>1,665,264</u>	<u>345,195</u>	<u>57,305,441</u>
<i>Net change in fund balances</i>	(4,198,697)	-	(138,031)	(4,336,728)
<i>Fund balances - beginning</i>	<u>10,775,800</u>	-	<u>252,633</u>	<u>11,028,433</u>
<i>Fund balances - ending</i>	<u>\$ 6,577,103</u>	<u>\$ -</u>	<u>\$ 114,602</u>	<u>\$ 6,691,705</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Operational Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement B-3

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ 1,327,067	\$ 1,327,067	\$ 1,106,940	\$ (220,127)
Intergovernmental revenue				
Federal flowthrough	60,000	60,000	85,247	25,247
Federal direct	-	-	3,017	3,017
State flowthrough	50,891,817	49,090,849	49,286,524	195,675
State direct	158,830	158,830	228,771	69,941
Charges for services	422,500	422,500	356,047	(66,453)
Investment income	20,000	20,000	14,282	(5,718)
Miscellaneous	3,500	3,500	4,314	814
<i>Total revenues</i>	<u>52,883,714</u>	<u>51,082,746</u>	<u>51,085,142</u>	<u>2,396</u>
<i>Expenditures</i>				
Current				
Instruction	36,989,420	34,620,817	33,721,408	899,409
Support services	13,930,893	13,999,762	12,513,633	1,486,129
Central services	3,792,916	3,626,421	2,323,824	1,302,597
Operation and maintenance of plant	7,948,063	7,235,063	6,437,408	797,655
Student transportation	-	8,000	7,099	901
Food services operations	5,000	5,000	-	5,000
Community services operations	102,963	100,963	92,970	7,993
Capital outlay	428,000	2,895,500	101,991	2,793,509
<i>Total expenditures</i>	<u>63,197,255</u>	<u>62,491,526</u>	<u>55,198,333</u>	<u>7,293,193</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,313,541)</u>	<u>(11,408,780)</u>	<u>(4,113,191)</u>	<u>7,295,589</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	10,313,541	11,408,780	-	(11,408,780)
Transfers in (out)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,313,541</u>	<u>11,408,780</u>	<u>-</u>	<u>(11,408,780)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,113,191)</u>	<u>(4,113,191)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,595,808</u>	<u>10,595,808</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,482,617</u>	<u>\$ 6,482,617</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (4,113,191)
Adjustments to revenues for intergovernmental revenues and tax revenues				11,143
Adjustments to expenditures for salaries, supplies and professional services expenditures				<u>(96,649)</u>
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (4,198,697)</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Transportation Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement B-4

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	1,665,264	1,665,264	1,665,264	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,665,264</u>	<u>1,665,264</u>	<u>1,665,264</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	1,665,264	1,665,264	1,665,264	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,665,264</u>	<u>1,665,264</u>	<u>1,665,264</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Instructional Materials Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement B-5

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	352,780	153,312	207,164	53,852
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>352,780</u>	<u>153,312</u>	<u>207,164</u>	<u>53,852</u>
<i>Expenditures</i>				
Current				
Instruction	601,503	405,945	345,195	60,750
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>601,503</u>	<u>405,945</u>	<u>345,195</u>	<u>60,750</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(248,723)</u>	<u>(252,633)</u>	<u>(138,031)</u>	<u>114,602</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	248,723	252,633	-	(252,633)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>248,723</u>	<u>252,633</u>	<u>-</u>	<u>(252,633)</u>
<i>Net change in fund balances</i>	-	-	(138,031)	(138,031)
<i>Fund balances - beginning of year</i>	-	-	252,633	252,633
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,602</u>	<u>\$ 114,602</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (138,031)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (138,031)</u>

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

JEFFERSON MONTESSORI ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Combining Balance Sheet
Governmental Funds
June 30, 2017

	<u>General</u>		<u>Special Revenue</u>	
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Non- Instructional Support</u>
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 124,360	\$ 9,712	\$ 28,958	\$ 2,215
Receivables:				
Due from other governments	-	2,609	-	-
Other	-	-	5,100	-
Due from other funds	110,910	-	-	-
<i>Total assets</i>	<u>\$ 235,270</u>	<u>\$ 12,321</u>	<u>\$ 34,058</u>	<u>\$ 2,215</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accrued payroll	\$ 157,977	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>157,977</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable:				
Restricted for:				
Educational purposes	-	12,321	-	2,215
Food service	-	-	34,058	-
Capital acquisitions and improvements	-	-	-	-
Committed for:				
Subsequent years' expenditures	77,293	-	-	-
<i>Total fund balances</i>	<u>77,293</u>	<u>12,321</u>	<u>34,058</u>	<u>2,215</u>
<i>Total liabilities and fund balances</i>	<u>\$ 235,270</u>	<u>\$ 12,321</u>	<u>\$ 34,058</u>	<u>\$ 2,215</u>

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

Special Revenue

Entitlement IDEA-B	IDEA-B Risk Pool	United Way	2012 GO Bond Student Library Fund	New Mexico Reads to Lead
\$ -	\$ -	\$ -	\$ -	\$ -
42,539	-	-	-	72,834
-	-	-	-	-
-	-	-	-	-
<u>\$ 42,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,834</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,046
42,539	-	-	-	64,788
<u>42,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,834</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 42,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,834</u>

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

STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Combining Balance Sheet
Governmental Funds
June 30, 2017

	Capital Projects			
	Public School Capital Outlay	HB-33 Capital Improvements	Capital Improvements SB-9	Capital Improvements SB-9 State
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ -	\$ 60,221	\$ 17,673	\$ 51,634
Receivables:				
Due from other governments	31,653	-	-	-
Other	-	646	-	828
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 31,653</u>	<u>\$ 60,867</u>	<u>\$ 17,673</u>	<u>\$ 52,462</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accrued payroll	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,583	-	-	-
<i>Total liabilities</i>	<u>3,583</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable:				
Restricted for:				
Educational purposes	-	-	-	-
Food service	-	-	-	-
Capital acquisitions and improvements	28,070	60,867	17,673	52,462
Committed for:				
Subsequent years' expenditures	-	-	-	-
<i>Total fund balances</i>	<u>28,070</u>	<u>60,867</u>	<u>17,673</u>	<u>52,462</u>
<i>Total liabilities and fund balances</i>	<u>\$ 31,653</u>	<u>\$ 60,867</u>	<u>\$ 17,673</u>	<u>\$ 52,462</u>

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

<u>Total</u>	
\$	294,773
	149,635
	6,574
	<u>110,910</u>
\$	<u>561,892</u>
\$	166,023
	<u>110,910</u>
	<u>276,933</u>
	14,536
	34,058
	159,072
	<u>77,293</u>
	<u>284,959</u>
\$	<u>561,892</u>

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

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STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Governmental Funds
 Reconciliation of the Combining Balance Sheet to the Statement of Net Position
 June 30, 2017

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

Fund balances - total governmental funds	\$	284,959
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		4,895
Deferred outflows of resources related to employer contributions subsequent to the measurement date		158,874
Deferred outflows of resources related to net difference between projected and actual investments earnings on pension plan investments		163,536
Deferred outflows of resources related to changes in proportion		73,554
Deferred outflows of resources related to changes of assumptions		55,769
Deferred outflow of resources related to expected and actuarial experience		25,317
Deferred inflows of resources related to expected and actuarial experience		(39,489)
Deferred inflows of resources related to change in proportions		(201,145)
Some liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		<u>(2,739,682)</u>
<i>Total net position - governmental activities</i>	\$	<u><u>(2,213,412)</u></u>

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

STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General		Special Revenue	
	Operational	Instructional Materials	Food Services	Non- Instructional Support
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	10,537	54,495	-
State flowthrough	1,700,943	-	-	-
Local sources	297	-	-	-
Charges for services	32	-	24,621	-
Miscellaneous revenues	-	-	-	250
<i>Total revenues</i>	1,701,272	10,537	79,116	250
<i>Expenditures</i>				
Current:				
Instruction	1,103,790	6,850	-	250
Support services	309,637	-	-	-
Central services	170,173	-	-	-
Operation and maintenance of plant	141,102	-	-	-
Food services operations	28,544	-	63,006	-
<i>Total expenditures</i>	1,753,246	6,850	63,006	250
<i>Excess (deficiency) of revenues over expenditures</i>	(51,974)	3,687	16,110	-
<i>Net change in fund balances</i>	(51,974)	3,687	16,110	-
<i>Fund balances - beginning of year</i>	129,267	8,634	17,948	2,215
<i>Fund balances - ending of year</i>	\$ 77,293	\$ 12,321	\$ 34,058	\$ 2,215

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

Special Revenue

Entitlement IDEA-B	IDEA-B Risk Pool	United Way	2012 GO Bond Student Library Fund	New Mexico Reads to Lead
\$ -	\$ -	\$ -	\$ -	\$ -
42,519	-	-	-	72,834
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>42,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,834</u>
42,519	-	-	-	-
-	-	-	-	72,834
-	-	-	-	-
-	-	-	-	-
<u>42,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,834</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2017

	Capital Projects			
	Public School Capital Outlay	HB-33 Capital Improvements	Capital Improvements SB-9	Capital Improvements SB-9 State
<i>Revenues</i>				
Property taxes	\$ -	\$ 60,867	\$ -	\$ 63,740
Intergovernmental revenue:				
Federal flowthrough	126,611	-	-	-
State flowthrough	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	-	-
<i>Total revenues</i>	<u>126,611</u>	<u>60,867</u>	<u>-</u>	<u>63,740</u>
<i>Expenditures</i>				
Current:				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	126,610	-	397	11,278
Food services operations	-	-	-	-
<i>Total expenditures</i>	<u>126,610</u>	<u>-</u>	<u>397</u>	<u>11,278</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1</u>	<u>60,867</u>	<u>(397)</u>	<u>52,462</u>
<i>Net change in fund balances</i>	1	60,867	(397)	52,462
<i>Fund balances - beginning of year</i>	<u>28,069</u>	<u>-</u>	<u>18,070</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 28,070</u>	<u>\$ 60,867</u>	<u>\$ 17,673</u>	<u>\$ 52,462</u>

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

<u>Total</u>	
\$	124,607
	306,996
	1,700,943
	297
	24,653
	250
	<u>2,157,746</u>
	1,153,409
	382,471
	170,173
	279,387
	91,550
	<u>2,076,990</u>
	<u>80,756</u>
	80,756
	<u>204,203</u>
\$	<u><u>284,959</u></u>

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

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STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Governmental Funds

Statement C-2
Page 3 of 3

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ 80,756
Depreciation expense	(1,400)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
District pension contribution	158,874
Pension expense	<u>(247,345)</u>
<i>Change in net position of governmental activities</i>	<u><u>\$ (9,115)</u></u>

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

STATE OF NEW MEXICO
Jefferson Montessori Academy Charter School
Operational Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2017

Statement C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Miscellaneous revenues	-	3,259	-	(3,259)
Local grants	-	-	297	297
State flow through	1,763,588	1,700,205	1,700,943	738
State direct	-	-	-	-
Charges for services	-	-	32	32
<i>Total revenues</i>	<u>1,763,588</u>	<u>1,703,464</u>	<u>1,701,272</u>	<u>(2,192)</u>
<i>Expenditures</i>				
Current:				
Instruction	1,139,764	1,155,299	1,103,048	52,251
Support services	352,002	330,498	309,637	20,861
Central services	168,709	171,580	170,173	1,407
Operation and maintenance of plant	132,286	144,286	141,102	3,184
Food services operations	28,598	28,588	28,544	44
<i>Total expenditures</i>	<u>1,821,359</u>	<u>1,830,251</u>	<u>1,752,504</u>	<u>77,747</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(57,771)</u>	<u>(126,787)</u>	<u>(51,232)</u>	<u>75,555</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	57,771	126,787	-	(126,787)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>57,771</u>	<u>126,787</u>	<u>-</u>	<u>(126,787)</u>
<i>Net change in fund balances</i>	-	-	(51,232)	(51,232)
<i>Fund balance - beginning of year</i>	-	-	128,525	128,525
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,293</u>	<u>\$ 77,293</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (51,232)
No adjustments to revenues				-
Adjustments to expenditures for salaries and supplies				<u>(742)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (51,974)</u>

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

STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Instructional Materials Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	9,731	7,928	7,928	-
Federal direct	-	-	-	-
Miscellaneous revenues	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>9,731</u>	<u>7,928</u>	<u>7,928</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
Instruction	17,506	16,562	6,850	9,712
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>17,506</u>	<u>16,562</u>	<u>6,850</u>	<u>9,712</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,775)</u>	<u>(8,634)</u>	<u>1,078</u>	<u>9,712</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	7,775	8,634	-	(8,634)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,775</u>	<u>8,634</u>	<u>-</u>	<u>(8,634)</u>
<i>Net change in fund balances</i>	-	-	1,078	1,078
<i>Fund balance - beginning of year</i>	-	-	8,634	8,634
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,712</u>	<u>\$ 9,712</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,078
Adjustments to revenues for state flow through grants				2,609
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 3,687</u>

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

STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 Entitlement IDEA-B Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement C-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable) Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	42,520	42,520	54,120	11,600
Federal direct	-	-	-	-
Miscellaneous revenues	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>42,520</u>	<u>42,520</u>	<u>54,120</u>	<u>11,600</u>
<i>Expenditures</i>				
Current:				
Instruction	42,520	42,520	42,519	1
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>42,520</u>	<u>42,520</u>	<u>42,519</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>11,601</u>	<u>11,601</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	11,601	11,601
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(54,140)</u>	<u>(54,140)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,539)</u>	<u>\$ (42,539)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 11,601
Adjustments to revenues for flow through grants				(11,601)
No adjustments to expenditures				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO
 Jefferson Montessori Academy Charter School
 New Mexico Reads to Lead Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2017

Statement C-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	-	72,834	33,533	(39,301)
Miscellaneous revenues	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Total revenues	-	72,834	33,533	(39,301)
<i>Expenditures</i>				
Current:				
Support services	-	72,834	72,834	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	72,834	72,834	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(39,301)	(39,301)
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<i>Net change in fund balances</i>	-	-	(39,301)	(39,301)
<i>Fund balance - beginning of year</i>	-	-	(33,533)	(33,533)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (72,834)	\$ (72,834)
<i>Net change in fund balances (Budget Basis)</i>				\$ (39,301)
Adjustments to revenues for state flow through grants				39,301
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

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

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PECOS CONNECTIONS ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Combining Balance Sheet
Governmental Funds
June 30, 2017

Statement D-1
Page 1 of 2

	<u>General</u>		<u>Special Revenue</u>	<u>Total</u>
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Entitlement IDEA-B</u>	
Assets				
<i>Current assets</i>				
Cash and cash equivalents	\$ 200,606	\$ -	\$ -	\$ 200,606
Receivables:				
Due from other governments	-	-	40,830	40,830
Other	19,252	-	-	19,252
Inventory	-	-	-	-
Due from other funds	40,830	-	-	40,830
<i>Total assets</i>	<u>\$ 260,688</u>	<u>\$ -</u>	<u>\$ 40,830</u>	<u>\$ 301,518</u>
Liabilities and Fund Balances				
<i>Current liabilities</i>				
Accrued payroll	\$ 10,999	\$ -	\$ -	\$ 10,999
Due to other funds	-	-	40,830	40,830
<i>Total liabilities</i>	<u>10,999</u>	<u>-</u>	<u>40,830</u>	<u>51,829</u>
<i>Fund balances</i>				
Spendable:				
Committed for:				
Subsequent years' expenditures	249,689	-	-	249,689
<i>Total fund balances</i>	<u>249,689</u>	<u>-</u>	<u>-</u>	<u>249,689</u>
<i>Total liabilities and fund balances</i>	<u>\$ 260,688</u>	<u>\$ -</u>	<u>\$ 40,830</u>	<u>\$ 301,518</u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Governmental Funds
Reconciliation of the Combining Balance Sheet to the Statement of Net Position
June 30, 2017

Statement D-1
Page 2 of 2

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

Fund balances - total governmental funds	\$ 249,689
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds	
Deferred outflows of resources related to employer contributions subsequent to the measurement date	<u>87,771</u>
<i>Total net position - governmental activities</i>	<u><u>\$ 337,460</u></u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>General</u>		<u>Special Revenue</u>	<u>Total</u>
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Entitlement IDEA-B</u>	
<i>Revenues</i>				
Intergovernmental revenue:				
Federal flow through	\$ -	\$ -	\$ 40,830	\$ 40,830
State flow through	1,964,718	13,804	-	1,978,522
<i>Total revenues</i>	<u>1,964,718</u>	<u>13,804</u>	<u>40,830</u>	<u>2,019,352</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,220,546	13,804	40,830	1,275,180
Support services	374,600	-	-	374,600
Central services	85,005	-	-	85,005
Operation and maintenance of plant	34,878	-	-	34,878
<i>Total expenditures</i>	<u>1,715,029</u>	<u>13,804</u>	<u>40,830</u>	<u>1,769,663</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>249,689</u>	<u>-</u>	<u>-</u>	<u>249,689</u>
<i>Net change in fund balances</i>	249,689	-	-	249,689
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 249,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,689</u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Governmental Funds

Statement D-2
Page 2 of 2

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ 249,689
Governmental funds report charter pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Charter pension contribution	<u>87,771</u>
<i>Change in net position of governmental activities</i>	<u><u>\$ 337,460</u></u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Operational Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2017

Statement D-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Miscellaneous revenues	-	-	-	-
Local grants	-	-	-	-
State flow through	2,956,566	1,964,718	1,964,718	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>2,956,566</u>	<u>1,964,718</u>	<u>1,964,718</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
Instruction	2,412,773	1,370,925	1,220,546	150,379
Support services	325,133	417,567	374,600	42,967
Central services	100,460	139,497	85,005	54,492
Operation and maintenance of plant	118,200	36,729	34,878	1,851
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>2,956,566</u>	<u>1,964,718</u>	<u>1,715,029</u>	<u>249,689</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>249,689</u>	<u>249,689</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	249,689	249,689
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,689</u>	<u>\$ 249,689</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 249,689
No adjustments to revenues				-
No adjustment to expenditures				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 249,689</u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Instructional Materials Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2017

Statement D-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	13,804	13,804	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>13,804</u>	<u>13,804</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
Instruction	-	13,804	13,804	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>13,804</u>	<u>13,804</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO
Pecos Connections Academy Charter School
Entitlement IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2017

Statement D-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flow through	35,433	40,830	-	(40,830)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flow through	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>35,433</u>	<u>40,830</u>	<u>-</u>	<u>(40,830)</u>
<i>Expenditures:</i>				
Current:				
Instruction	35,433	40,830	40,830	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>35,433</u>	<u>40,830</u>	<u>40,830</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,830)</u>	<u>(40,830)</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(40,830)	(40,830)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>40,830</u>	<u>40,830</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (40,830)
Adjustments to revenues for federal revenues				40,830
No adjustments to expenditures				<u>-</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Deposits
 June 30, 2017

Deposit Account Type	Western Commerce Bank	Wells Fargo Bank	Carlsbad National Bank	Totals
Primary Government				
Operational - checking	\$ 4,380,555	\$ -	\$ -	\$ 4,380,555
Operational - sweep	-	11,297,039	-	11,297,039
Capital improvements - checking	22,758,770	-	-	22,758,770
Activity fund - checking	627,416	-	-	627,416
Debt service - checking	-	4,000,000	-	4,000,000
Debt service - sweep	-	1,241,485	-	1,241,485
Accounts payable clearing - checking	-	2,974,593	-	2,974,593
Payroll clearing - checking	-	785,747	-	785,747
Cafeteria - checking	-	-	1,730,788	1,730,788
Bond building - checking	-	-	657,480	657,480
Certificates of deposit	-	-	5,622,939	5,622,939
Certificates of deposit	10,048,451	-	-	10,048,451
Certificates of deposit	-	3,923,714	-	3,923,714
Total on deposit	<u>37,815,192</u>	<u>24,222,578</u>	<u>8,011,207</u>	<u>70,048,977</u>
Reconciling items:				
Add deposits in transit	2,373,494	186,967	3,418	2,563,879
Add petty cash	51,200	-	-	51,200
Less outstanding checks	<u>(3,325,926)</u>	<u>(1,710,017)</u>	<u>(212,093)</u>	<u>(5,248,036)</u>
<i>Reconciled balance at June 30, 2017</i>	<u><u>\$ 36,913,960</u></u>	<u><u>\$ 22,699,528</u></u>	<u><u>\$ 7,802,532</u></u>	<u><u>\$ 67,416,020</u></u>
Reconciliation to financial statements:				
Deposits and investments per financial statements:				
Cash and cash equivalents - Exhibit A-1				\$ 16,340,532
Investments - Exhibit A-1				\$ 32,133,628
Unspent bond proceeds-Exhibit A-1				16,151,907
Restricted cash and cash equivalents Exhibit A-1				2,698,478
Statement of fiduciary assets and liabilities - Exhibit D-1				91,475
				<u><u>\$ 67,416,020</u></u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Deposits - Component Units
 June 30, 2017

Component Units

Jefferson Montesorri Academy

Deposit Account Type	Wells Fargo Bank
Operational - interest bearing checking	\$ 278,830
Federal account - checking	20,887
	299,717
Total on deposit	299,717
Less outstanding checks	(5,144)
	294,573
Reconciled balance at June 30, 2017	294,573
Plus petty cash	200
	294,773
<i>Component Unit cash and cash equivalents - Exhibit A-1</i>	\$ 294,773

Pecos Connections Academy

Deposit Account Type	Wells Fargo Bank
Operational - interest bearing checking	\$ 212,256
IDEA-B - checking	-
	212,256
Total on deposit	212,256
Less outstanding checks	(11,650)
	200,606
Reconciled balance at June 30, 2017	200,606
Plus petty cash	-
	200,606
<i>Component Unit cash and cash equivalents - Exhibit A-1</i>	\$ 200,606

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2017

Primary Government

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Beginning cash balance June 30, 2016	\$ 7,299,328	\$ -	\$ 252,633	\$ 1,595,477
Add:				
Current year receipts	<u>51,086,121</u>	<u>1,665,264</u>	<u>207,164</u>	<u>4,062,652</u>
Total cash available	58,385,449	1,665,264	459,797	5,658,129
Less:				
Current year expenditures	55,131,339	1,665,264	345,195	4,003,706
Permanent cash transfer	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending cash balance June 30, 2017	<u>2,654,110</u>	<u>-</u>	<u>114,602</u>	<u>1,654,423</u>
Adjustments:				
Held checks	3,511,431	-	-	134,504
Investment sweep	(364,281)	-	-	-
Changes in accounts receivable/payable	<u>887,705</u>	<u>-</u>	<u>-</u>	<u>(117,202)</u>
<i>Audited cash June 30, 2017</i>	<u>\$ 6,688,965</u>	<u>\$ -</u>	<u>\$ 114,602</u>	<u>\$ 1,671,725</u>

See Independent Auditors' Report.

<u>Athletics</u>	<u>Non-Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>	<u>State Flowthrough</u>
\$ 14,779	\$ 513,714	\$ -	\$ 568,461	\$ 1,608	\$ -
<u>131,666</u>	<u>538,660</u>	<u>3,295,334</u>	<u>988,908</u>	<u>5,424</u>	<u>915,935</u>
146,445	1,052,374	3,295,334	1,557,369	7,032	915,935
146,333	492,772	2,725,865	499,280	2,844	715,386
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>112</u>	<u>559,602</u>	<u>569,469</u>	<u>1,058,089</u>	<u>4,188</u>	<u>200,549</u>
-	12,335	139,319	24,063	-	17,018
-	-	-	-	-	-
<u>-</u>	<u>(10,984)</u>	<u>(708,784)</u>	<u>(18,658)</u>	<u>-</u>	<u>(217,566)</u>
<u>\$ 112</u>	<u>\$ 560,953</u>	<u>\$ 4</u>	<u>\$ 1,063,494</u>	<u>\$ 4,188</u>	<u>\$ 1</u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2017

Primary Government

	<u>State Flowthrough</u>	<u>Local/State</u>	<u>Bond Building</u>	<u>Public School Capital Outlay</u>
Beginning cash balance June 30, 2016	\$ -	\$ 25,000	\$ 24,336,415	\$ -
Add:				
Current year receipts	<u>34,824</u>	<u>15,000</u>	<u>122,854</u>	<u>150,000</u>
Total cash available	34,824	40,000	24,459,269	150,000
Less:				
Current year expenditures	34,824	16,114	8,266,621	-
Permanent cash transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending cash balance June 30, 2017	<u>-</u>	<u>23,886</u>	<u>16,192,648</u>	<u>150,000</u>
Adjustments:				
Held checks	-	-	-	-
Investment sweep	-	-	(15,712,131)	-
Changes in accounts receivable/payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Audited cash June 30, 2017</i>	<u>\$ -</u>	<u>\$ 23,886</u>	<u>\$ 480,517</u>	<u>\$ 150,000</u>

See Independent Auditors' Report.

<u>Special Capital Outlay State</u>	<u>Capital Improvements HB 33</u>	<u>Capital Improvements SB9 - State</u>	<u>Capital Improvements SB9 - Local</u>	<u>Ed Tech Equip. Act</u>	<u>Debt Service</u>
\$ -	\$ 12,408,607	\$ 5,837,838	\$ -	\$ 1,671,362	\$ 13,185,800
<u>244,639</u>	<u>4,512,943</u>	<u>166,890</u>	<u>4,472,032</u>	<u>4,000,000</u>	<u>9,903,591</u>
244,639	16,921,550	6,004,728	4,472,032	5,671,362	23,089,391
50,000	1,981,651	112,675	5,139,470	5,403,415	9,093,874
<u>-</u>	<u>-</u>	<u>(5,837,838)</u>	<u>5,837,838</u>	<u>-</u>	<u>-</u>
<u>194,639</u>	<u>14,939,899</u>	<u>54,215</u>	<u>5,170,400</u>	<u>267,947</u>	<u>13,995,517</u>
-	-	-	-	-	-
-	-	-	-	-	(11,297,039)
<u>(194,639)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 14,939,907</u>	<u>\$ 54,215</u>	<u>\$ 5,170,400</u>	<u>\$ 267,947</u>	<u>\$ 2,698,478</u>

See Independent Auditors' Report.

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2017

Primary Government

	<u>Deferred Sick Leave</u>	<u>Ed Tech Debt Service</u>	<u>Total</u>
Beginning cash balance June 30, 2016	\$ 1,119,265	\$ 3,973,928	\$ 72,804,215
Add:			
Current year receipts	-	5,066,851	91,586,752
Total cash available	1,119,265	9,040,779	164,390,967
Less:			
Current year expenditures	119,328	4,179,823	100,125,779
Permanent cash transfer	600,000	-	-
Ending cash balance June 30, 2017	<u>1,599,937</u>	<u>4,860,956</u>	<u>64,265,188</u>
Adjustments:			
Held checks	5,830	-	3,844,500
Investment sweep	(1,241,486)	(3,923,714)	(32,538,651)
Changes in accounts receivable/payable	-	-	(380,120)
<i>Audited cash June 30, 2017</i>	<u>\$ 364,281</u>	<u>\$ 937,242</u>	<u>\$ 35,190,917</u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2017

Component Unit - Jefferson Montessori Academy

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Beginning cash balance June 30, 2016	\$ 128,525	\$ -	\$ 8,633	\$ 13,979
Add:				
Current year receipts	<u>1,710,009</u>	<u>-</u>	<u>7,928</u>	<u>77,985</u>
Total cash available	<u>1,838,534</u>	<u>-</u>	<u>16,561</u>	<u>91,964</u>
Less:				
Current year expenditures	1,754,747	-	6,849	63,006
Payroll Liabilities	157,977	-	-	-
Adjustments	(6,495)	-	-	-
Outstanding Loans	<u>(110,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Audited cash June 30, 2017</i>	<u><u>\$ 124,360</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,712</u></u>	<u><u>\$ 28,958</u></u>

Component Unit - Pecos Connections Academy

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Beginning cash balance June 30, 2016	\$ -	\$ -	\$ -	\$ -
Add:				
Current year receipts	<u>1,964,718</u>	<u>-</u>	<u>13,804</u>	<u>-</u>
Total cash available	<u>1,964,718</u>	<u>-</u>	<u>13,804</u>	<u>-</u>
Less:				
Current year expenditures	1,715,027	-	13,804	-
Payroll Liabilities	8,255	-	-	-
Outstanding Loans	<u>(40,830)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Audited cash June 30, 2017</i>	<u><u>\$ 200,606</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<u>Athletics</u>	<u>Non- Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
\$ -	\$ 2,215	\$ (54,186)	\$ -	\$ -
-	250	54,165	-	-
-	2,465	(21)	-	-
-	250	42,520	-	-
-	-	-	-	-
-	-	3	-	-
-	-	42,538	-	-
<u>\$ -</u>	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Athletics</u>	<u>Non- Instructional</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	40,830	-	-
-	-	-	-	-
-	-	40,830	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Cash Reconciliation
 For the Year Ended June 30, 2017

Component Unit - Jefferson Montessori Academy	State Flowthrough	Bond Building	Public School Capital Outlay	Special Capital Outlay State
Beginning cash balance June 30, 2016	\$ (33,532)	\$ -	\$ (5,480)	\$ -
Add:				
Current year receipts	<u>33,532</u>	<u>-</u>	<u>128,507</u>	<u>-</u>
Total cash available	<u>-</u>	<u>-</u>	<u>123,027</u>	<u>-</u>
Less:				
Current year expenditures	72,834	-	126,610	-
Payroll Liabilities	8,046	-	-	-
Adjustments	-	-	-	-
Outstanding Loans	<u>64,788</u>	<u>-</u>	<u>3,583</u>	<u>-</u>
<i>Audited cash June 30, 2017</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Component Unit - Pecos Connections Academy	State Flowthrough	Bond Building	Public School Capital Outlay	Special Capital Outlay State
Beginning cash balance June 30, 2016	\$ -	\$ -	\$ -	\$ -
Add:				
Current year receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less:				
Current year expenditures	-	-	-	-
Payroll Liabilities	-	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Audited cash June 30, 2017</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Capital Improvements HB-33	Capital Improvements SB-9 - State	Capital Improvements SB-9 - Local	Ed Tech Equip. Act	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,154
60,221	17,673	62,912	-	-	2,153,182
60,221	17,673	62,912	-	-	2,213,336
-	-	11,278	-	-	2,078,094
-	-	-	-	-	166,023
-	-	-	-	-	(6,492)
-	-	-	-	-	-
<u>\$ 60,221</u>	<u>\$ 17,673</u>	<u>\$ 51,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,773</u>

Capital Improvements HB 33	Capital Improvements SB-9 - State	Capital Improvements SB-9 - Local	Ed Tech Equip. Act	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,978,522
-	-	-	-	-	1,978,522
-	-	-	-	-	1,769,661
-	-	-	-	-	8,255
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,606</u>

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2017

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2017</u>	<u>Name and Location of Safekeeper</u>
Primary Government:					
Western Commerce Bank					
	FNMA # 254589	01/01/2023	31371KXS5	\$ 92,368	Federal Home Loan Bank, Irvine, TX
	FNMA # 254501	09/01/2022	31371KU25	24,703	Federal Home Loan Bank, Irvine, TX
	FNMA # 758904	12/01/2033	31403VDH9	77,192	Federal Home Loan Bank, Irvine, TX
	FNMA # 256714	04/01/2027	31371NDT9	84,625	Federal Home Loan Bank, Irvine, TX
	FNMA # 256852	08/01/2027	31371NH57	116,218	Federal Home Loan Bank, Irvine, TX
	FNMA # 826080	07/01/2035	31407BXH7	386,058	Federal Home Loan Bank, Irvine, TX
	FNMA # 745740	07/01/2036	31403DPZ6	224,858	Federal Home Loan Bank, Irvine, TX
	FNMA # 77656	04/01/2034	31404RW29	620,121	Federal Home Loan Bank, Irvine, TX
	FNMA # MA0121	07/01/2029	31417YD38	251,984	Federal Home Loan Bank, Irvine, TX
	GNMAII # 005265	12/20/2041	36202FZ66	912,957	Federal Home Loan Bank, Irvine, TX
	FNMA # AE0937	02/01/2041	31419BBF1	606,742	Federal Home Loan Bank, Irvine, TX
	GNMA # 005302	02/20/2042	36202F3K0	523,959	Federal Home Loan Bank, Irvine, TX
	FNMA # AJ7680	12/01/2041	3138E0RA9	800,766	Federal Home Loan Bank, Irvine, TX
	FNMA # AB2318	01/01/2041	31416XSG6	1,215,500	Federal Home Loan Bank, Irvine, TX
	FNMA # 255631	03/01/2035	31371L4Q9	209,336	Federal Home Loan Bank, Irvine, TX
	GNMA # MA1149	07/20/2043	36179NH27	1,086,792	Federal Home Loan Bank, Irvine, TX
	FHLMC # G14660	01/01/2028	3128MDMH3	601,755	Federal Home Loan Bank, Irvine, TX
	FHLMC # G08540	08/01/2043	3128MJS68	753,761	Federal Home Loan Bank, Irvine, TX
	FHLMC # G07601	07/01/2043	312M9X64	1,479,239	Federal Home Loan Bank, Irvine, TX
	FHLMC # G15143	01/01/2029	3128MD5C3	1,348,070	Federal Home Loan Bank, Irvine, TX
	FNMA # AL3784	07/01/2028	3138ELF24	776,362	Federal Home Loan Bank, Irvine, TX
	SBAP 2010/20B 1	02/01/2030	83162CTB9	961,335	Federal Home Loan Bank, Irvine, TX
	FNMA # AL3956	08/01/2028	3138ELME0	706,759	Federal Home Loan Bank, Irvine, TX
	SBAP 2015-20B	02/01/2030	83162CWV1	1,749,302	Federal Home Loan Bank, Irvine, TX
	FNMA # AL8367	04/01/2046	3138ETJM9	1,210,238	Federal Home Loan Bank, Irvine, TX
	Total Western Commerce Bank			<u>16,821,000</u>	
Wells Fargo Bank					
	FNMA FNMS 3.00%	10/01/2035	3138WFXS0	1,260,509	Bank of New York Mellon
	FNMA FNMS 2.50%	05/01/2031	3140F5MD2	4,894,846	Bank of New York Mellon
	Repurchase Agreement			16,791,484	Bank of New York Mellon
	Total Wells Fargo Bank			<u>22,946,839</u>	

See Independent Auditors' Report.

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2017</u>	<u>Name and Location of Safekeeper</u>
Primary Government:					
Carlsbad National Bank					
	FNCT MA1290 FNMA POOL	12/01/2032		\$ 1,139,217	Federal Home Loan Bank, Irvine, TX
	#MA1543 FNMA POOL	12/01/2025		1,520,745	Federal Home Loan Bank, Irvine, TX
	#MA2198	03/01/2025		1,674,621	Federal Home Loan Bank, Irvine, TX
	FHLMC # C91649	04/01/2033		1,962,463	Federal Home Loan Bank, Irvine, TX
	FNMA # MA1424	04/01/2033		1,658,986	Federal Home Loan Bank, Irvine, TX
	FNMA # AL5704	04/01/2044		1,390,017	Federal Home Loan Bank, Irvine, TX
	Total Carlsbad National Bank			<u>9,346,049</u>	
	<i>Total Primary Government Pledged Collateral</i>			<u>\$ 49,113,888</u>	
Jefferson Montessori Academy Charter School:					
Wells Fargo					
	FMAC FGPC 3.500%	3/1/2042		<u>\$ 50,602</u>	Bank of New York Mellon
	Total Wells Fargo				
	<i>Total Jefferson Montessori Academy Charter School Pledged Collateral</i>			<u>\$ 50,602</u>	

See Independent Auditors' Report.

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STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Changes in Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2017

Schedule VI

Clubs	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Cash and cash equivalents				
Art Club	\$ 370	\$ -	\$ -	\$ 370
Athletics/Activity	72	-	-	72
Baseball Booster Club	40	-	-	40
Biology Club	1,950	-	-	1,950
BPA Club	8,054	16,833	19,956	4,931
Central Office Employee Fund	1,600	-	-	1,600
Chemistry Club	3,996	-	-	3,996
CHS Spirit Committee	2,840	2,970	2,900	2,910
Computer Club	323	-	-	323
DECA Club	570	-	-	570
Educator Rising Club	184	6,577	1,163	5,598
Elementary PTA	3,404	-	-	3,404
FCCLA Club	2,779	9,855	2,951	9,683
Fellowship of High School Students	256	-	-	256
FFA Club	10,159	44,797	42,429	12,527
Football Booster Club	427	-	-	427
French Club	859	85	-	944
Golf Booster Club	194	-	-	194
Honor Society	3,444	5,081	4,125	4,400
HOSA Club	1,565	-	-	1,565
JAG-Phoenix (Wellman)	434	-	-	434
Key Club	5,849	11,034	9,919	6,964
Rodeo Booster Club	489	-	-	489
Softball Booster Club	140	-	-	140
Spanish Club	46	125	-	171
Spirit Team-Cheerleading Booster Club	10,394	3,533	5,462	8,465
Tennis Booster Club	164	-	-	164
Theatre Club	8,701	4,589	6,665	6,625
Track-Boys Booster Club	1,779	1,849	1,140	2,488
Track-Girls Booster Club	518	885	-	1,403
VICA Club	4,869	7,239	7,854	4,254
Wrestling Booster Club	126	-	-	126
Culinary Club	-	1,552	-	1,552
Swimming Booster Club	150	3,638	2,215	1,573
Volleyball Booster Club	-	3,400	2,533	867
<i>Total cash and cash equivalents</i>	<u>\$ 76,745</u>	<u>\$ 124,042</u>	<u>\$ 109,312</u>	<u>\$ 91,475</u>
Receivables				
Educator Rising Club	\$ -	\$ 20	\$ -	\$ 20
FFA Club	-	778	-	778
Spirit Team-Cheerleading Booster Club	-	55	-	55
Volleyball Booster Club	-	75	-	75
<i>Total receivables</i>	<u>\$ -</u>	<u>\$ 928</u>	<u>\$ -</u>	<u>\$ 928</u>

See Independent Auditors' Report.

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COMPLIANCE SECTION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Brian S. Colón
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

We have audited, 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison of the General Fund of Carlsbad Municipal School District No. 20 (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2019.

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 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as items NM 2017-001 and FA 2017-002.

The District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
February 19, 2019

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FEDERAL FINANCIAL ASSISTANCE

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Brian S. Colón
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

Report on Compliance for the Major Federal Program

We have audited Carlsbad Municipal School District No. 20's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2017. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

This report is replacing a previously issued report dated March 15, 2018, as discovery subsequent to that date resulted in the District having another major federal program that was required to be audited.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item FA 2017-002, that we consider to be a significant deficiency.

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

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
February 19, 2019

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2017

Schedule VII

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number	Expenditures	Funds Provided to Subrecipients	Noncash Assistance
U.S. Department of Education					
<i>Passed through - State of NM Public</i>					
<i>Education Department</i>					
Title I Grants to Local Educational Agencies	24101	84.010	\$ 979,096 *	\$ -	\$ -
Title I Grants to Local Educational Agencies - School Improvement	24162	84.010	45,000 *	-	-
Migrant Education State Grant Program	24103	84.011	6,315	-	-
Special Education Cluster:					
Special Education Grants to States	24115	84.027	2,163 *	-	-
Special Education Grants to States	24106	84.027	1,144,388 *	-	-
Special Education Grants to States	24132	84.027	128,477 *	-	-
Special Education Preschool Grants	24109	84.173	46,106 *	-	-
Total Special Education Cluster			1,321,134	-	-
Career and Technical Education - Basic Grants to States	24174	84.048	33,631	-	-
Career and Technical Education - Basic Grants to States	24176	84.048	4,027	-	-
Career and Technical Education - Basic Grants to States	24182	84.048	5,331	-	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	24154	84.367	294,092	-	-
Total Passed Through - State of NM Public Education Department			2,688,626	-	-
Total U.S. Department of Education			2,688,626	-	-
U.S. Department of Agriculture					
<i>Federal Direct Grants</i>					
Child Nutrition Cluster:					
National School Lunch Program	21000	10.555	2,879,827	-	225,742
School Breakfast Program	21000	10.553	980,810	-	-
Total Child Nutrition Cluster			3,860,637	-	225,742
Total U.S. Department of Agriculture			3,860,637	-	225,742
Total Expenditures of Federal Awards			\$ 6,549,263	\$ -	\$ 225,742

* Major Program

See Independent Auditors' Report.
 See notes to the Schedule of Expenditures of Federal Awards.

Notes to the Schedule of Expenditures of Federal Awards**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Carlsbad Municipal School District No. 20 (The District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Loans

The District did not expend federal awards related to loans or loan guarantees during the year.

10% de minimus Indirect Cost Rate

The District did not elect to use the allowed 10% indirect cost rate.

Federally Funded Insurance

The District has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 6,549,263
Total expenditures funded by other sources	<u>89,777,616</u>
<i>Total expenditures per statement of revenues, expenditures, and changes in fund balances</i>	<u><u>\$ 96,326,879</u></u>

See Independent Auditors' Report.

STATE OF NEW MEXICO
 Carlsbad Municipal School District No. 20
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Federal Program

84.010
 84.027, 84.173

Title I Grants to Local Educational Agencies
 Special Education Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

B. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Primary Government:

None noted

Jefferson Montessori Academy Charter School:

None noted

Pecos Connections Academy Charter School:

None noted

C. FINDINGS IN ACCORDANCE WITH NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978

Primary Government and Component Units:

NM 2017-001 Late Audit Report (Other Noncompliance)

Condition: The District's audited financial statements were not submitted by the regulatory due date of November 15, 2017.

Criteria: NMAC 2.2.2.9A requires that financial statement audits of school districts are due to the Office of the State Auditor no later than November 15.

Effect: The District's audit was considered late by the Office of the State Auditor.

Cause: The District experienced turnover in their key positions and was not prepared for the audit fieldwork weeks as scheduled which resulted in the auditors being unable to complete their testwork and financial statement preparation timely.

Auditors' Recommendation: The District should ensure that requested audit documentation is provided as agreed upon and that the District is prepared audit fieldwork as scheduled with their auditor.

Agency Response: The new Director of Finance was hired on 10/30/2017 after the audit was completed. The new Superintendent and Director of Finance will work with the auditor closely next year to make sure the district audit report get submitted to the Office of the State Auditor timely.

D. FEDERAL FINDINGS

Primary Government:

FA 2017-002 Removal of Students from the Regulatory Adjusted Cohort (Significant Deficiency and Noncompliance)

Federal Program Information:

Funding Agency:	U.S. Department of Education
Federal Award Identification Number:	S010A140031-14B, S010A150031-15A, S010A160031-16A
Award Year:	2017
Title:	Title I Grants to Local Educational Agencies
CFDA Number:	84.010
Pass-through Agency:	State of New Mexico Public Education Department
Pass-through Identification Number:	24101, 24162

Condition: Due to the lack of controls over compliance, for two of seven students withdrawn from the cohort, the incorrect withdrawal code was utilized and resulted in the students being incorrectly removed from the cohort.

Criteria: 2 CFR 200.303 requires non-Federal entities to establish and maintain effective internal controls over compliance. In addition, 34 CFR section 200.19(b)(1)(ii)(B) indicates that to remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased. Further, 34 CFR section 200.19(b)(1)(ii)(B)(1) requires to confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an education program that culminates in the award of a regular high school diploma or (2) a student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain the adjusted cohort.

Questioned Costs: None noted.

Effect: The District could have potentially altered the high school graduation rate for the State.

Cause: The District was incorrectly utilizing the W8 withdrawal code in the STARs system.

Auditors' Recommendation: We recommend that the District properly implement the New Mexico Public Education Department's withdrawal codes to ensure compliance with future rules and regulations.

Management Response: Carlsbad Municipal School administration understands the issues surrounding this discovery and will work diligently to ensure that accurate reporting is maintained in all student enrollments/withdrawals. With a new student information system, and through learning the functionality, we will work to continue the process development for ensuring that records are obtained and properly recorded.

Current Status/Plan of Action: Currently, the W3/No-Show enrollment code has been removed from STARs reporting, and our process will continue to change with the state, requiring that school secretaries & registrars maintain identification of records request and properly use, and change if necessary, the withdrawal codes, based on the requested records after the students have left. Training and additional information will be provided to the school administrators, registrars, and school secretaries to ensure that proper enrollment codes are used and documentation obtained.

Responsible Official: Responsible officials will be C. McAlister, Director of Student Data Services, along with school principals, registrars, and secretarial staff, who enroll/withdraw students throughout the school year.

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Schedule VIII
Page 4 of 4

E. PRIOR YEAR AUDIT FINDINGS

Primary Government:

NM 2016-001 - Budgetary Controls- Other Noncompliance—Resolved

Jefferson Montessori Academy Charter School:

CU-NM 2016-001 - Budgetary Controls- Other Noncompliance—Resolved

STATE OF NEW MEXICO
Carlsbad Municipal School District No. 20
Other Disclosures
For the Year Ended June 30, 2017

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.

B. EXIT CONFERENCE

The contents of this report were discussed on November 10, 2017. The following individuals were in attendance:

Carlsbad Schools Personnel

Ron Singleton – Board Member
Andrew Harris – Board Member
Dr. Greg Rodriguez – Superintendent
Laura Garcia – Finance Director (Retired)
Chenyu Alex Liu – Finance Director
Ursulita Vigil – Comptroller
Felicia Chavez – Payroll Manager
Stacey Frakes – JMA Principal
Tammi Dutton – JMA Office Manager
Kyle Hunt – JMA Business Manager
Jed Duggan – PCA Principal
Gloria Lopez – PCA Business Manager
Kelli Barta – Assistant Superintendent
Carol McAlister – Director of Data & Assessment
Don Owen – Director of Operations
Kim Arrington – Director of Elementary Education
Lavern Shan – Director of Federal Programs
Mark Barela – Director of Counseling Services
Therese Rodriguez – Director of Human Resources
Veronica Patrick – Finance Specialist
Lyman Graham- Director of Food Services
Agnes Quintana – Special Education Bookkeeper
Deanna Weston Helmer – JMA Council of Trustees

Carr, Riggs & Ingram, LLC

Cindy Bryan – Partner