

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
OFFICIAL ROSTER	1
INDEPENDENT AUDITORS' REPORT	2 - 4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	6 - 7
Statement of Activities	8
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	10 - 12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14 - 16
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund	18
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities - Agency Fund	20
NOTES TO THE FINANCIAL STATEMENTS	21 - 63

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability - ERB	65
Schedule of Contributions - ERB	66
Schedule of Proportionate Share of the Net Pension Liability - OPEB	67
Schedule of Contributions - OPEB	68
Notes to Required Supplementary Information	69
 SUPPLEMENTARY INFORMATION	
Combining and Individual Funds Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	73
Special Revenue Funds:	75 - 77
Combining Balance Sheet - Nonmajor Special Revenue Funds	78 - 80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	81 - 83
Nonmajor Capital Projects Funds:	84
Combining Balance Sheet - Nonmajor Capital Project Funds	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	86
Nonmajor Debt Service Funds:	87
Combining Balance Sheet - Nonmajor Debt Service Fund	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Fund	89
Combining Balance Sheet - General Fund	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	92

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS (CONTINUED)

	PAGE
SUPPLEMENTAL INFORMATION	
Schedule of Changes in Assets and Liabilities - Agency Funds	94 - 96
Schedule of Pledged Collateral	97
Schedule of Deposits and Investments Accounts	98
Cash Reconciliation	99
 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 <i>Government Auditing Standards</i>	101 - 102
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	103 - 105
Schedule of Expenditures of Federal Awards	106
Notes to Schedule of Expenditures of Federal Awards	107
Schedule of Findings and Questioned Costs	108 - 114
Financial Statement Preparation	115
Exit Conference	116

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
OFFICIAL ROSTER

BOARD OF EDUCATION

Orlando Chavez	President
Bobby Vaughn	Vice President
Amanda Bogle	Secretary
Mike Gomez	Member
Nancy Miles	Member

SCHOOL OFFICIALS

Lesa Dodd	Superintendent
Jeannie Harris	Business Manager



INDEPENDENT AUDITORS' REPORT

Mr. Brian S. Colón
State Auditor of the State of New Mexico
Board Members of Dexter Consolidated Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue funds of Dexter Consolidated Schools (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. Accounting principles generally accepted in the United States of America require 10 year schedules on pages 65 - 69 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, the combining and individual fund financial statements, and any other schedules as listed in the Table of Contents that collectively comprise the District's basic financial statements.

The combining and individual nonmajor fund financial statements and any other schedule required by the Audit Rule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Supporting Schedules on pages 106 through 107 required by 2.2.2 NMAC are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the Supporting Schedules on pages 106 through 107 required by Section 2.2.2 NMAC and any other schedules required by the Audit Rule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and Supporting Schedules on pages 106 through 107 required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 on our consideration of Dexter Consolidated Schools 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 in 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 Dexter Consolidated Schools internal control over financial reporting and compliance.


Beasley, Mitchell & Co., LLP
Las Cruces, New Mexico
November 14, 2019

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
Current assets	
Cash and cash equivalents	\$ 1,816,575
Restricted cash	2,352,320
Investment	1,118,531
Other receivables	506,216
Property taxes receivable	196,260
Inventory	<u>48,663</u>
Total current assets	6,038,565
Non-current assets	
Capital assets	43,686,770
Less accumulated depreciation	<u>(17,766,263)</u>
Total non-current assets	<u>25,920,507</u>
Total assets	31,959,072
Deferred outflows - OPEB	
Contributions - subsequent contributions	103,121
Deferred outflows - ERB	
Contributions - subsequent contributions	723,068
Change in assumption	4,686,564
Differences between expected and actual earnings	16,596
Net difference between projected and actual investments earnings on pension plan investments	<u>50,340</u>
Total deferred outflows	<u>5,579,689</u>
Total assets and deferred outflows	<u><u>\$ 37,538,761</u></u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
LIABILITIES AND DEFERRED INFLOWS	
Current liabilities	
Accounts payable	\$ 204,349
Accrued Payroll	6,042
Accrued interest	59,759
Accrued compensated absences	64,089
Current portion of bonds payable	<u>675,000</u>
Total current liabilities	1,009,239
Long-term obligations	
Net pension liability	22,739,792
OPEB Liability	5,432,835
Bonds payable	<u>4,385,000</u>
Total long-term liabilities	<u>32,557,627</u>
Total liabilities	33,566,866
Deferred inflows - OPEB	
Deferred inflows	1,912,373
Deferred inflows - ERB	
Net difference between experience and actual	432,775
Change in proportion	<u>955,758</u>
Total deferred inflows	<u>3,300,906</u>
Total liabilities and deferred inflows	36,867,772
NET POSITION	
Net investment in capital assets	20,800,748
Restricted for	
Cafeteria fund (inventory)	48,663
Special revenue	199,738
Capital projects	2,501,579
Debt service	1,030,825
Unrestricted	<u>(23,910,564)</u>
Total net position	<u>670,989</u>
Total liabilities, deferred inflows, and net position	<u>\$ 37,538,761</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenue and Changes Net Assets
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses - Governmental Activities:					
Instruction	\$ 7,343,770	\$ 40,991	\$ 1,053,592	\$ -	\$ (6,249,187)
Support services	2,044,897	-	130,445	-	(1,914,452)
Central services	650,163	600	-	-	(649,563)
Operation and maintenance of plant	2,053,547	-	-	79,348	(1,974,199)
Student transportation	530,319	-	466,895	-	(63,424)
Food services	738,174	38,898	552,961	-	(146,315)
Interest on long-term debt	117,341	-	-	-	(117,341)
Depreciation	1,037,839	-	-	-	(1,037,839)
Total governmental activities	<u>\$ 14,516,050</u>	<u>\$ 80,489</u>	<u>\$ 2,203,893</u>	<u>\$ 79,348</u>	(12,152,320)
General Revenues:					
Taxes:					
Property taxes, levied for operating programs					35,037
Property taxes, levied for debt services					850,044
Property taxes, levied for capital projects					160,878
Other tax revenue					33,175
State equalization guarantee					8,252,520
Interest and investment earnings					70,997
Miscellaneous					<u>38,893</u>
Subtotal, general revenue					<u>9,441,544</u>
Change in net position					(2,710,776)
Net position - beginning of year					<u>3,381,765</u>
Net position - end of year					<u>\$ 670,989</u>

See independent auditors' report and accompanying notes to financial statements.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Ed Technology Equipment Act	
ASSETS			
Cash and cash equivalents	\$ 87,561	\$ -	
Restricted cash	-	179,656	
Property taxes receivable	5,449	-	
Due from other funds	705,896	-	
Investment	1,118,531	-	
	<u>1,917,437</u>	<u>-</u>	
Total assets	<u>\$ 1,917,437</u>	<u>\$ 179,656</u>	
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 19,420	\$ -	
Accrued payroll	2,725	-	
Due to other funds	-	200,260	
	<u>22,145</u>	<u>200,260</u>	
Total liabilities	22,145	200,260	
Deferred inflows:			
Deferred inflows - property tax	5,085	-	
	<u>5,085</u>	<u>-</u>	
Total deferred inflows	5,085	-	
Total liabilities and deferred inflows	27,230	200,260	
Fund balances:			
Restricted, reported in:			
Special revenue fund	-	-	
Debt service funds	-	-	
Capital projects funds	-	-	
Unassigned, reported in:			
Capital projects funds	-	(20,604)	
General fund	1,890,207	-	
	<u>1,890,207</u>	<u>(20,604)</u>	
Total fund balances	1,890,207	(20,604)	
Total liabilities, deferred inflows and fund balances	<u>\$ 1,917,437</u>	<u>\$ 179,656</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

	Bond Building	Debt Service
ASSETS		
Cash and cash equivalents	\$ 350,443	\$ 874,339
Restricted cash	2,172,664	-
Property taxes receivable	-	140,149
	-	140,149
Total assets	\$ 2,523,107	\$ 1,014,488
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 184,929	\$ -
Due to other funds	-	-
	-	-
Total liabilities	184,929	-
Deferred inflows:		
Deferred inflows - property tax	-	130,776
	-	130,776
Total deferred inflows	-	130,776
Total liabilities and deferred inflows	184,929	130,776
Fund balances:		
Restricted, reported in:		
Special revenue fund	-	-
Debt service funds	-	883,712
Capital projects funds	2,338,178	-
Unassigned, reported in:		
Capital projects funds	-	-
General fund	-	-
	-	-
Total fund balances	2,338,178	883,712
Total liabilities, deferred inflows and fund balances	\$ 2,523,107	\$ 1,014,488

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

	Other Governmental Funds	Total
ASSETS		
Cash and cash equivalents	\$ 504,232	\$ 1,816,575
Restricted cash	-	2,352,320
Property taxes receivable	50,662	196,260
Due from other funds	-	705,896
Other receivables	506,216	506,216
Investment	-	1,118,531
Inventory	48,663	48,663
	<u>1,109,773</u>	<u>6,744,461</u>
Total assets	<u>\$ 1,109,773</u>	<u>\$ 6,744,461</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 204,349
Accrued payroll	3,317	6,042
Due to other funds	505,636	705,896
	<u>508,953</u>	<u>916,287</u>
Total liabilities	<u>508,953</u>	<u>916,287</u>
Deferred inflows:		
Deferred inflows - property tax	47,274	183,135
	<u>47,274</u>	<u>183,135</u>
Total deferred inflows	<u>47,274</u>	<u>183,135</u>
Total liabilities and deferred inflows	<u>556,227</u>	<u>1,099,422</u>
Fund balances:		
Nonspendable -inventory	48,663	48,663
Restricted, reported in:		
Special revenue fund	199,738	199,738
Capital projects funds	163,401	2,501,579
Debt service	147,113	1,030,825
Unrestricted, reported in:		
Special revenue fund	(5,369)	(5,369)
Unassigned, reported in:		
Capital projects funds	-	(20,604)
General fund	-	1,890,207
	<u>553,546</u>	<u>5,645,039</u>
Total fund balances	<u>553,546</u>	<u>5,645,039</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,109,773</u>	<u>\$ 6,744,461</u>

See independent auditors' report and accompanying notes to financial statements.

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

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

Fund balances - total governmental funds	\$ 5,645,039
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,920,507
Deferred outflows of resources related to pension, applicable to future periods and therefore, not reported in funds - ERB	5,476,568
Deferred outflows of resources related to pension, applicable to future periods and therefore, not reported in funds - OPEB	103,121
Deferred inflows of resources related to pension, applicable to future periods and therefore, not reported in funds - ERB	(1,388,533)
Deferred inflows of resources related to pension, applicable to future periods and therefore, not reported in funds - OPEB	(1,912,373)
Long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds - property tax	183,135
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension liability	(22,739,792)
OPEB liability	(5,432,835)
Accrued interest	(59,759)
Compensated absences	(64,089)
General obligation bonds	<u>(5,060,000)</u>
Total net position - governmental funds	<u>\$ 670,989</u>

See independent auditors' report and accompanying notes to financial statements.

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

	<u>General Fund</u>	<u>Ed Technology Equipment Act</u>
REVENUES		
Taxes	\$ 31,424	\$ -
Charges for services	19,492	-
State sources	8,284,494	-
Federal sources	1,849	-
Transportation distribution	466,895	-
Miscellaneous	58,678	6,552
	<hr/>	<hr/>
Total revenues	8,862,832	6,552
EXPENDITURES		
Current:		
Direct instruction	4,158,023	-
Instructional support	1,631,342	-
Central services	588,600	-
Operation and maintenance	1,254,011	326,096
Transportation	514,964	-
Food services	91,606	-
Capital outlay	6,370	-
Debt services:		
Principal payments	-	-
Interest	-	-
	<hr/>	<hr/>
Total expenditures	8,244,916	326,096
Excess (deficiency) of revenues over expenditures	617,916	(319,544)
Other financing sources (uses):		
Loan proceeds	-	-
	<hr/>	<hr/>
Net change in fund balance	617,916	(319,544)
Fund balance - beginning of year	1,272,291	298,940
	<hr/>	<hr/>
Fund balance - end of year	\$ 1,890,207	\$ (20,604)

See independent auditors' report and accompanying notes to financial statements.

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

	<u>Bond Building</u>	<u>Debt Service</u>
REVENUES		
Taxes	\$ -	\$ 738,024
Charges for services	-	-
State sources	-	-
Federal sources	-	-
Transportation distribution	-	-
Miscellaneous	45,691	-
	<hr/>	<hr/>
Total revenues	45,691	738,024
EXPENDITURES		
Current:		
Direct instruction	-	-
Instructional support	-	7,116
Central services	-	-
Operation and maintenance	345,521	-
Transportation	-	-
Food services	-	-
Capital outlay	564,073	-
Debt services:		
Principal payments	-	605,000
Interest	-	110,831
	<hr/>	<hr/>
Total expenditures	909,594	722,947
Excess (deficiency) of revenues over expenditures	(863,903)	15,077
Other financing sources (uses):		
Loan proceeds	1,500,000	-
	<hr/>	<hr/>
Net change in fund balance	636,097	15,077
Fund balance - beginning of year	1,702,081	868,635
	<hr/>	<hr/>
Fund balance - end of year	\$ 2,338,178	\$ 883,712

See independent auditors' report and accompanying notes to financial statements.

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

	Other Governmental Funds	Total
REVENUES		
Taxes	\$ 269,113	\$ 1,038,561
Charges for services	61,219	80,711
State sources	483,101	8,767,595
Federal sources	1,298,169	1,300,018
Transportation distribution	-	466,895
Miscellaneous	-	110,921
	2,111,602	11,764,701
EXPENDITURES		
Current:		
Direct instruction	628,105	4,786,128
Instructional support	406,439	2,044,897
Central services	61,563	650,163
Operation and maintenance	127,919	2,053,547
Transportation	15,355	530,319
Food services	646,568	738,174
Capital outlay	46,700	617,143
Debt services:		
Principal payments	115,000	720,000
Interest	6,510	117,341
	2,054,159	12,257,712
Excess (deficiency) of revenues over expenditures	57,443	(493,011)
Other financing sources (uses):		
Loan proceeds	-	1,500,000
Net change in fund balance	57,443	1,006,989
Fund balance - beginning of year	496,103	4,638,050
Fund balance - end of year	\$ 553,546	\$ 5,645,039

See independent auditors' report and accompanying notes to financial statements.

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

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

Change in fund balances - total governmental funds	\$	1,006,989
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Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceeds capital outlays in the period.

Depreciation expense		(1,037,839)
Capital outlay		617,143

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:

Deferred outflow - ERB		(2,054,605)
Deferred outflow - OPEB		(3,584)
Deferred inflow - ERB		(775,844)
Deferred inflow - OPEB		(509,465)
Net pension liability		53,931
OPEB liability		731,147

Property taxes that do not provide current financial resources, made available to pay for the current period's expenditures, reported as deferred inflows in the funds.

40,573

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.

Issuance of bond		(1,500,000)
Change in accrued interest		(9,398)
Change in accrued compensated absences		10,176
Principal payment on bond		720,000
		720,000

Change in net position of governmental activities	\$	<u>(2,710,776)</u>
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See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
GENERAL FUND COMBINED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-
GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 30,822	\$ 30,822	\$ 25,975	\$ (4,847)
Charges for services	3,429	19,429	19,492	63
State sources	8,206,727	8,269,172	8,284,494	15,322
Transportation distribution	466,895	466,895	466,895	-
Federal sources	605	2,605	1,849	(756)
Miscellaneous	28,262	51,335	58,678	7,343
	<u>8,736,740</u>	<u>8,840,258</u>	<u>8,857,383</u>	<u>17,125</u>
Expenditures:				
Current:				
Direct instruction	5,199,251	4,660,483	4,125,014	535,469
Instructional support	1,889,936	1,812,356	1,631,342	181,014
Central services	553,419	640,084	588,600	51,484
Operation and maintenance	1,402,039	1,429,407	1,254,011	175,396
Transportation	466,895	628,045	514,964	113,081
Food services	470,000	470,000	91,606	378,394
Capital outlay	6,370	6,370	6,370	-
	<u>9,987,910</u>	<u>9,646,745</u>	<u>8,211,907</u>	<u>1,434,838</u>
Excess (deficiency) of revenues over expenditures	<u>(1,251,170)</u>	<u>(806,487)</u>	<u>645,476</u>	<u>1,451,963</u>
Net change in fund balance	(1,251,170)	(806,487)	645,476	1,451,963
Fund balance - beginning of year	<u>1,272,291</u>	<u>1,272,291</u>	<u>1,272,291</u>	<u>-</u>
Fund balance - end of year	<u>\$ 21,121</u>	<u>\$ 465,804</u>	<u>\$ 1,917,767</u>	<u>\$ 1,451,963</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 645,476	
Net revenue accruals			5,449	
Net expenditure accruals			<u>(33,009)</u>	
Net changes in fund balance GAAP basis			<u>\$ 617,916</u>	

See independent auditors' report and accompanying notes to financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2019

ASSETS

Current assets

 Cash

\$ 478,635

 Total assets

\$ 478,635

LIABILITIES

Current liabilities

 Deposits held in trust for others

\$ 478,635

 Total liabilities

\$ 478,635

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dexter Consolidated Schools (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 of the Town of Dexter. 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.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Dexter Consolidated Schools management who is responsible for their integrity and objectivity. The financial statements and disclosures 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. 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 and No. 39. 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.

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

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

A. Reporting Entity (Continued)

existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 State Equalization Guarantee, taxes and intergovernmental revenues.

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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

C. Measurement Focus, Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 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. Property taxes are accrued as receivable when levied, net of estimated refund and uncollectible amounts. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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:

General Fund 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 district 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.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

C. Measurement Focus, Basis of Accounting (Continued)

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

Bond Building fund is used to accounts for the revenue received from bonds sold by the District to be used for improvements and additions to school owned property.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

Additionally, the District reports the following agency fund:

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

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or 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 District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Restricted Assets - The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

Deferred Outflows - In the government-wide fund financial statements, deferred outflows are contributions to a pension plan after the measurement date, and the change in assumption.

Receivables and Payables - Interfund activity is reported as either 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.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

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

The District receives monthly income from a tax levy in Chaves County. The funds are collected by the County Treasurers and are remitted to the District the following month.

Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2019 is considered measurable and available and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2019.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Inventory - The District uses the consumption method of accounting for inventory. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed.

Inventory is valued at cost utilizing the consumption basis of accounting. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

U.S.D.A. commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2019.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

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 was a phase II government for purposes of implementing GASB 34 however, the District does not have any infrastructure asset to report. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives 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.

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

<u>Assets</u>	<u>Years</u>
Building and improvements	20-50
Furniture, Equipment Vehicles and Library Books	3-15

Unearned Revenues and Deferred Inflows of Resources - Under both accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by corresponding liability for unearned revenue. Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year end are classified as deferred inflow.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Compensated Absences - Twelve month employees are entitled to twelve days paid annual leave earned at the rate of one (1) day per month served as a twelve month employee but with the provision that annual leave cannot be earned while the employee is on another leave without pay. Upon termination, resignation, retirement or death, any twelve month employee are entitled to and paid for a maximum of twenty four days of earned and unused annual leave.

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 assets.

Deferred Inflows - Within the governmental funds, revenues must be available in order to be recognized. Revenues such as real estate taxes that are not available are recorded as deferred inflows and reflected within the balance sheet.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Fund Balance of Fund Financial Statements - In the fund financial statements, governmental funds are classified as follows:

Nonspendable - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

Restricted - Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary - to use resources created by enabling legislation only for the purposes specified by the legislation.

Unassigned - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

The District's policy is to apply restricted resources first, committed sources second, assigned resources third, and unassigned resources last when an expense is incurred for purposes for which all or any fund balance classification is available.

Equity Classifications

Government-Wide Statements

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

- a. Net position invested in 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.
- b. Restricted net position consists of net assets 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.
- c. Net position - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (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 \$8,252,520 in state equalization guarantee distributions during the year ended June 30, 2019.

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 \$1,005,386 in tax revenues in the governmental fund financial statements during the year ended June 30, 2019. 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 School collects property tax from Chaves County.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

E. Revenues (Continued)

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 \$466,895 in transportation distributions during the year ended June 30, 2019.

Public School Capital Outlay - Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B), core administrative function of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4 (0); 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).

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 flow-through 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.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

F. New Pronouncements

In June 2017, GASB Statement No. 87, Leases, was issued. Effective Date: The provisions of this Statement are effective for financial statements for the objective of this Statement is to improve accounting and financial reporting for 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 No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, was issued. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The District is still evaluating how this pronouncement will affect the financial statements.

In December 2018, GASB No. 90, Majority Equity Interests, was issued. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

F. New Pronouncements (Continued)

meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District is still evaluating how this pronouncement will affect the financial statements.

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. Budgeted expenditures exclude encumbrances and the budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, when the budget is approved those funds are legally restricted and shown as reserved fund balance.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (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 superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. 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 New Mexico Public Education Department.
5. 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.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget basis expenditures exclude encumbrances.

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 the District from exceeding budgetary control at the function level.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

3. DEPOSIT AND INVESTMENTS

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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.

The types of collateral allowed are limited to direct obligations of the United States Government or agency, districts or political subdivisions of the States of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Time deposits, savings deposits and interest bearing money market accounts at a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the unlimited coverage for non interest bearing accounts.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSIT AND INVESTMENTS (CONTINUED)

Deposits - NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the School District for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	<u>Wells Fargo</u>	<u>New Mexico Finance Authority</u>	<u>Total</u>
Cash on deposit at June 30, 2019	\$ 2,444,117	\$ 2,352,320	\$ 4,796,437
FDIC coverage	<u>(250,000)</u>	<u>(2,352,320)</u>	<u>(2,602,320)</u>
Total uninsured public funds	<u>\$ 2,194,117</u>	<u>\$ -</u>	<u>\$ 2,194,117</u>
Pledged collateral	\$ 1,391,915	\$ -	\$ 1,391,915
Collateral requirement (50% of uninsured public funds)	<u>1,097,059</u>	<u>-</u>	<u>1,097,059</u>
Over collateralization	<u>\$ 294,856</u>	<u>\$ -</u>	<u>\$ 294,856</u>

Custodial Credit Risk-Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The 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). As of June 30, 2019, \$2,194,117 of the District's bank balance of \$2,444,117 was exposed to custodial credit risk. At June 30, 2019, the carrying amount of these deposits was \$5,766,061.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSIT AND INVESTMENTS (CONTINUED)

Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents per Governmental Funds - balance sheet	\$	1,816,575
Investment		1,118,531
Restricted cash and cash equivalents - balance sheet		<u>2,352,320</u>
 Total		 <u>5,287,426</u>
 Statement of Fiduciary Net Assets - cash		 <u>478,635</u>
 Total cash and cash equivalents		 5,766,061
Add outstanding checks and other reconciling items		<u>148,907</u>
 Bank balance of deposits and investments	 \$	 <u>5,914,968</u>
 Cash source:		
Wells Fargo	\$	2,444,117
Moreton Capital Markets		1,118,531
New Mexico Finance Authority		<u>2,352,320</u>
 Total cash and cash equivalents	 \$	 <u>5,914,968</u>

Credit and Interest Rate Risk

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

Foreign Currency Risk - Deposits and Investments - The school district is not exposed to the risk that exchange rates will adversely affect the fair value of an investment as none of the investments pools or certificates of deposit are dominated in a foreign currency.

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 school district does not have a deposit policy for custodial credit risk. Bank balances of \$250,000 are covered by federal depository insurance. Bank balances in excess of the federal depository insurance were collateralized with pledged securities at the International Bank in an amount not exceeding 50% of total District deposits.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSIT AND INVESTMENTS (CONTINUED)

The District has invested \$1,118,531 in money market funds in federal government-backed securities. The investments are in compliance with state statutes regarding investments of governmental funds. These investments have not been rated.

As of June 30, 2019, the School's investments were rated as follows:

Investment Type	Maturity date	Fair Value
U.S. Money Market Fund	9/30/2019	\$ <u>1,118,531</u>
Total Investments		\$ <u>1,118,531</u>

Per review of GASB Statement No. 72, the State Treasurer Local Government Investment Pool is exempt from GASB 72 and should continue to be measured and disclosed in accordance with existing literature.

Credit Risk LGIP – With respect to credit risk, the LGIP, is rated AAAM by Standard & Poor’s. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

Concentration of Risk – GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

Foreign Currency Risk – GASB Statement No. 40 defines foreign currency risk as the potential that changes in the exchange rates may adversely affect the fair value of an

Interest Rate Risk – GASB Statement No. 40 defines interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the City’s investments.

According to the Statement an acceptable method for reporting interest rate risk is weighted average of maturity (WAM). The State Treasurer’s Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer’s Office website at www.nmsto.gov

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSIT AND INVESTMENTS (CONTINUED)

Fair Value Measurement (GASB 72)

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement Number 72, Fair Value Measurement and Application. This statement changes the definition of fair value and adds new disclosure requirements. GASB 72 is effective for periods beginning after June 15, 2015 (i.e., financial statements for June 30, 2016, and beyond).

The School holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the school's mission, the school determines that the disclosures related to these investments only need to be disaggregated by major type. The school chooses a table format for the fair value disclosures.

The school categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

Market approach: this uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

Cost approach: this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

Income approach: this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB 72 establishes a hierarchy of inputs to the valuation techniques listed above.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. DEPOSIT AND INVESTMENTS (CONTINUED)

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

Level 2

Are significant other observable inputs:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability, such as:
 - 1) Interest rates and yield curves observable at commonly quoted intervals,
 - 2) Implied volatilities, and
 - 3) Credit spreads.
- d) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

Level 3

Are significant unobservable inputs for an asset or liability. (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The School has the following recurring fair value measurements as of June 30, 2019:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Money Market Fund	<u>1,118,531</u>	<u>-</u>	<u>-</u>	<u>1,118,531</u>
Total Investments	<u>\$1,118,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,531</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2019 is as follows:

Governmental Activities	Due from other funds	Due to other funds
General fund	\$ 705,896	\$ -
Title I IASA	-	91,122
Migrant Children Education (Title I Migrant)	-	9,024
Entitlement IDEA - B	-	108,042
NM Autism Project	-	7,247
Preschool IDEA - B	-	2,456
Homeless Education	-	13,468
RDA IDEA B Results	-	4,707
English Language Acquisition	-	3,416
Teacher Principal Training & Recruiting	-	19,305
Rural and Low Income Schools	-	21,156
Dual Credit IM/HB2	-	9,483
GoBond Student Library SB-66	-	9,850
Food services	-	42,400
Pre - K Initiative	-	99,412
K3 Plus	-	43,821
4 & 5 Pilot for K3 Plus	-	8,858
Capital Improvements SB-9	-	11,869
ED Technology Equipment Act	-	200,260
Total	<u>\$ 705,896</u>	<u>\$ 705,896</u>

All interfund balances are to be repaid within one year. There were no operating transfers for the year ended June 30, 2019.

5. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019, are as follows:

	General	Major Governmental Funds	Non-Major Governmental Funds	Total
Government grants	\$ -	\$ 107,934	\$ 398,282	\$ 506,216
Property taxes	<u>5,449</u>	<u>140,149</u>	<u>50,662</u>	<u>196,260</u>
Total	<u>\$ 5,449</u>	<u>\$ 248,083</u>	<u>\$ 448,944</u>	<u>\$ 702,476</u>

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. CAPITAL ASSETS

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

	Balance June 30, 2018	Additions	Retirements	Transfer	Balance June 30, 2019
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 67,557	\$ -	\$ -	\$ -	\$ 67,557
Total capital assets not being depreciated	67,557	-	-	-	67,557
Capital assets being depreciated:					
Buildings & building improvements	35,858,690	564,073	-	-	36,422,763
Equipment, vehicles, information technology equipment, software & books	<u>7,143,380</u>	<u>53,070</u>	<u>-</u>	<u>-</u>	<u>7,196,450</u>
Total capital assets being depreciated	43,002,070	617,143	-	-	43,619,213
Less accumulated depreciation for:					
Buildings & building improvements	11,541,496	779,599	-	-	12,321,095
Equipment, vehicles, information technology equipment, software & books	<u>5,186,928</u>	<u>258,240</u>	<u>-</u>	<u>-</u>	<u>5,445,168</u>
Total accumulated depreciation	<u>16,728,424</u>	<u>1,037,839</u>	<u>-</u>	<u>-</u>	<u>17,766,263</u>
Total capital assets being depreciated, net	<u>26,273,646</u>	<u>(420,696)</u>	<u>-</u>	<u>-</u>	<u>25,852,950</u>
Governmental activities capital assets, net	<u>\$ 26,341,203</u>	<u>\$ (420,696)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,920,507</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. CAPITAL ASSETS (CONTINUED)

For the year ended June 30, 2019, depreciation was charged to the following functions:

Governmental Activities	
Operations and maintenance	1,037,839
Total	\$ 1,037,839

7. LONG-TERM OBLIGATIONS

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued was \$4,230,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2019 are for governmental activities.

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

	Series 2008	NMFA 2008	NMFA 2009
Original issue	\$1,300,000	\$700,000	\$1,530,000
Maturity	8/1/2021	8/1/2022	8/1/2023
Principal	August 1	August 1	August 1
Interest rate	3.50% -5%	1.320% -3.800%	0.400% - 3.280%
Interest	August 1 & February 1	August 1 & February 1	August 1 & February 1

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (CONTINUED)

	NMFA 2010	NMFA 2011	NMFA 2012	NMFA 2014
Original issue	\$425,000	\$450,000	\$425,000	\$500,000
Maturity	8/1/2024	8/1/2024	8/1/2026	8/1/2026
Principal	August 1	August 1	August 1	August 1
Interest rate	0.881% - 3.000%	0.6196% -2.730%	0.5622% -3.8700%	0.52% - 3.02%
Interest	February 1 & August 1	August 1 & February 1	August 1 & February 1	August 1 & February 1
	NMFA 2015	NMFA 2016	NMFA 2017	NMFA (PPRF - 4811)
Original issue	\$300,000	\$1,500,000	\$450,000	\$1,500,000
Maturity	8/1/2024	8/1/2029	8/1/2022	8/1/2030
Principal	August 1	August 1	August 1	August 1
Interest rate	0.53% -2.47%	1.26% -3.07%	1.28 - 2.00%	1.87% - 3.15%
Interest	August 1 & February 1	August 1 & February 1	August 1 & February 1	August 1 & February 1

The following is a summary of the long-term debt and the activity for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 4,280,000	\$ 1,500,000	\$ 720,000	\$ 5,060,000	\$ 675,000
Compensated absences	74,265	42,195	52,371	64,089	64,089
Total governmental activities	<u>\$ 4,354,265</u>	<u>\$ 1,542,195</u>	<u>\$ 772,371</u>	<u>\$ 5,124,089</u>	<u>\$ 739,089</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to amortize the Series 2008 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 150,000	\$ 23,500	\$ 173,500
2021	195,000	14,875	209,875
2022	130,000	5,000	135,000
2023	-	-	-
	<u>\$ 475,000</u>	<u>\$ 43,375</u>	<u>\$ 518,375</u>

The annual requirements to amortize the NMFA - 08 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,000	\$ 6,952	\$ 56,952
2021	50,000	5,209	55,209
2022	50,000	3,395	53,395
2023	65,000	1,235	66,235
2023	-	-	-
	<u>\$ 215,000</u>	<u>\$ 16,791</u>	<u>\$ 231,791</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to amortize the NMFA - 09 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 55,000	\$ 5,549	\$ 60,549
2021	55,000	4,146	59,146
2022	50,000	2,672	52,672
2023	30,000	1,458	31,458
2023	30,000	492	30,492
Thereafter	-	-	-
	<u>\$ 220,000</u>	<u>\$ 14,317</u>	<u>\$ 234,317</u>

The annual requirements to amortize the NMFA - 10 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 25,000	\$ 8,675	\$ 33,675
2021	50,000	7,644	57,644
2022	50,000	6,167	56,167
2023	50,000	4,650	54,650
2023	65,000	2,925	67,925
Thereafter	65,000	975	65,975
	<u>\$ 305,000</u>	<u>\$ 31,036</u>	<u>\$ 336,036</u>

The annual requirements to amortize the NMFA - 11 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 2,640	\$ 22,640
2021	20,000	2,243	22,243
2022	20,000	1,796	21,796
2023	20,000	1,304	21,304
2023	20,000	797	20,797
Thereafter	20,000	273	20,273
	<u>\$ 120,000</u>	<u>\$ 9,053</u>	<u>\$ 129,053</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to amortize the NMFA - 12 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 15,000	\$ 6,997	\$ 21,997
2021	15,000	6,639	21,639
2022	10,000	6,298	16,298
2023	30,000	5,678	35,678
2023	30,000	4,708	34,708
Thereafter	<u>115,000</u>	<u>7,045</u>	<u>122,045</u>
	<u>\$ 215,000</u>	<u>\$ 37,365</u>	<u>\$ 252,365</u>

The annual requirements to amortize the NMFA - 14 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 25,000	\$ 4,581	\$ 29,581
2021	25,000	4,142	29,142
2022	25,000	3,637	28,637
2023	25,000	3,068	28,068
2023	25,000	2,445	27,445
Thereafter	<u>75,000</u>	<u>3,264</u>	<u>78,264</u>
	<u>\$ 200,000</u>	<u>\$ 21,137</u>	<u>\$ 221,137</u>

The annual requirements to amortize the NMFA - 15 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 2,435	\$ 22,435
2021	20,000	2,112	22,112
2022	20,000	1,736	21,736
2023	20,000	1,312	21,312
2023	20,000	855	20,855
Thereafter	<u>25,000</u>	<u>309</u>	<u>25,309</u>
	<u>\$ 125,000</u>	<u>\$ 8,759</u>	<u>\$ 133,759</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to amortize the NMFA - 16 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 165,000	\$ 30,658	\$ 195,658
2021	75,000	28,834	103,834
2022	75,000	27,526	102,526
2023	100,000	25,828	125,828
2023	100,000	23,724	123,724
Thereafter	<u>835,000</u>	<u>70,482</u>	<u>905,482</u>
	<u>\$ 1,350,000</u>	<u>\$ 207,052</u>	<u>\$ 1,557,052</u>

The annual requirements to amortize the NMFA - 17 general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,000	\$ 5,440	\$ 55,440
2021	95,000	4,373	99,373
2022	95,000	2,774	97,774
2023	95,000	950	95,950
2023	-	-	-
	<u>\$ 335,000</u>	<u>\$ 13,537</u>	<u>\$ 348,537</u>

The annual requirements to amortize the NMFA (PPRF - 4811) general obligation bond outstanding as of June 30, 2019, including interest payments are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 100,000	\$ 37,216	\$ 137,216
2021	80,000	35,469	115,469
2022	105,000	33,534	138,534
2023	130,000	30,954	160,954
2023	130,000	27,977	157,977
Thereafter	<u>955,000</u>	<u>100,093</u>	<u>1,055,093</u>
	<u>\$ 1,500,000</u>	<u>\$ 265,243</u>	<u>\$ 1,765,243</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM OBLIGATIONS (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, 2019, compensated absences increased a net of June 30, 2019 from the prior year accrual. In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

8. RISK MANAGEMENT

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

The NMPSIA provides coverage for up to a maximum of \$500,000 for each property damage claim with a \$750 deductible to each building. 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. As of June 30, 2019, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. PENSION PLAN- EDUCATIONAL RETIREMENT BOARD

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

Funding Policy

Member Contributions - Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.7% of their gross salary.

Employer Contributions - Dexter Consolidated Schools contributed 13.9% of gross covered salary.

The contribution requirements of plan members and the Dexter Consolidated Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Dexter Consolidated School's contributions to ERB for the fiscal year ending June 30, 2019 was \$723,068, which equal the amount of the required contributions for the fiscal year.

GASB 68, *Accounting and Financial Reporting for Pensions*, requires contributing employers of cost-sharing multiple employer defined benefit pension plans to include the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources related to their share of the pension plan in their government-wide financial statement presentation. ERB engaged their financial statement auditors to prepare a schedule allocating these obligations to the contributing employers as of the year ended June 30, 2016. As part of adopting GASB 68, the District recognized a Net Pension Liability (NPL), which represents the District's share of the underfunded pension obligation at June 30, 2019.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. PENSION PLAN- EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2019, the District recognized pension expense of \$3,499,586. At the June 30, 2019, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 16,596	\$ 432,775
Changes in assumptions	4,686,564	-
Net difference between projected and actual earnings on pension plan investments	50,340	-
Difference between expected and actual experience	-	-
District contributions subsequent to the measurement date	723,068	-
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>-</u>	<u>955,758</u>
Total	<u>\$ 5,476,568</u>	<u>\$ 1,388,533</u>

\$723,068 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2018, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. PENSION PLAN- EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

Year ended June 30:

2020	\$	2,239,844
2021		1,330,797
2022		(206,337)
2023		663
Thereafter		-

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2018. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2018 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Specifically, the liabilities measured as of June 30, 2018 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.
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. For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. PENSION PLAN- EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary Increases	Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for less than 10 years of service.
Investment rate of return	7.25%
Single Discount Rate	5.69%
Retirement Age	Experience based table of rates based on age and service. Adopted by NMERB on April 21, 2017 in conjunction with the six-year experience study for the period ended June 30, 2016.
Mortality	Mortality Healthy Males – RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with Scale BB from the table's base year of 2000. Healthy Females – GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB from the table's base year of 2012.

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.

Discount rate: A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.62%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit

9. PENSION PLAN- EDUCATIONAL RETIREMENT BOARD (CONTINUED)

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

payments through the year 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The 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 2018. 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 (4.69%) or one percentage point higher (6.69%) than the single discount rate.

	1% Decrease (4.69%)	Current Discount Rate (5.69%)	1% Increase (6.69%)
District's proportionate share of net pension	\$ 29,553,021	\$ 22,739,792	\$ 17,180,623

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, 2019 and June 30, 2018 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, 2019 the District did not owe ERB any funds.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description - Dexter Consolidated Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provided health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978). The Board is responsible for establishing and amending benefit provisions of 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 post-employment healthcare plan. The report and further information can be obtained by writing to Retiree Health Care Authority, 4308 Carlisle Boulevard, Suite 104, Albuquerque, New Mexico 87107.

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

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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 members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, 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.

Dexter Consolidated Schools contributions to the RHCA for the years ended June 30, 2019, 2018 and 2017 were \$103,121, \$106,703, and \$116,785, respectively, which equal the required contributions for each year.

Postemployment Benefits Other Than Pensions (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

General Information about the OPEB

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

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

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

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District were \$103,121 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a liability of \$5,432,835 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the District’s proportion was 0.12494 percent.

For the year ended June 30, 2019, the District recognized OPEB expense of \$114,977. At June 30, 2019 the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 321,659
Changes of assumptions	-	-
Net difference between actual and projected earnings on OPEB plan investments	-	67,800
Changes of assumptions	-	1,014,286
Changes in proportion	-	508,628
Contributions made after the measurement date	<u>\$ 103,121</u>	<u>-</u>
Total	<u>\$ 103,121</u>	<u>\$ 1,912,373</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

Deferred outflows of resources totaling represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

	2020	\$	(464,421)
	2021		(464,421)
	2022		(464,421)
	2023		(383,193)
	2024		(135,917)
	Total	\$	(1,912,373)

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market Value of assets
Actuarial assumptions	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation.
Healthcare cost trend rate	8% graded down to 4.5% over 14 years for non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

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

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Assets Class	Long-Term Rate of Return
U.S. core of fixed income	2.1%
U.S equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

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

	1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
District's proportionate share of OPEB Liability	\$ 6,575,009	\$ 5,432,835	\$ 4,532,546

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

	1% Decrease	Current Trend Rates	1% Increase
District's proportionate share of OPEB Liability	\$ 4,592,650	\$ 5,432,835	\$ 6,091,558

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2018.

Payable Changes in the Net OPEB Liability. At June 30, 2019, the District reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

11. LOSS CONTINGENCIES

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.

12. ANALYSIS FOR IMPAIRMENT

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management's opinion, there are no impaired assets at June 30, 2019.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2019, the date the financial statements were available to be issued.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

14. TAX ABATEMENT

The City of Roswell entered into an agreement with Sunrise Energy Ventures New Mexico, LLC to abate property taxes effecting the District under Section 7-36-5 NMSA 1978. A payment in lieu of taxes, (PILOT), was negotiated by the District. For the year ended June 30, 2019, \$4,935 was received for the PILOT by the District. The agreement will expire in December 2032. The recipients of the tax abatement, a required disclosure, were not provided to the district.

15. JOINT POWERS AGREEMENTS

The District is a member of a joint powers agreement with the Pecos Valley Regional Education Center No. 8 (PVREC). The joint powers agreement includes Loving, Hagerman, Dexter, and Lake Arthur school districts. The purpose of the agreement is to form an organization to establish and maintain cooperative programs of various federal and state grants.

The financial statements were prepared by another IPA. The audit report is available at the PVREC located in Artesia, New Mexico.

The Dexter Consolidated Schools is a member of a joint powers agreement with ten other school districts in the Southeastern New Mexico Education Resources Center (SNMERC). Pecos Valley Regional Center Cooperative is the fiscal agent for this group.

The District is a member of the Cooperative Educational Services. The joint powers agreement was entered into July 1, 1984. The purpose of the agreement is to pool efforts in order to bring additional, necessary educational services to their respective school districts at an affordable cost. The term of the agreement shall continue until it is rescinded or terminated by a majority vote of the participating School Districts.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
The Dexter Consolidated Schools' proportion of the net pension liability	\$ 11,668,781	\$ 13,655,373	\$ 15,100,277	\$ 22,793,723	\$ 22,739,792
The Dexter Consolidated Schools' proportionate share of the net pension liability	0.2045%	0.2108%	0.2098%	0.2051%	0.1912%
The Dexter Consolidated Schools' covered-employee payroll	\$ 5,987,897	\$ 5,994,348	\$ 5,840,061	\$ 5,344,659	\$ 5,203,671
The Dexter Consolidated Schools's proportionate share of the net pension liability as a percentage of its covered-employee payroll	194.87 %	227.80 %	258.56 %	426.48 %	437.00 %
Plan fiduciary net position as a percentage of the total pension liability	66.54 %	63.97 %	61.58 %	52.95 %	52.17 %

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

See independent auditors' report

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 832,318	\$ 833,214	\$ 811,768	\$ 742,881	\$ 723,068
Contributions in relation to the contractually required contribution	<u>832,318</u>	<u>833,214</u>	<u>811,768</u>	<u>742,881</u>	<u>723,068</u>
Contribution deficiency (excess)	-	-	-	-	-
The Dexter Consolidated Schools' covered-employee payroll	<u>\$ 5,987,897</u>	<u>\$ 5,994,348</u>	<u>\$ 5,840,061</u>	<u>\$ 5,344,659</u>	<u>\$ 5,203,671</u>
Contributions as a percentage of covered-employee payroll	<u>13.90 %</u>	<u>13.90 %</u>	<u>13.90 %</u>	<u>13.90 %</u>	<u>13.90 %</u>

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

See independent auditors' report

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	<u>2018</u>	<u>2019</u>
The Dexter Consolidated Schools' proportion of the net OPEB liability	0.13602%	0.12494%
The Dexter Consolidated Schools' proportionate share of the net OPEB liability	\$6,163,982	\$5,432,835
Employer covered-employee payroll	\$ 5,666,114	\$ 5,360,697
Employer's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	108.79 %	101.35 %
Plan fiduciary net position as a percentage of the total OPEB liability	11.34 %	13.14 %

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

See independent auditors' report

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF CONTRIBUTIONS
NEW MEXICO RETIREE HEALTH CARE AUTHORITY (NMRHCA)
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 431,927	\$ 195,240
Contributions in relation to the contractually required contribution	<u>216,779</u>	<u>192,856</u>
Contribution deficiency (excess)	215,148	2,384
The Dexter Consolidated Schools's covered-employee payroll	<u>\$ 5,666,114</u>	<u>\$ 5,360,697</u>
Contributions as a percentage of covered-employee payroll	<u>3.83 %</u>	<u>3.60 %</u>

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

See independent auditors' report

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

ERB PLAN

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

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

RHCA PLAN

Changes in benefit provisions. There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods. There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Funds</u>	<u>Total</u>
ASSETS				
Cash on deposit	\$ 197,106	\$ 161,289	\$ 145,837	\$ 504,232
Property taxes receivable	-	31,584	19,078	50,662
Accounts receivable	494,347	11,869	-	506,216
Inventory, at cost	<u>48,663</u>	<u>-</u>	<u>-</u>	<u>48,663</u>
Total assets	<u>\$ 740,116</u>	<u>\$ 204,742</u>	<u>\$ 164,915</u>	<u>\$ 1,109,773</u>
LIABILITIES DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 493,767	\$ 11,869	\$ -	\$ 505,636
Accrued Payroll	<u>3,317</u>	<u>-</u>	<u>-</u>	<u>3,317</u>
Total liabilities	497,084	11,869	-	508,953
Deferred inflows:				
Property tax	<u>-</u>	<u>29,472</u>	<u>17,802</u>	<u>47,274</u>
Total deferred inflows	<u>-</u>	<u>29,472</u>	<u>17,802</u>	<u>47,274</u>
Total deferred inflows and liabilities	497,084	41,341	17,802	556,227
Fund balances:				
Nonspendable - inventory	48,663	-	-	48,663
Restricted, reported in:				
Special revenue funds	199,738	-	-	199,738
Capital project funds	-	163,401	-	163,401
Debt service	-	-	147,113	147,113
Unrestricted, reported in:				
Special revenue funds	<u>(5,369)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>243,032</u>	<u>163,401</u>	<u>147,113</u>	<u>553,546</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 740,116</u>	<u>\$ 204,742</u>	<u>\$ 164,915</u>	<u>\$ 1,109,773</u>

See independent auditors' report

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Funds</u>	<u>Total</u>
Revenues:				
Taxes	\$ 4,935	\$ 166,165	\$ 98,013	\$ 269,113
Charges for services	61,219	-	-	61,219
State sources	403,753	79,348	-	483,101
Federal sources	1,298,169	-	-	1,298,169
	<u>1,768,076</u>	<u>245,513</u>	<u>98,013</u>	<u>2,111,602</u>
Total revenues				
Expenditures:				
Current:				
Direct instruction	628,105	-	-	628,105
Central services	60,183	-	1,380	61,563
Instructional support	403,890	1,602	947	406,439
Food services	646,568	-	-	646,568
Operating and maintenance	-	127,919	-	127,919
Transportation	15,355	-	-	15,355
Capital outlay	-	46,700	-	46,700
Debt services:				
Principal payments	-	-	115,000	115,000
Interest	-	-	6,510	6,510
	<u>1,754,101</u>	<u>176,221</u>	<u>123,837</u>	<u>2,054,159</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	13,975	69,292	(25,824)	57,443
Bond proceeds	-	-	-	-
Net changes in fund balances	13,975	69,292	(25,824)	57,443
Fund balance - beginning of year	229,057	94,109	172,937	496,103
Fund balance - end of year	<u>\$ 243,032</u>	<u>\$ 163,401</u>	<u>\$ 147,113</u>	<u>\$ 553,546</u>

See independent auditors' report

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

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 education tasks. Grants accounted for in the Special Revenue Funds include:

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.

Title I Migrant (24103) - To account for a program funded by a federal grant whose purpose is to implement school wide bilingual education programs of special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth. The fund was created by the authority of federal grant provisions. (Title VII, Section 7115 of the ESEA (20USC 7425)).

Autism Spectrum Disorder Project (24108) - To account for revenue and expenditures for assistance with an autism student. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109) - To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Education of Homeless Children and Youth (24113) - To account for a federal grant to assist the district in supporting the education of homeless children in accordance with federal regulations at 2 C.F.R. § 200.331(a).

IDEA-B Results Driven Accountability (24132) - To account for a program funded by a Federal grant to assist the district in supporting school improvement, with the focus on student with disabilities in grades K-3, through the implementation of evidence-based practices in accordance with federal regulations.

English Language Acquisition (24153) - To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the authority of the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Excellence in Teaching (27125). To provide monetary reward to teachers who achieved the designation of Exemplary on their New Mexico teacher evaluation.

TEACHER/PRINCIPAL TRAINING & RECRUITING (24154) - To account for grant funds to increase student academic achievement through strategies such as improving teacher and principal quality. Financing and authority is Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

Rural Education (24160) - To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The fund was created by the authority of the Elementary and Secondary Education Act, Title VI, Part B.

Medicaid (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. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Dual Credit Instructional Materials (27103) - To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

2012 GO Students Library (27107) - To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. The fund was created by the authority of state grant provisions.

NM Reads to Lead K-3 (27114) - To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

Recruitment Support Fund (27128) - The funding under this award must be used for teacher recruitment efforts such as signing bonuses for new teachers, covering the costs of travel to a recruiting/hiring event

Direct Student Services Award (24193) - To account for a federal grant to assist the district in providing expanded education options for students in Title I schools.

New Mexico Grown (27183). To provide New Mexico school children fresh fruits and vegetables grown by New Mexico producers.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Breakfast for Elementary Students (27155) - To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by the authority of state grant provisions.

K-3 Plus 4&5 PILOT program (27198) - To account for a program funded by a state grant to provide additional educational time for students in fourth and fifth grade with at least 25 instructional days, beginning up to two months earlier than the regular school year.

IRB Payment in Lieu of Taxes (29135) - Funds received from the City of Roswell as payments from an energy company with a Solar Facility partially located in the District.

Food Service (21000) - This program provides financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 Stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 Stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 Stat. 3341; Public Law 100-71, 101 Stat. 430. Also State Law NMSA 22-13-13.

TITLE I IASA (24101 ENTITLEMENT), (24201 FEDERAL STIMULUS) - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

Pre- K Initiative (27149) - The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

K-3-Plus Fund (27166) - To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

IDEA-B ENTITLEMENT SPECIAL (24106) - This fund is used to account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds							
	Athletics 22000	Migrant Children Education 24103	NM Autism Project 24108	Preschool IDEA - B 24109	Homeless Education 24113	RDA IDEA B Results 24132	English Language Acquisition 24153	Excellence in Teaching 27125
ASSETS								
Cash on deposit	\$ 132,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	9,024	7,247	2,456	13,468	4,707	3,416	-
Total assets	\$ 132,021	\$ 9,024	\$ 7,247	\$ 2,456	\$ 13,468	\$ 4,707	\$ 3,416	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ 9,024	\$ 7,247	\$ 2,456	\$ 13,468	\$ 4,707	\$ 3,416	\$ -
Total liabilities	-	9,024	7,247	2,456	13,468	4,707	3,416	-
Fund balances:								
Nonspendable - inventory	-	-	-	-	-	-	-	-
Restricted, reported in:								
Special revenue funds	132,021	-	-	-	-	-	-	-
Total fund balance	132,021	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 132,021	\$ 9,024	\$ 7,247	\$ 2,456	\$ 13,468	\$ 4,707	\$ 3,416	\$ -

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	Special Revenue Funds								
	Teacher Principal Training & Recruiting 24154	Rural & Low Income Schools 24160	Medicaide 25153	Dual Credit IM/HB2 27103	GoBond Student Library SB-66 27107	NM Reads to Lead K-3 27114	Recruitment Support 27128	Direct Student Services 24193	New Mexico Grown 27183
ASSETS									
Cash on deposit	\$ -	\$ -	\$ 40,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	19,305	21,156	-	-	9,850	-	-	9,340	-
Total assets	<u>\$ 19,305</u>	<u>\$ 21,156</u>	<u>\$ 40,410</u>	<u>\$ -</u>	<u>\$ 9,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,340</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ 19,305	\$ 21,156	\$ -	\$ -	\$ 9,850	\$ -	\$ -	\$ 9,483	\$ -
Total liabilities	19,305	21,156	-	-	9,850	-	-	9,483	-
Fund balances:									
Nonspendable - inventory	-	-	-	-	-	-	-	-	-
Restricted, reported in:									
Special revenue funds	-	-	40,410	-	-	-	-	-	-
Unrestricted, reported in:									
Special revenue funds	-	-	-	-	-	-	-	(143)	-
Total fund balance	<u>-</u>	<u>-</u>	<u>40,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(143)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 19,305</u>	<u>\$ 21,156</u>	<u>\$ 40,410</u>	<u>\$ -</u>	<u>\$ 9,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,340</u>	<u>\$ -</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	Special Revenue Funds								
	Elementary Breakfast Program 27155	4&5 Pilot For K3 Plus 27198	IRB Payment in Lieu of Taxes 29135	Food Services 21000	Title I - IASA 24101	Pre - K Initiative 27149	K3 Plus 27166	Entitlement IDEA - B 24106	Total Special Revenue Funds
ASSETS									
Cash on deposit	\$ -	\$ -	\$ 24,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,106
Accounts receivable	-	8,858	-	48,349	91,122	94,294	43,821	107,934	494,347
Inventory, at cost	-	-	-	48,663	-	-	-	-	48,663
	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 8,858	\$ 24,675	\$ 97,012	\$ 91,122	\$ 94,294	\$ 43,821	\$ 107,934	\$ 740,116
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ -	\$ 8,858	\$ -	\$ 42,400	\$ 91,122	\$ 99,412	\$ 43,821	\$ 108,042	\$ 493,767
Accrued Payroll	-	-	-	3,317	-	-	-	-	3,317
Total liabilities	-	8,858	-	45,717	91,122	99,412	43,821	108,042	497,084
Fund balances:									
Nonspendable - inventory	-	-	-	48,663	-	-	-	-	48,663
Restricted, reported in:									
Special revenue funds	-	-	24,675	2,632	-	-	-	-	199,738
Unrestricted, reported in:									
Special revenue funds	-	-	-	-	-	(5,118)	-	(108)	(5,369)
Total fund balance	-	-	24,675	51,295	-	(5,118)	-	(108)	243,032
Total liabilities and fund balances	\$ -	\$ 8,858	\$ 24,675	\$ 97,012	\$ 91,122	\$ 94,294	\$ 43,821	\$ 107,934	\$ 740,116

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLSS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Special Revenue Funds							
	Athletics 22000	Migrant Children Education 24103	NM Autism Project 24108	IDEA-B Preschool 24109	Homeless Education 24113	RDA IDEA B Results 24132	English Language Acquisition 24153	Excellence in Teaching 27125
Revenues:								
Charges for services	\$ 22,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	32,295
Federal sources	-	25,542	7,247	13,387	13,468	18,530	9,973	-
Total revenues	22,321	25,542	7,247	13,387	13,468	18,530	9,973	32,295
Expenditures:								
Current:								
Direct instruction	54	18,906	6,752	6,821	13,468	18,530	8,667	-
Instructional support	-	-	495	6,566	-	-	1,306	32,295
Central services	-	6,636	-	-	-	-	-	-
Total expenditures	54	25,542	7,247	13,387	13,468	18,530	9,973	32,295
Net changes in fund balances	22,267	-	-	-	-	-	-	-
Fund balance - beginning of year	109,754	-	-	-	-	-	-	-
Fund balance - end of year as restated	\$ 132,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	Special Revenue Funds								
	Teacher Principal Training & Recruiting 24154	Rural & Low Income Schools 24160	Medicaide 25153	Dual Credit IM/HB2 27103	GoBond Student Library SB-66 27107	NM Reads To Lead K-3 27114	Recruitment Support 27128	Direct Student Services 24193	New Mexico Grown 27183
Revenues:									
Charge for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	6,077	9,850	-	-	-	3,870
Federal sources	21,511	21,156	130,445	-	-	-	-	48,765	-
Total revenues	21,511	21,156	130,445	6,077	9,850	-	-	48,765	3,870
Expenditures:									
Current:									
Direct instruction	21,511	21,156	15,600	6,077	-	-	-	-	-
Instructional support	-	-	90,709	-	9,850	-	-	48,908	-
Food services	-	-	-	-	-	-	-	-	3,870
Central services	-	-	-	-	-	-	-	-	-
Total expenditures	21,511	21,156	106,309	6,077	9,850	-	-	48,908	3,870
Net changes in fund balances	-	-	24,136	-	-	-	-	(143)	-
Fund balance - beginning	-	-	16,274	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 40,410	\$ -	\$ -	\$ -	\$ -	\$ (143)	\$ -

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	Special Revenue Funds								
	Elementary Breakfast Program 27155	4&5 Pilot for K3 Plus 27198	IRB Payment in Lieu of Taxes 29135	Food Services 21000	Title I - IASA 24101	Pre - K Initiative 27149	K3 Plus 27166	Entitlement IDEA - B 24106	Total Special Revenue Funds
Revenues:									
Taxes	\$ -	\$ -	\$ 4,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,935
Charge for services	-	-	-	38,898	-	-	-	-	61,219
State sources	18,845	32,102	-	-	-	204,700	96,014	-	403,753
Federal sources	-	-	-	552,961	176,139	-	-	259,045	1,298,169
Total revenues	18,845	32,102	4,935	591,859	176,139	204,700	96,014	259,045	1,768,076
Expenditures:									
Current:									
Direct instruction	-	30,087	-	-	122,340	203,748	88,744	45,644	628,105
Instructional support	-	-	-	-	252	-	-	213,509	403,890
Food services	18,845	-	-	623,853	-	-	-	-	646,568
Central services	-	-	-	-	53,547	-	-	-	60,183
Transportation	-	2,015	-	-	-	6,070	7,270	-	15,355
Total expenditures	18,845	32,102	-	623,853	176,139	209,818	96,014	259,153	1,754,101
Net changes in fund balances	-	-	4,935	(31,994)	-	(5,118)	-	(108)	13,975
Fund balance - beginning	-	-	19,740	83,289	-	-	-	-	229,057
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,675</u>	<u>\$ 51,295</u>	<u>\$ -</u>	<u>\$ (5,118)</u>	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ 243,032</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL IMPROVEMENTS SB - 9 (31700) - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also to account for resources received from the State of New Mexico General Fund.

SENATE BILL NINE-LOCAL (31701) - The revenues are derived from local ad-valorem taxes. Expenditures are restricted to capital improvements, maintenance of the facilities and supplies

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Capital Improvements SB - 9 31700	Senate Bill Nine - Local 31701	Total
ASSETS			
Cash on deposit	\$ -	\$ 161,289	\$ 161,289
Taxes receivable	-	31,584	31,584
Accounts receivable	11,869	-	11,869
Total assets	<u>\$ 11,869</u>	<u>\$ 192,873</u>	<u>\$ 204,742</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	-	-	11,869
Total liabilities	11,869	-	11,869
Deferred inflows:			
Deferred inflows - property tax	-	29,472	29,472
Total deferred inflows	-	29,472	29,472
Total liabilities and deferred inflows	11,869	29,472	41,341
Fund balances:			
Restricted, reported in:			
Capital projects funds	-	163,401	163,401
Total fund balance	-	163,401	163,401
Total liabilities and fund balances	<u>\$ 11,869</u>	<u>\$ 192,873</u>	<u>\$ 204,742</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Capital Improvements SB - 9 31700	Senate Bill Nine - Local 31701	Total
Revenues:			
Taxes	\$ -	\$ 166,165	\$ 166,165
State sources	79,348	-	79,348
Total revenues	79,348	166,165	245,513
Expenditures:			
Current:			
Instructional support	-	1,602	1,602
Operation and maintenance	32,648	95,271	127,919
Capital outlay	46,700	-	46,700
Total expenditures	79,348	96,873	176,221
Excess (deficiency) of revenues over expenditures	-	69,292	69,292
Other financing sources (uses):			
Bond proceeds	-	-	-
Net changes in fund balances	-	69,292	69,292
Fund balance - beginning of year	-	94,109	94,109
Fund balance - end of year	\$ -	\$ 163,401	\$ 163,401

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

DEFERRED SICK LEAVE FUND (42000) - To account for the transfers from other funds. The expenditures are restricted to paying terminated employees their sick leave.

EDUCATION TECHNOLOGY DEBT SERVICE (43000) - To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2019

	Deferred Sick Leave Fund Fund 42000	Education Technology Debt Service Fund Fund 43000	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash on deposit	\$ 31,870	\$ 113,967	\$ 145,837
Taxes receivable	<u>-</u>	<u>19,078</u>	<u>19,078</u>
Total assets	<u>\$ 31,870</u>	<u>\$ 133,045</u>	<u>\$ 164,915</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Deferred inflows:			
Property tax	<u>\$ -</u>	<u>\$ 17,802</u>	<u>\$ 17,802</u>
Total deferred inflows	<u>-</u>	<u>17,802</u>	<u>17,802</u>
Fund balances:			
Restricted, reported in:			
Retirement of long-term debt	<u>31,870</u>	<u>115,243</u>	<u>147,113</u>
Total fund balance	<u>31,870</u>	<u>115,243</u>	<u>147,113</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 31,870</u>	<u>\$ 133,045</u>	<u>\$ 164,915</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUND
JUNE 30, 2019

	Deferred Sick Leave Fund Fund 42000	Education Technology Debt Service 43000	Total
Revenues:			
Taxes	\$ -	\$ 98,013	\$ 98,013
Total revenues	-	98,013	98,013
Expenditures:			
Current:			
Central services	1,380	-	1,380
Support services	-	947	947
Debt service:			
Bond	-	115,000	115,000
Interest	-	6,510	6,510
Total expenditures	1,380	122,457	123,837
Net changes in fund balances	(1,380)	(24,444)	(25,824)
Fund balance - beginning of year	33,250	139,687	172,937
Fund balance - end of year	\$ 31,870	\$ 115,243	\$ 147,113

See independent auditors' report and accompanying notes to financial statements.

GENERAL FUND

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2019

	<u>Operational 11000</u>	<u>Teacherage 12000</u>	<u>Transportation 13000</u>	<u>Instructional Material 14000</u>	<u>Total</u>
ASSETS					
Cash	\$ 13,386	\$ -	\$ -	\$ 74,175	\$ 87,561
Taxes receivable	5,449	-	-	-	5,449
Due from other funds	705,896	-	-	-	705,896
Investments	<u>1,118,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,531</u>
 Total assets	 <u>\$ 1,843,262</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 74,175</u>	 <u>\$ 1,917,437</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 19,420	\$ -	\$ -	\$ -	\$ 19,420
Accrued payroll	<u>2,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,725</u>
Total liabilities	<u>22,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,145</u>
Deferred inflows:					
Property tax	<u>5,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,085</u>
Total deferred inflows	5,085	-	-	-	5,085
Fund balances:					
Unassigned, reported in:					
General fund	<u>1,816,032</u>	<u>-</u>	<u>-</u>	<u>74,175</u>	<u>1,890,207</u>
Total fund balances	<u>1,816,032</u>	<u>-</u>	<u>-</u>	<u>74,175</u>	<u>1,890,207</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,843,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,175</u>	<u>\$ 1,917,437</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Material 14000	Total
REVENUES					
Taxes	\$ 31,424	\$ -	\$ -	\$ -	\$ 31,424
Charges for services	19,492	-	-	-	19,492
State sources	8,252,520	-	-	31,974	8,284,494
Federal sources	1,849	-	-	-	1,849
Transportation distribution	-	-	466,895	-	466,895
Miscellaneous	58,678	-	-	-	58,678
	<u>8,363,963</u>	<u>-</u>	<u>466,895</u>	<u>31,974</u>	<u>8,862,832</u>
Total revenues	8,363,963	-	466,895	31,974	8,862,832
EXPENDITURES					
Current:					
Direct instruction	4,121,405	-	-	36,618	4,158,023
Instructional support	1,631,342	-	-	-	1,631,342
Central services	588,600	-	-	-	588,600
Operation and maintenance	1,254,011	-	-	-	1,254,011
Transportation	48,069	-	466,895	-	514,964
Food services	91,606	-	-	-	91,606
Capital outlay	6,370	-	-	-	6,370
	<u>7,741,403</u>	<u>-</u>	<u>466,895</u>	<u>36,618</u>	<u>8,244,916</u>
Total expenditures	7,741,403	-	466,895	36,618	8,244,916
Net change in fund balance	622,560	-	-	(4,644)	617,916
Fund balance at beginning of year	<u>1,193,472</u>	<u>-</u>	<u>-</u>	<u>78,819</u>	<u>1,272,291</u>
Fund balance at end of year	<u>\$ 1,816,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,175</u>	<u>\$ 1,890,207</u>

See independent auditors' report and accompanying notes to financial statements.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>Beginning</u>	<u>Deposited</u>	<u>Used</u>	<u>Ending</u>
23001	BOOK FEES	1,735.00	160.00	(128.00)	1,767.00
23002	BUS FUND	180,147.00	51,043.00	(95,081.00)	136,109.00
23003	DEXTER ALUMNI	3,463.00	-	-	3,463.00
23004	RIF	1,410.00	2,600.00	(1,947.00)	2,063.00
23005	ELEMENTARY CAFETERIA	-	779	-36	743
23006	LIBRARY BOOK FUND	2,123.00	1,663.00	(473.00)	3,313.00
23008	NMPSIA	179,080.00	1,197,328.00	(1,240,765.00)	135,643.00
23009	PRIOR SENIOR CLASSES	1,838.00	-	-	1,838.00
23010	MISC (INTEREST)	-	-	-	-
23011	RT BIBLE SCHOLARSHIP	13,278.00	-	-	13,278.00
23012	MELHOP SCHOLARSHIP	28,184.00	-	-	28,184.00
23013	ADMIN	2,921.00	6,146.00	(3,405.00)	5,662.00
23014	QUIROZ MEMORIAL	550.00	-	-	550.00
23019	JOHN REID MEMORIAL	120.00	-	-	120.00
23020	CENTRAL OFFICE	4,969.00	-	(4,969.00)	-
23100	PRESCHOOL ROBB	111.00	185.00	(240.00)	56.00
23101	KINDERGARTEN DURAN	415.00	1,286.00	(731.00)	970.00
23102	KINDERGARTEN MALDONA	574.00	953.00	(1,174.00)	353.00
23103	KINDERGARTEN REGALADC	391.00	2,256.00	(1,506.00)	1,141.00
23104	KINDERGARTEN SAENZ	492.00	976.00	(1,019.00)	449.00
23105	KINDERGARTEN A COBOS	-	-	-	-
23110	FIRST GRADE WOOD	381.00	1,195.00	(463.00)	1,113.00
23111	FIRST GRADE DURAN	717.00	1,621.00	(1,791.00)	547.00
23112	FIRST GRADE NORTHRUP	346.00	2,183.00	(1,577.00)	952.00
23113	FIRST GRADE PRUDENCIO	-	-	-	-
23120	SECOND GRADE SOSA	-	898.00	(438.00)	460.00
23121	SECOND GRADE CASTRO	67.00	1,703.00	(1,249.00)	521.00
23122	SECOND GRADE SALAYAN	439.00	2,026.00	(1,743.00)	722.00
23123	SECOND GRADE GRANADA	-	-	-	-
23131	THIRD GRADE CAMPOS	624.00	1,565.00	(1,913.00)	276.00
23132	THIRD GRADE GOMEZ	452.00	1,963.00	(1,612.00)	803.00
23133	THIRD GRADE DEYOUNG	886.00	1,117.00	(989.00)	1,014.00
23134	THIRD GRADE QUIROZ	595.00	1,672.00	(1,201.00)	1,066.00
23140	FOURTH GRADE BLANCO	523.00	183.00	(501.00)	205.00
23141	FOURTH GRADE H. AMARO	886.00	1,179.00	(1,316.00)	749.00
23142	FOURTH GRADE PENA	204.00	1,802.00	(1,125.00)	881.00
23143	FOURTH GRADE CHAVEZ	376.00	-	(376.00)	-
23150	PRESCHOOL CONTRERAS	285.00	1,352.00	(1,504.00)	133.00
23151	FIFTH GRADE SHIPMAN	17.00	1,418.00	(758.00)	677.00
23152	FIFTH GRADE MONTOYA	44.00	1,752.00	(1,070.00)	726.00
23153	FIFTH GRADE - FREELAND	19.00	1,608.00	(969.00)	658.00
23154	FIFTH GRADE REYES	45.00	-	(87.00)	(42.00)
23160	ELEM OFFICE	4,848.00	34,986.00	(35,151.00)	4,683.00

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>Beginning</u>	<u>Deposited</u>	<u>Used</u>	<u>Ending</u>
23161	ELEM MISC	130.00	-	(121.00)	9.00
23162	ELEM LIBRARY	3,157.00	9,308.00	(8,476.00)	3,989.00
23163	SPED JACQUEZ	214.00	-	(214.00)	-
23164	SPED ELLIS	483.00	-	(483.00)	-
23165	PE LUIKENS	2,859.00	-	(2,806.00)	53.00
23167	READING VELASCO	-	219.00	-	219.00
23168	FINE ARTS	30.00	-	(30.00)	-
23169	MAY CELEBRATION	2,185.00	-	(869.00)	1,316.00
23170	LEAD TEACHER/INTERVENTI	-	-	-	-
23171	PTO	-	-	-	-
23172	ELEM CAFETERIA	1,192.00	-	(1,192.00)	-
23201	MS OFFICE	1,942.00	1,239.00	(838.00)	2,343.00
23202	MS MISC	1,954.00	3,779.00	(1,752.00)	3,981.00
23203	MS LIBRARY	483.00	-	-	483.00
23206	DISCOVERY CLASSES	3,350.00	12,194.00	(11,332.00)	4,212.00
23207	DRAMA/GIFTED	5,063.00	-	-	5,063.00
23212	MS SPANISH	1,539.00	-	-	1,539.00
23301	HS OFFICE	3,858.00	832.00	(1,941.00)	2,749.00
23302	HS LIBRARY	781.00	-	(264.00)	517.00
23003	HS STUDENT COUNCIL	-	1,028.00	(945.00)	83.00
23304	CRIMINAL JUSTICE SOCIETY	2,076.00	-	(1,650.00)	426.00
23305	NATIONAL HONOR SOCIETY	728.00	5,474.00	(5,106.00)	1,096.00
23306	AUTO (VICA)	321.00	-	(94.00)	227.00
23307	YEARBOOK	911.00	934.00	(617.00)	1,228.00
23309	BPA	-	-	-	-
23310	ART FUND	3.00	-	-	3.00
23311	CLASS OF 2021 (FRESHMAN	4,294.00	10,876.00	(4,699.00)	10,471.00
23312	CLASS OF 2016	4,557.00	12,103.00	(13,525.00)	3,135.00
23313	CLASS OF 2017 (SENIORS)	2,127.00	-	(2,127.00)	-
23314	CLASS OF 2018 (JUNIORS)	697.00	-	(697.00)	-
23316	FFA	13,084.00	37,883.00	(36,317.00)	14,650.00
23319	PROJECT CELEBRATION	1,594.00	6,380.00	(5,250.00)	2,724.00
23320	TNT-TEENS NEEDING TEENS	7,918.00	8,709.00	(6,224.00)	10,403.00
23322	HS BUSINESS CLASS	-	-	-	-
23323	SCIENCE FUND	40.00	-	-	40.00
23324	CLASS OF 2019 (SOPHOM	8,880.00	8,963.00	(17,843.00)	-
23326	INTEGRATED FINE ARTS	637.00	-	(344.00)	293.00
23329	BAND	5,558.00	4,729.00	(3,134.00)	7,153.00
23331	LETTER JACKETS	360.00	-	-	360.00
23333	CHEER	3,101.00	9,110.00	(10,556.00)	1,655.00
23401	ATHLETIC PLAYOFFS	2,720.00	18,205.00	(17,040.00)	3,885.00
23402	FOOTBALL	2,658.00	29,414.00	(26,822.00)	5,250.00
23403	VOLLEYBALL	1,556.00	2,525.00	(2,020.00)	2,061.00

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Beginning</u>	<u>Deposited</u>	<u>Used</u>	<u>Ending</u>
23404 BOYS BASKETBALL	2,076.00	5,803.00	(6,725.00)	1,154.00
23405 GIRLS BASKETBALL	593.00	8,934.00	(4,892.00)	4,635.00
23406 BASEBALL	7,945.00	6,670.00	(7,003.00)	7,612.00
23407 SOFTBALL	11,515.00	6,437.00	(9,409.00)	8,543.00
23408 TRACK	5,819.00	9,863.00	(12,249.00)	3,433.00
23409 GOLF	316.00	1,342.00	(1,259.00)	399.00
23410 GOLF	(200.00)	200.00	-	-
23411 TOURNAMENT FUND	6,599.00	8,363.00	(8,274.00)	6,688.00
23413 DISTRICT ATHLETICS	<u>3,237.00</u>	<u>-</u>	<u>(528.00)</u>	<u>2,709.00</u>
 Total activity funds	 <u>\$ 564,495</u>	 <u>\$ 1,557,114</u>	 <u>\$ (1,642,974)</u>	 <u>\$ 478,635</u>
 Liabilities				
Deposits held for others	<u>\$ 564,495</u>	<u>\$ 1,557,114</u>	<u>\$ (1,642,974)</u>	<u>\$ 478,635</u>
Total liabilities	<u>\$ 564,495</u>	<u>\$ 1,557,114</u>	<u>\$ (1,642,974)</u>	<u>\$ 478,635</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2019

Wells Fargo Bank

Description of Pledge Collateral	<u>Market Value</u>	<u>Maturity Date</u>	<u>CSIP#</u>
Tiered Maturities			
FNMA FNMS 3.000%	171,124	10/1/2042	3138MDS52
FNMA FNMS 2.500%	234,597	5/1/2031	3138WG2W3
FNMA FNMS 3.000%	<u>986,194</u>	06/1/2046	3138WHER9
Total	<u>\$ 1,391,915</u>		

Dexter Consolidated Schools secures their public monies in United States Securities as listed above. The District in compliance as disclosed in Note 3.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2019

	Account Type	Amount Per Bank	Net Reconciling Items	Balance Per Books
Wells Fargo				
General operational	Checking	\$ 1,828,951	\$ (144,397)	\$ 1,684,554
Athletic fund	Checking	132,021	-	132,021
Activity account	Checking	<u>483,145</u>	<u>(4,510)</u>	<u>478,635</u>
Total		2,444,117	(148,907)	2,295,210
New Mexico Finance Authority				
Restricted cash	Restricted	<u>2,352,320</u>	<u>-</u>	<u>2,352,320</u>
Total NMFA		2,352,320	-	2,352,320
Moreton Capital Markets				
Investment	Investment	<u>1,118,531</u>	<u>-</u>	<u>1,118,531</u>
Total Investment		<u>1,118,531</u>	<u>-</u>	<u>1,118,531</u>
Total deposits		<u>\$ 5,914,968</u>	<u>\$ (148,907)</u>	<u>\$ 5,766,061</u>

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
CASH RECONCILIATION
JUNE 30, 2019

	<u>Operational 11000</u>	<u>Transportation 13000</u>	<u>Instructional Materials 14000</u>	<u>Food Service 21000</u>	<u>Athletics Account 22000</u>	<u>Federal Flowthrough 24000</u>	<u>Federal Direct 25000</u>	<u>State Flowthrough 27000</u>	
Cash, June 30, 2018	\$ 673,598	\$ -	\$ 78,819	\$ 10,120	\$ 109,754	\$ -	\$ 16,274	-	
Cash receipts, 2018-2019	8,376,973	466,895	31,974	567,973	22,320	564,236	130,445	378,013	
Cash disbursements, 2018-2019	<u>(9,037,185)</u>	<u>(466,895)</u>	<u>(36,618)</u>	<u>(578,093)</u>	<u>(53)</u>	<u>(564,236)</u>	<u>(106,309)</u>	<u>(378,013)</u>	
Cash balance, June 30, 2019	<u>\$ 13,386</u>	<u>\$ -</u>	<u>\$ 74,175</u>	<u>\$ -</u>	<u>\$ 132,021</u>	<u>\$ -</u>	<u>\$ 40,410</u>	<u>\$ -</u>	
	<u>Local Grants 29000</u>	<u>Bond Building 31100</u>	<u>Senate Bill Nine - State 31700</u>	<u>Senate Bill Nine -Local 31701</u>	<u>Ed. Tech. Debt Capital Projects 31900</u>	<u>Debt Service 41000</u>	<u>Deferred Sick Leave 42000</u>	<u>Ed. Tech. Debt Service 43000</u>	<u>Total</u>
Cash, June 30, 2017	\$ 19,740	\$ 1,702,081	\$ -	\$ 92,661	\$ 337,789	\$ 862,181	\$ 33,257	\$ 138,652	\$ 4,074,926
Cash receipts, 2017-2018	4,935	1,545,691	198,843	165,501	6,553	735,105	-	97,772	13,293,229
Cash disbursements, 2017-2018	<u>-</u>	<u>(724,665)</u>	<u>(198,843)</u>	<u>(96,873)</u>	<u>(164,686)</u>	<u>(722,947)</u>	<u>(1,387)</u>	<u>(122,457)</u>	<u>(13,199,260)</u>
Cash balance, June 30, 2019	<u>\$ 24,675</u>	<u>\$ 2,523,107</u>	<u>\$ -</u>	<u>\$ 161,289</u>	<u>\$ 179,656</u>	<u>\$ 874,339</u>	<u>\$ 31,870</u>	<u>\$ 113,967</u>	<u>\$ 4,168,895</u>

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 AUDITORS' REPORT**

Mr. Brian S. Colón
State Auditor of the State of New Mexico
Board of Directors of Dexter Consolidated Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Dexter Consolidated Schools (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and the combined and individual funds and related budgetary comparisons presented as supplementary information, and have issued our report thereon dated November 14, 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 over financial reporting 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. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2019-003 (2010-003), 2019-004 (2017-001), 2019-005 (2018-003), 2019-001, 2019-002)

Compliance and Other Matters

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

Management Responses to Findings

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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Beasley, Mitchell & Co., LLP

Las Cruces, New Mexico

November 14, 2019



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

Mr. Brian S. Colón
State Auditor of the State of New Mexico
Board of Directors of Dexter Consolidated Schools

Report on Compliance for Each Major Federal Program

We have audited Dexter Consolidated Schools' compliance with the types of compliance requirements described in the Uniform Grant Guidance that could have a direct and material effect on each of Dexter Consolidated Schools' major federal programs for the year ended June 30, 2019. Dexter Consolidated Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Dexter Consolidated Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations 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 Dexter Consolidated Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclose no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of Dexter Consolidated Schools 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 Dexter Consolidated Schools' 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 Dexter Consolidated Schools' 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Beasley Mitchell & Co LLP

Beasley, Mitchell & Co., LLP

Las Cruces, New Mexico

November 14, 2019

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor Program Title	Federal CFDA Number	State ID Number	Federal Program Expenses
<u>U.S. Department of Agriculture</u>			
Pass-through State Public Education Department			
School Breakfast Program*	10.553	21000	\$ 219,619
National School Lunch Program*	10.555	21000	359,038
Pass-through State Public Human Services			
Commodity Supplemental Food Program	10.565	21000 (1)	48,663
Direct Program			
Rural Development, Forestry, and Communities	10.672	11000	<u>1,253</u>
Total U.S. Department of Agriculture			628,573
<u>U.S. Department of Education</u>			
Pass-through State Public Education			
Special Education Cluster			
Entitlement IDEA-B	84.027A	24106	259,153
New Mexico Autism Project	84.027A	24108	7,247
New Mexico Results Plan (Title I Schools)	84.027A	24132	18,531
Preschool IDEA-B	84.173	24109	<u>13,386</u>
Total Special Education Cluster			298,317
Title I	84.010	24101	176,139
Migrant	84.011	24103	25,543
Education of Homeless	84.196A	24113	13,468
English Language Acquisition	84.365A	24153	9,973
Teacher/Principal Training & Recruiting	84.367A	24154	21,511
Rural & Low Income Schools	84.358B	24160	21,156
Direct Student Services	84.010A	24193	48,908
Title XIX Medicaid 3/21Years		25153	<u>106,309</u>
Total Department of Education			<u>721,324</u>
Total Federal Financial Assistance			<u>\$ 1,349,897</u>

* Indicates a major program
(1) Non- cash assistance

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
NOTES TO THE EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Dexter Consolidated Schools for the year ended June 30, 2019 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule only presents a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the Dexter Consolidated Schools.

2 NON-CASH ASSISTANCE

The District did not receive non-cash federal assistance for the year ended June 30, 2019.

3 SUB RECIPIENTS

The District provided no federal awards to sub recipients for the year ended June 30, 2019.

4 COST RATE

The District did not use the 10% de minimis cost rate for the current year.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditors' report issued: Unmodified

Internal control over major programs

- Material weakness (es) identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditors' report issued on compliance with major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Grant Guidance? No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee Yes

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Awards:

None

Financial Statements:

PRIOR AUDIT FINDINGS

Current status

2019-003 (2010-003)	PED Cash Reports - Significant Deficiency	Revised and Repeated
2019-004 (2017-001)	Budget Violations - Significant Deficiency	Revised and Repeated
2018-001	Lack of Proper Approval and Segregation of Duties - Significant Deficiency	Resolved
2018-002	Invalid Use of Approval Signatures - Significant Deficiency	Resolved
2019-005 (2018-003)	Bank Reconciliation - Internal Control - Significant Deficiency	Revised and Repeated
2018-004	No Written Approval of Adjusting Entries - Significant Deficiency	Resolved
2018-005	Quote Unavailable for the Drilling of the Well - Significant Deficiency	Resolved
2018-006	Cash not Reported Accurately in Fiscal Year 2017 Audited Financial statements - Significant Deficiency	Resolved

CURRENT AUDIT FINDINGS

Current status

2019-001	Lack of Supporting Documents for an New Adjusting Entry	
2019-002	Unapproved Fixed Assets Schedule	New

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

PED Cash Reports (Significant Deficiency) - 2019-003 (2010-003)

CONDITION	The PED Cash report submitted by the district at the year end did not properly reflect the June 30, 2019 audited cash balances. The audited cash balance was \$6,401 less than what was reported to PED. The school had not made any progress from the prior year.
CRITERIA	6.20.2.11 (B) (6) NMAC requires that the reports sent to NM PED must agree to the district's general ledger.
CAUSE	The cash balances have been inaccurately reported in the PED cash reports since prior years which has not been corrected.
EFFECT	The district is not in compliance with NMAC 6.20.2.11 (b) (6).
RECOMMENDATION	We recommend that that the cash balances submitted in the PED cash report match with the bank reconciliations and general ledger.
RESPONSE	The district will make any needed year-end audit journal entries so that the FY 2020 cash reports agree with actual audited cash balances.

EXPECTED COMPLETION: 06/30/2020

Responsible Employee: Business Manager

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

Expenditures in Excess of Budget (Significant Deficiency) - 2019-004 (2017-001)

CONDITION Management reviewed the final budget reports to identify funds with expenditures in excess of budget. However, budget adjustment requests were not made timely for two of the funds in fiscal year 2019. The district did not make any progress on this finding. The following funds remitted payments for goods and services in excess of the adopted budget as follows:

<u>Fund</u>	<u>Reason</u>	<u>Budget Expenses</u>	<u>Actual Expenses</u>	<u>Difference</u>
Debt Service Fund	Instructional Support	\$ 7,000	\$ 7,116	\$ 116
Totals		<u>\$ 7,000</u>	<u>\$ 7,116</u>	<u>\$ 116</u>

CRITERIA As per PSAB Supplement - budget, planning, preparation and maintenance, "Budget amendments or adjustments are mandated by the Public Education Department for budgeted funds where the reallocation may be necessary to address unanticipated needs or new programs, etc."

CAUSE The school did not have enough time to make a resolution for budget adjustment at the end of the year.

EFFECT The district is in non compliance with the state, since all funds must be budgeted for. Non-compliance with New Mexico state statutes could subject officials and employees to penalties and fines required by state statutes.

RECOMMENDATION Both the Superintendent and the Business Manager devote sufficient time to review the final budget reports to identify any funds with expenditures in excess of budget. A budget resolution should be prepared for excess expenditures.

RESPONSE The estimated amount for the 1% county administration fee for Debt Service was not high enough. For FY 2020, a budget adjustment will be made to increase this budget line so that the function will not be over expended.

EXPECTED COMPLETION: 06/30/2020

Responsible Employee: Business Manager

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

Bank Reconciliation - Internal Control (Significant Deficiency) - 2019-005 (2018-003)

CONDITION The Business Manager prepares the bank reconciliations, and they are not reviewed. The Business Manager has access to paper checks and electronic signatures. The school had not made any progress from the prior year.

CRITERIA Criteria: Per Section 6-6-3 NMSA 1978, every local public body shall:
1) Keep all the books, records, and accounts in their respective offices in the form prescribed by the local government division; 2) Make all reports as may be required by the local government division; and 3) Conform to the rules and regulations adopted by the local government division. Within Title 2, Chapter 20, Part 5, Public Finance Accounting by Governmental Entities of the New Mexico Administrative Code, The Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.

CAUSE The District was unaware of this requirement.

EFFECT This leads to inappropriate approvals causing possible error or theft.

RECOMMENDATION The District should ensure that the bank reconciliations are reviewed on a monthly basis.

RESPONSE Bank reconciliations received electronically will be printed for the Superintendent to review monthly.

EXPECTED COMPLETION: 06/30/2020

Responsible Employee: Business Manager

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

Lack of supporting documents for an adjusting entry (Significant Deficiency) - 2019-001

CONDITION	One of the ten judgementally selected adjusting entries did not have sufficient documentation.
CRITERIA	NMSA 1978 Section 6-5-2 requires that the authority shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.
CAUSE	As per the Business Manager, this entry was made to correct School's cash balance which resulted due to an unknown error in accounting software.
EFFECT	Lack of documentation and incorrect accounting increases the risk of potential errors and misstatements in the financial statements.
RECOMMENDATION	The School should contact the accounting software to correct this error.
RESPONSE	Supporting documentation will be attached and filed with journal entries. The district will question the software provider regarding times that unexplained posting errors have occurred within the software during payables postings.

EXPECTED COMPLETION: 06/30/2020

Responsible Employee: Business Manager

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

Unapproved Fixed Assets Schedule (Significant Deficiency) - 2019-002

CONDITION	The schedule of fixed assets was not certified by the board after the year end count.
CRITERIA	According to Section 2.20.1.16 of NMAC - Annual Inventory: A. At the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority. E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency.
CAUSE	The district was not aware of this requirement.
EFFECT	Lack of proper approval and certification may result in incorrect schedule of fixed assets.
RECOMMENDATION	The district must certify the year end schedule of fixed assets as to correctness and have it signed by the governing authority of the district. This schedule should also be approved by the board.
RESPONSE	After each annual physical inventory of fixed assets, the fixed assets schedule will be presented to the School Board for certification.

EXPECTED COMPLETION: 06/30/2020

Responsible Employee: Business Manager

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

The financial statements of Dexter Consolidated Schools as of, and for the year ended June 30, 2019 were prepared by Beasley, Mitchell & Co., LLP, with the aid of responsible District personnel. Official responsible personnel agree that the presentations are made with their knowledge and agreement.

STATE OF NEW MEXICO
DEXTER CONSOLIDATED SCHOOLS
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2019

An entrance conference was conducted October 7, 2019 in a closed meeting of the Dexter Consolidated Schools pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Dexter Consolidated Schools

Mike Gomez	Board Member
Lesa Dodd	Superintendent
Jeannie Harris	Business Manager

Beasley, Mitchell & Co., LLP

Avi Chettry	Senior Auditor
Jesse Olivar	Staff I Auditor

An exit conference was conducted November 12, 2019 in a closed meeting of the Dexter Consolidated Schools pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Dexter Consolidated Schools

Mike Gomez	Board Member
Lesa Dodd	Superintendent
Jeannie Harris	Business Manager

Beasley, Mitchell & Co., LLP

Avi Chettry	Senior Auditor
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