## State of New Mexico Roswell Independent School District No. 4

### **FINANCIAL STATEMENTS**

For the Year Ended June 30, 2019



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**Introductory Section** 

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### Roswell Independent School District No. 4 Official Roster June 30, 2019

Name Board of Education

Alan Gedde Board President

Ruben Sanchez Board Vice President

Dr. Kathleen Pittman Secretary

James Edwards Board Member

Mona Kirk Board Member

**Administrative Officials** 

Dr. Ann Lynn McIlroy Superintendent

Chad Cole Asst. Superintendent for

Finance and Operations

Linda Purcella Director of Business Services

**Sidney Gutierrez Middle School Governing Council** 

Bill Wolf President

Yasine Armstrong Vice President

Shawna Perry Secretary

Michael Taylor Board Member

Kelley Smith Board Member

**Sidney Gutierrez Middle School Administrative Officials** 

Joe Andreis Principal

Maria Hernandez Business Manager

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### **Financial Section**



### INDEPENDENT AUDITORS' REPORT

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Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Roswell Independent School District No. 4
Roswell, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Roswell Independent School District No. 4 (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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Roswell Independent School 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

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13 through 23 and the GASB required pension and OPEB schedules, and the notes to the required supplementary information on pages 96 through 108 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), supporting schedules required by 2.2.2 NMAC, and other disclosures as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules required by 2.2.2 NMAC as listed in the table of contents required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules required by 2.2.2 NMAC as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and other disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC Albuquerque, New Mexico

Can Rigge & Ingram, L.L.C.

November 15, 2019

### Introduction

The discussion and analysis of Roswell Independent School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Furthermore, readers of the discussion and analysis should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **Financial Highlights for the District**

Key financial highlights for fiscal year 2019 are as follows:

- + The District has successfully maintained the financial reporting processes as required by the Governmental Accounting Standards Board Statement No. 34.
- + Total assets of governmental activities increased \$998,453 or 0.52%.
- + Total liabilities of governmental activities increased \$7,044,169 or 2.39%.
- + The District generated expenditures of \$135,603,84 relating to its governmental activities, with \$28,535,583 of these expenditures being offset by program specific charges for services, grants, and contribution revenues. General revenues, primarily generated from the State Equalization Guarantee and Property taxes, of \$82,473,589, alone, were insufficient to provide for the current year's programs.
- + The District's net position decreased by \$24,593,912 within the current fiscal year

### **Financial Highlights for the Sidney Gutierrez Charter School**

Key financial highlights for fiscal year 2019 are as follows:

- + The Charter School has successfully maintained the financial reporting processes as required by the Governmental Accounting Standards Board Statement No. 34.
- + Total assets of governmental activities increased \$64,627 or 13.10%. Total liabilities of governmental activities decreased \$131,026 or 6.52%.
- + The Charter School generated \$920,640 of expenditures relating to its governmental activities; \$74,576 of these expenditures were offset by program grants and contributions to revenue. General revenues, primarily generated from the State Equalization Guarantee and property taxes, of \$716,150, alone, were insufficient to provide for the current year's programs.
- + The Charter School's net position decreased by \$129,914.

### **Using the Basic Financial Statements**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Roswell Independent School District as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole District and the Charter School, presenting both an aggregate view of the District's and Charter School's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in a single column. For the District, the General Fund is the most significant fund.

### **Statement of Net Position and Statement of Activities**

While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the District's and the Charter School's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District and the Charter School has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's and Charter School's property tax base, facility conditions, required educational programs, and other factors. In the statement of net position and the statement of activities, all of the District's and Charter School's activities are reported in one column each. The columns are labeled:

Governmental Activities - Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The statement of activities (pages 28-29), for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements. The dependence upon revenues from the State of New Mexico for governmental activities is apparent. During the fiscal year, 96.42% of total District revenues were expended on the functions of direct Student Instruction and Support Services.

	2019	2018	Variance
Assets			
Current and other assets	\$ 51,293,512	\$ 47,650,170	\$ 3,643,342
Capital assets, net of accumulated			
depreciation	142,938,330	145,583,219	(2,644,889)
Total assets	194,231,842	193,233,389	998,453
Deferred outflows of resources			
Deferred outflows related to pension			
plan and OPEB	53,451,698	67,744,868	(14,293,170)
Total deferred outflows of resources	53,451,698	67,744,868	(14,293,170)
Total assets and deferred outflows of			
resources	\$ 247,683,540	\$ 260,978,257	\$ (13,294,717)
Liabilities			
Current liabilities	\$ 12,098,110	\$ 11,683,030	\$ 415,080
Net pension and OPEB liability	254,087,764	246,708,258	7,379,506
Other long-term liabilities	35,759,654	36,510,071	(750,417)
Total liabilities	301,945,528	294,901,359	7,044,169
Deferred inflows of resources			
Deferred inflows related to pension plan,			
OPEB, and debt refunding	19,966,429	15,711,403	4,255,026
Net position			
Net investment in capital assets	113,976,281	113,104,576	871,705
Restricted	16,155,649	20,737,923	(4,582,274)
Unrestricted	(204,360,347)	(183,477,004)	(20,883,343)
Total net position	(74,228,417)	(49,634,505)	(24,593,912)
Total liabilities, deferred inflows of			
resources, and net position	\$ 247,683,540	\$ 260,978,257	\$ (13,294,717)

	2019	2018	Variance		
Program revenues:					
Charges for services	\$ 633,903	\$	589,301	\$	44,602
Operating grants and contributions	26,044,911		21,502,725		4,542,186
Capital grants and contributions	1,856,769		2,940,556		(1,083,787)
General revenues:					
Property taxes	8,516,650		8,402,962		113,688
Oil and gas taxes	73,787		103,964		(30,177)
State equalization guarantee	72,659,572		70,860,703		1,798,869
Investment income	680,831		399,932		280,899
Miscellaneous income	542,749		1,470,729		(927,980)
Total revenues	111,009,172		106,270,872		4,738,300
Program expenses:					
Instruction	76,095,727		71,432,430		4,663,297
Support services	30,940,113		27,386,671		3,553,442
Central services	4,828,980		4,267,077		561,903
Operation and maintenance of plant	11,297,323		12,260,264		(962,941)
Student transportation	3,330,895		2,943,895		387,000
Food services	8,140,743		7,753,439		387,304
Interest and other charges	969,303		925,993		43,310
Total expenses	135,603,084		126,969,769		8,633,315
Increase (decrease) in net position	\$ (24,593,912)	\$	(20,698,897)	\$	(3,895,015)

### **Government-wide Financial Analysis of the District**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows were exceeded by liabilities and deferred inflows by \$74,228,417 at the close of the most recent fiscal year. The largest portion of the District's net position reflects its investment in capital assets, less any outstanding debt used to acquire those assets. The District uses these assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During the current fiscal year, the District's net position decreased by \$24,593,912. The resulting decrease to net position is, in part, a reflection of the District's reported cost share relating to its identified Net Pension and Other Post-Employment Benefit (OPEB) liability, in accordance with applicable standards.

### The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. Governmental funds generated total revenues of \$111,020,327, other financing sources of \$4,240,758 and total expenditures of \$111,992,246. The net change in fund balances for the year was an increase of \$3,268,839, resulting in total end of year fund balances of \$44,501,642. Approximately 97.92% of the total fund balances of the governmental funds constitute spendable—restricted, committed and unassigned, fund balances, which are available for spending at the government's discretion. The remainder of the reported fund balances is the non-spendable portion identifying amounts committed to District inventories and prepaid expenditures.

### **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are its General Fund, Title I Special Revenue Fund, Entitlement IDEA-B Fund, Bond Building Capital Projects Fund and its Debt Service Fund.

### **Governmental Funds**

Most of the District's activities are reported in its governmental funds, which focus on how monies flow into and out of those funds, as well as their remaining balances at fiscal yearend, which are typically available for spending in future periods. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations, and the basic services that it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future. The relationship, or differences, between governmental activities reported in the statement of net position, the statement of activities and of the governmental funds is reconciled within the financial statements. The general fund is the primary operating fund of the District. As of June 30, 2019, the spendable fund balance of the District's general fund was \$14,649,638. The non-spendable fund balance of the District's general fund was \$577,763. As a measure of the general fund's liquidity, it may also be useful to compare the spendable fund balance to total fund expenditures. The spendable fund balance of the general fund represents 18.76% of the District's total current year general fund expenditures generated. The total spendable and non-spendable fund balance of the District's general fund decreased by \$186,466 during the current fiscal year due to the District spending more for Instruction and Support Services programs.

The Title I special revenue fund has total spendable fund balance of \$210,097, all of which is restricted for education use. The total fund balance of the Title I special revenue remained unchanged at \$234,554.

The Entitlement IDEA-B fund has total spendable fund balance of \$95,955, all of which is restricted for education. The total fund balance of the Entitlement IDEA-B fund remained unchanged at \$97,527.

The Bond Building Capital Projects fund has total spendable fund balance of \$11,489,215, all of which is restricted for capital acquisitions and improvements. The total fund balance of the bond building fund increased by \$2,862,178 in the current fiscal year due to the issuance of voter approved general obligation bonds for the purpose of school building renovation and construction.

The Debt Service fund has a total spendable fund balance of \$6,386,366, all of which is restricted for debt service. The net increase of \$51,068 to the current year's fund balance is the result of increased debt service revenue, offset by the resulting increase of debt service expenditures relating to the issuance of general obligation bonds for school building renovation and construction.

### **General Fund Budgeting Highlights**

The District's budget is prepared according to New Mexico law and Public Education Department Regulations and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2019. Detailed budget performance is examined through the expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual for each fund (in thousands of dollars).

	1	Final Budget		Actual	Variance
General Fund	\$	91,140	\$	78,087 \$	13,053
Title I Special Revenue Fund		4,625		3,140	1,485
Bond Building Capital Projects Fund		12,907		1,790	11,117
Entitlement IDEA-B Fund		4,120		2,860	1,260
Debt Service Fund		12,406		6,125	6,281

During the course of fiscal 2019, the District amended its budget as needed.

General Fund revenues, including beginning cash balance, were budgeted at \$91,140,217, while actual expenditures were \$78,086,874. The difference between budget and actual expenditures was the result of less than planned spending for general supplies, instructional materials, substitutes, overtime wages and other budgetary expense items throughout the year.

Actual revenues of the general fund were \$77,900,099, which constitutes 85.47% of the total budgeted revenue and cash balance of the fund. Actual expenditures exceeded actual revenues by \$186,775.

The primary increase in general fund revenue over that of the prior year is due to the increase to appropriated State Flowthrough payments of the State Equalization Guarantee, equaling approximately \$1.85 million in total increased revenue of this type. State Equalization Guarantee revenues increased due to an increase in State General Fund revenues appropriated by annual state legislation for public education operations throughout the State of New Mexico.

All of the cash in the Bond Building Capital Projects Fund was budgeted, however, not all of the District's school construction projects were completed as of June 30, 2019. There is one elementary school facility, which was undergoing design for new facility construction, and, which started project construction in January of 2019. 28% of the total cost to complete Del Norte Elementary School project construction is being funded by District General Obligation Bond funds, and the remaining 72% the total estimated cost to complete this project has been appropriated and awarded for this project by the State's Public Schools Capital Outlay Council.

The Debt Service fund also budgets the entire cash balance, however, the bulk of the fund balance is restricted for subsequent year's bond payments, and the rapid amortization of outstanding debt.

### **Sidney Gutierrez Charter School Financials**

		2019		2018		Variance	
Assets							
Current and other assets	\$	505,741	\$	436,695	\$	69,046	
Capital assets, net of accumulated							
depreciation		52,270		56,689		(4,419)	
Total assets		558,011		493,384		64,627	
Deferred outflows of resources							
Deferred outflows related to pension							
plan and OPEB		420,324		612,054		(191,730)	
Total deferred outflows of resources		420,324		612,054		(191,730)	
Total assets and deferred outflows of							
resources	\$	978,335	\$	1,105,438	\$	(127,103)	
Liabilities							
Current liabilities	\$	39,563	\$	38,439	\$	1,124	
Net pension and OPEB liability	Y	1,840,488	Y	1,972,638	7	(132,150)	
Total liabilities		1,880,051		2,011,077		(131,026)	
Total liabilities		1,880,031		2,011,077		(131,020)	
Deferred inflows of resources							
Deferred inflows related to pension							
plan and OPEB		257,790		123,953		133,837	
Net position							
Net investment in capital assets		52,270		56,689		(4,419)	
Restricted		48,312		32,528		15,784	
Unrestricted		(1,260,088)		(1,118,809)		(141,279)	
Total net position		(1,159,506)		(1,029,592)		(129,914)	
Total liabilities, deferred inflows of							
resources, and net position	\$	978,335	\$	1,105,438	\$	(127,103)	

	2019		2018	Variance	
Program revenues:					
Operating grants and contributions	\$ 74,576	\$	40,771	\$	33,805
General revenues:					
Property taxes	13,647		13,169		478
Oil and gas taxes	136		155		(19)
State equalization guarantee	695,218		676,703		18,515
Investment income	7,149		4,016		3,133
Total revenues	790,726		734,814		55,912
Program expenses	920,640		915,129		78,019
Increase (decrease) in net position	\$ (129,914)	\$	(180,315)	\$	(22,107)

### **Financial Analysis of the Charter School**

Total assets and deferred outflows of the Charter School were exceeded by total liabilities and deferred inflows in the amount of \$1,159,506, during current fiscal year. The Charter School's net position reflects, in large part, its reported cost share of its identified Net Pension and Other Post-Employment Benefit (OPEB) liability, in accordance with the implementation of GASB 75 reporting requirements.

During the Fiscal Year 2019, the Charter School's total program expenditures exceeded its total revenues, excluding budgeted cash balance, by \$129,914.

### **Capital Assets**

As of June 30, 2019, after addition and deletion of capital assets, the Charter School maintained a total capitalized asset balance of \$52,270. Activity in the capital asset accounts is reported in Note 6 to the financial statements. As part of the District's adoption of the GASB Statement 34 reporting model, the value of District and Charter owned land and buildings were adjusted to correspond to historical cost or to appraised value (if historical cost was not available) of the assets.

### Debt

On September 13, 2018, the District sold, awarded and issued Series 2018 identified bonds in the amount of \$4,210,000. Series 2018 identified bonds were sold at a net premium amount of \$30,449.

Series 2018 Bonds represent the remaining unissued balance of the February 3, 2015 local voter authorization, and will be used for ongoing school facility construction. On February 5, 2019, the voters of Chaves County passed and authorized the continuation of the local Debt Service tax levy required in support of an additional \$14 million of available General Obligation Bonds to be issued and used for the cost school facility construction, renovation and improvement of the district's aging facilities, while continuing to leverage historically favorable market conditions, the district's Aa2 bond rating and the availability and appropriation of the State's Public Schools Capital Outlay Council project matching funds. As of June 30, 2019, the District had outstanding bonds payable of \$39,135,000. Details of the activity in the long-term debt accounts of the District can be found in Note 7 to the financial statements.

### **Economic Factors and Next Year's Budget**

The Roswell Independent School District is located in Chaves County. Chaves County continues to build upon and maintain a balanced economy, as observed by the increases to the assessed value of real property located within Chaves County during 2019. Existing residential and commercial real estate continues to turnover, within the county, and new and diverse retail, aviation and oil and nature gas support services businesses continue to locate and expand within Roswell and the surrounding Chaves County area.

The local economy's primary drivers continue to be affordable housing, excellent climate, intersecting four lane highways, world-class airport runway facilities, with current direct flights to and from Dallas, TX, as well as direct flights to and from Phoenix, AZ, along with an unsaturated secondary retail market that is centrally located within the Southeast corner of the state. The area is a supporter of the state's oil and natural gas energy sector, with close proximity to the bulk of the state's production within this sector's economic activity.

The Roswell Independent School District receives approximately 98% of its annual Operational fund budgeted revenue from legislatively appropriated State Equalization Guarantee (SEG) formula funding. The SEG funding formula and State declared unit values are applied to the School District's Operational funding source, based on total appropriated funds, divided across total statewide student membership units. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services, i.e., special education and bilingual education services as well as other factors based on the training and experience of the teaching staff and the district's at-risk population.

### **Contacting the District's Financial Management**

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

Chad Cole
Assistant Superintendent for Finance and Operations
Roswell Independent School District
300 N. Kentucky Avenue
Roswell, NM 88201
ccole@risd.k12.nm.us
(575) 627-2537

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**Basic Financial Statements** 

### Roswell Independent School District No. 4 Statement of Net Position June 30, 2019

	Primary			
		Government	C	omponent Unit
		Governmental		_
		Activities		<b>Charter School</b>
Assets				
Current assets				
Cash and cash equivalents	\$	34,976,995	\$	494,824
Investments		2,718		-
Receivables:				
Property taxes		534,691		838
Due from other governments		7,928,112		8,615
Other		567,217		-
Inventory		669,823		-
Prepaid expense		252,182		1,464
Internal balances		-		-
Total current assets		44,931,738		505,741
Noncurrent assets				
Restricted assets:				
Cash and cash equivalents		6,271,700		_
Bond discounts, net of accumulated amortization of		0,271,700		_
\$57,857		90,074		_
Capital assets		231,486,813		83,853
Less: accumulated depreciation		(88,548,483)		(31,583)
Total noncurrent assets		149,300,104		52,270
Total Holicultelit assets		149,300,104		32,270
Total assets		194,231,842		558,011
Deferred outflows of resources				
Deferred outflow - pension		52,411,247		413,093
Deferred outflow - OPEB		1,040,451		7,231
Total deferred outflows of resources		53,451,698		420,324
Total assets and deferred outflows of resources	\$	247,683,540	\$	978,335

	Primary		
	 Government	Com	ponent Unit
	Governmental		
	Activities	Ch	arter School
Liabilities			
Current liabilities			
Accounts payable	\$ 597,178	\$	2,481
Accrued payroll	5,728,570		37,082
Accrued interest	515,931		-
Accrued compensated absences	496,431		-
Due to other funds	-		-
Current portion of bonds payable	4,760,000		-
Total current liabilities	12,098,110		39,563
Noncurrent liabilities			
Accrued compensated absences	111,729		-
Bonds payable	34,375,000		-
Bond premium, net of accumulated amortization			
of \$1,055,628	1,272,925		-
Net pension liability	205,019,624		1,485,227
Net OPEB liability	49,068,140		355,261
Total noncurrent liabilities	289,847,418		1,840,488
Total liabilities	301,945,528		1,880,051
Deferred inflows of resources			
Deferred inflows - pension	5,739,114		115,499
Deferred inflows - OPEB	14,086,673		142,291
Other deferred inflows related to debt refunding	140,642		-
Total deferred inflows of resources	19,966,429		257,790
Net position			
Net investment in capital assets	113,976,281		52,270
Restricted for:			,
Debt service	6,107,894		-
Capital projects	2,336,879		45,612
Special revenue	7,710,876		2,700
Unrestricted	(204,360,347)		(1,260,088)
Total net position	(74,228,417)		(1,159,506)
Total liabilities, deferred inflows of resources, and			
net position	\$ 247,683,540	\$	978,335

### Roswell Independent School District No. 4 Statement of Activities For the Year Ended June 30, 2019

			<b>Program Revenues</b>			
						Operating
				Charges for		<b>Grants and</b>
Functions/Programs		Expenses		Services		Contributions
Primary government						
Governmental activities:						
Instruction	\$	76,095,727	\$	203,980	\$	10,495,184
Support services - students		15,948,095		42,750		2,199,574
Support services - instruction		2,155,857		5,779		297,338
Support services - general administration		4,040,896		10,832		557,324
Support services - school administration		8,786,051		23,552		1,211,779
Central services		4,828,980		12,944		666,017
Operation and maintenance of plant		11,297,323		30,283		1,558,136
Student transportation		3,330,895		-		3,010,758
Other support services		9,214		25		1,271
Food services operations		8,140,743		303,758		6,047,530
Interest and other charges		969,303		-		-
Total governmental activities		135,603,084		633,903		26,044,911
Total primary government	\$	135,603,084	\$	633,903	\$	26,044,911
Component unit:						
Sidney Gutierrez Charter School	\$	920,640	\$	_	\$	74,576
Statie, Gatierrez Griarter School	<u> </u>	320,040	Υ		7	7 1,570

### **General revenues:**

Net position - ending

Taxes:

Property taxes, levied for operating programs
Property taxes, levied for debt services
Property taxes, levied for capital projects
Oil and gas taxes
State equalization guarantee
Investment income
Miscellaneous

Total general revenues

Change in net position
Net position - beginning

Prog	ram Revenues		Net (Expense) Revenue and Changes in Net Position					
Сар	Capital Grants and Contributions		Governmental Activities	Component Unit				
\$	1,147,204	\$	(64,249,359)	\$ -				
	240,431		(13,465,340)	-				
	32,501		(1,820,239)	-				
	60,920		(3,411,820)	-				
	132,457		(7,418,263)	-				
	72,801		(4,077,218)	-				
	170,316		(9,538,588)	-				
	-		(320,137)	-				
	139		(7,779)	-				
	-		(1,789,455)	-				
	-		(969,303)	-				
	1,856,769		(107,067,501)					
\$	1,856,769		(107,067,501)	-				
\$				(846,064)				
			387,998	-				
			6,037,466	-				
			2,091,186	13,647				
			73,787	136				
			72,659,572	695,218				
			680,831	7,149				
			542,749	-				
			82,473,589	716,150				
			(24,593,912)	(129,914)				
			(49,634,505)	(1,029,592)				
		\$	(74,228,417)	\$ (1,159,506)				

### Roswell Independent School District No. 4 Balance Sheet Governmental Funds June 30, 2019

		General Fund 11000, 13000, 14000		Title I Special Revenue Fund 24101		Entitlement IDEA-B 24106
Assets						
Cash and cash equivalents	\$	12,485,578	\$	87,765	\$	101
Investments		1,105		-		-
Receivables:						
Property taxes		22,778		-		-
Due from other governments		-		1,622,198		2,412,787
Other		567,217		-		-
Inventory		441,165		-		-
Prepaid expense		136,598		24,457		1,572
Due from other funds		6,615,591		-		
Total assets	\$	20,270,032	\$	1,734,420	\$	2,414,460
Liabilities						
Accounts payable	\$	132,321	¢	1,426	\$	3,961
Accrued payroll	٦	4,894,161	ڔ	129,444	۲	126,635
Due to other funds		4,854,101		1,368,996		2,186,337
Total liabilities		5,026,482		1,499,866		2,316,933
		3,020,402		1,455,666		2,310,333
Deferred inflows of resources		45.440				
Unavailable revenue - property taxes		16,149		-		
Total deferred inflows of resources		16,149		-		
Fund balances						
Nonspendable						
Inventory		441,165		-		-
Prepaid expense		136,598		24,457		1,572
Spendable						
Restricted for:						
Instructional materials		514,392		-		-
Food services		-		-		-
Extracurricular activities		-		-		-
Education		-		210,097		95,955
Capital acquisitions and improvements		-		-		-
Debt service		-		-		-
Committed for:						
Subsequent year's expenditures		5,459,717		-		-
Unassigned		8,675,529		-		_
Total fund balances		15,227,401		234,554		97,527
Total liabilities, deferred inflows of						_
resources, and fund balances	\$	20,270,032	\$	1,734,420	\$	2,414,460

Bond Building Capital Projects Fund			Debt Service Fund		Nonmajor Governmental		
	31100		41000		Funds		Total
\$	11,496,444	\$	6,271,700		10,907,107	\$	41,248,695
	88		1,525		-		2,718
			381,049		130,864		534,691
	_		381,049		3,893,127		7,928,112
	_		_				567,217
	_		_		228,658		669,823
	_		_		89,555		252,182
	_		_		-		6,615,591
							0,013,331
\$	11,496,532	\$	6,654,274	\$	15,249,311	\$	57,819,029
\$	7 217	\$		\$	4E2 1E2	\$	E07 170
Ş	7,317	Ş	-	Ş	452,153 578,330	Ş	597,178 5,728,570
	-		-		3,060,258		6,615,591
	7,317				4,090,741		12,941,339
	7,317		<del>-</del>		4,030,741		12,941,339
			267.000		04 004		276.040
	<u>-</u>		267,908 267,908		91,991		376,048
			267,908		91,991		376,048
					220 (50		CC0 022
	-		-		228,658		669,823
	-		-		89,555		252,182
	_		_		_		514,392
	_		_		4,635,125		4,635,125
	_		_		1,118,614		1,118,614
	_		_		2,856,365		3,162,417
	11,489,215	11.489.215			2,328,696		13,817,911
	,, -		6,386,366		_,5_5,555		6,386,366
			-,0,000				-,0,000
	-		-		-		5,459,717
	-		-		(190,434)		8,485,095
	11,489,215		6,386,366		11,066,579		44,501,642
\$	11,496,532	\$	6,654,274	\$	15,249,311	\$	57,819,029
<del>_</del>	11,400,002	7	0,007,277	٧	13,273,311	٧	37,013,023

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# Roswell Independent School District No. 4 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2019

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

Fund balances - total governmental funds	\$ 44,501,642
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	142,938,330
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:	
Bond discounts	90,074
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities	376,048
Deferred outflows and inflows of resources related to pensions are applicable to	,-
future periods and, therefore, are not reported in funds:	
Deferred inflow - extinguishment of debt	(140,642)
Deferred outflows - pension (note 9)	52,411,247
Deferred inflows - pension (note 9)	(5,739,114)
Deferred outflows - OPEB (note 10)	1,040,451
Deferred inflows - OPEB (note 10)	(14,086,673)
Certain liabilities, including bonds payable, current and long-term portions of accrued	
compensated absences, and net pension liability, are not due and payable in the	
current period and, therefore, are not reported in the funds:	
Bond premiums	(1,272,925)
Accrued interest payable	(515,931)
Accrued compensated absences not due and payable	(608,160)
Bonds payable	(39,135,000)
Net pension liability	(205,019,624)
Net OPEB liability	(49,068,140)
•	, , -1

\$ (74,228,417)

Total net position - governmental funds

### Roswell Independent School District No. 4 Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2019

	General Fund 11000, 13000, 14000	Title I Special Revenue Fund 24101	Entitlement IDEA-B 24106
Revenues			
Property taxes	\$ 388,620	\$ -	\$ -
Oil and gas taxes	4,540	-	-
Intergovernmental revenues:			
Federal flowthrough	-	3,140,812	2,860,263
Federal direct	514,087	-	-
Local sources	13,038	-	-
State flowthrough	73,021,840	-	-
State direct	46,577	-	-
Transportation distribution	3,010,758	-	-
Charges for services	32,596	-	-
Investment income	325,294	-	-
Miscellaneous	542,749	-	
Total revenues	77,900,099	3,140,812	2,860,263
Expenditures			
Current:			
Instruction	45,799,217	2,423,744	1,128,780
Support services - students	8,187,831	346,407	1,602,933
Support services - instruction	1,552,352	-	-
Support services - general administration	1,328,190	107,100	119,367
Support services - school administration	5,704,732	263,018	3,472
Central services	3,398,865	543	5,711
Operation and maintenance of plant	8,991,368	-	-
Student transportation	3,027,517	-	-
Other support services	8,102	-	-
Food services operations	-	-	-
Capital outlay	88,700	-	-
Debt service:			
Principal	-	-	-
Interest	_	-	
Total expenditures	78,086,874	3,140,812	2,860,263
Excess (deficiency) of revenues over expenditures	(186,775)	-	_
Other financing sources (uses)			
Proceeds from sale of capital assets	309	-	-
Bond premium	-	-	-
Bond proceeds	-	-	-
Total other financing sources (uses)	309	-	-
Net change in fund balances	(186,466)	-	-
Fund balances - beginning	15,413,867	234,554	97,527
Fund balances - end of year	\$ 15,227,401	\$ 234,554	\$ 97,527

1	Bond Building					
Capital Projects			<b>Debt Service</b>		Nonmajor	
	. Fund		Fund	(	Governmental	
	31100		41000	Funds	Total	
						_
\$	-	\$	6,045,926		2,093,259	\$ 8,527,805
	-		51,198		18,049	73,787
	-		-		8,775,476	14,776,551
	-		-		1,713,806	2,227,893
	276,229		-		529,252	818,519
	-		-		6,600,271	79,622,111
	-		-		58,843	105,420
	-		-		-	3,010,758
	-		-		601,307	633,903
	165,907		48,604		141,026	680,831
	-		-		-	542,749
	442,136		6,145,728		20,531,289	111,020,327
	-		-		5,981,486	55,333,227
	-		-		1,472,888	11,610,059
	-		-		97,117	1,649,469
	-		60,486		1,950,135	3,565,278
	-		-		243,556	6,214,778
	-		-		31,779	3,436,898
	70,801		-		, -	9,062,169
	-		-		89,239	3,116,756
	_		-		-	8,102
	-		-		6,736,381	6,736,381
	1,719,157		-		3,386,649	5,194,506
	-		4,815,000		_	4,815,000
	-		1,249,623		-	1,249,623
	1,789,958		6,125,109		19,989,230	111,992,246
	(1,347,822)		20,619		542,059	(971,919)
						200
	-		-		-	309
	4 310 000		30,449		-	30,449
	4,210,000		20 440		-	4,210,000
	4,210,000 2,862,178		30,449 51,068		542,059	4,240,758 3,268,839
	8,627,037		6,335,298	۲	10,524,520	 41,232,803
\$	11,489,215	\$	6,386,366	\$	11,066,579	\$ 44,501,642

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### **Roswell Independent School District No. 4**

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ 3,268,839
Net change in fund balances - total governmental funds	\$ 3,268,8

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

Capital expenditures	5,194,506
Depreciation expense	(7,727,669)
Amortization expense of intangible assets	(13,200)
Loss on disposal of capital assets	(98,526)

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

Change in unavailable revenue related to property taxes receivable (11,155)

 $\label{lem:continuous} Governmental funds \ report \ district \ pension \ and \ opeb \ contributions \ as \ expenditures.$ 

However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense:

Pension contributions subsequent to the measurement date	7,450,410
Pension expense	(34,864,189)
OPEB contributions subsequent to the measurement date	1,040,451
OPEB benefit	387,942

Expenses in the statement of activities that do not consume current

financial resources are not reported as expenditures in the funds:

Increase in accrued compensated absences not due and payable	(91,606)
Increase in accrued interest payable	(4.436)

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

Amortization of bond discount	(12,651)
Amortization of bond premiums	312,821
Bond premium capitalized	(30,449)
Bond proceeds	(4,210,000)
Principal payments on bonds	4,815,000

Change in net position of governmental activities \$ (24,593,912)

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# Roswell Independent School District No. 4 General Fund (11000, 13000, 14000) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

Variances
Favorable

		Budgeted	Αı	mounts			(	(Unfavorable)
		Original		Final	_	Actual	F	inal to Actual
Revenues								
Property taxes	\$	370,629	\$	370,629	\$	388,800	\$	18,171
Oil and gas taxes		4,831		4,831		5,005		174
Intergovernmental revenue:								
Federal direct		200,000		200,000		514,087		314,087
Local sources		-		-		12,079		12,079
State flowthrough		72,476,569		73,051,798		72,997,174		(54,624)
State direct		24,081		24,081		158,876		134,795
Transportation distribution		2,841,954		3,010,758		3,010,758		-
Charges for services		30,000		30,000		32,096		2,096
Investment income		130,000		130,000		325,294		195,294
Miscellaneous		251,500		251,500		795,194		543,694
Total revenues		76,329,564		77,073,597		78,239,363		1,165,766
Expenditures								
Current:								
Instruction		46,822,838		52,534,425		45,895,889		6,638,536
Support services - students		6,941,798		10,313,380		8,196,913		2,116,467
Support services - instruction		1,341,849		2,492,140		1,464,385		1,027,755
Support services - general administration		1,387,121		2,419,621		1,336,148		1,083,473
Support services - school administration		4,628,773		7,268,857		5,704,038		1,564,819
Central services		2,608,235		3,483,067		3,364,121		118,946
Operation and maintenance of plant		9,985,302		9,437,420		9,012,716		424,704
Student transportation		2,841,954		3,027,603		3,027,603		-
Other support services		58,430		9,000		8,102		898
Capital outlay		85,500		154,705		88,700		66,005
Total expenditures		76,701,800		91,140,218		78,098,615		13,041,603
Excess (deficiency) of revenues over								
expenditures		(372,236)		(14,066,621)		140,748		14,207,369
Other financing sources (uses)								
Designated cash (budgeted increase in cash)		372,236		14,066,621		-		(14,066,621)
Proceeds from sale of capital assets		-		-		743		743
Total other financing sources (uses)		372,236		14,066,621		743		(14,065,878)
Net change in fund balances		-		-		141,491		141,491
Fund balances - beginning of year		-		-		14,066,622		14,066,622
Fund balances - end of year	\$	-	\$	-	\$		\$	14,208,113
Net change in fund balances (Non-GAAP Budget	-	-					\$	141,491
Adjustments to revenues for changes in insuran						ther revenues	i	(339,698)
Adjustments to expenditures for supplies, softw	/are	, compensatio	on,	other charge	S			11,741
Net change in fund balances (GAAP Basis)							\$	(186,466)

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

# Roswell Independent School District No. 4 Title I Special Revenue Fund (24101) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

**Variances** 

								Favorable
		Budgeted					_	Jnfavorable)
Revenues		Original		Final		Actual	Fil	nal to Actual
	\$	_	\$		\$		\$	
Property taxes Oil and gas taxes	Ş	-	Ą	-	Ą	-	Ş	_
Intergovernmental revenue:		-		-		-		-
Federal flowthrough		3,310,360		4,625,176		2,409,866		(2,215,310)
Federal direct		3,310,300		4,023,170		2,403,800		(2,213,310)
Local sources		-		-		-		_
State flowthrough		_				_		_
State nowthrough		-		-		-		-
Transportation distribution		-		-		-		-
Charges for services		-		-		-		-
Investment income		-		-		-		_
Miscellaneous		-		-		-		-
Total revenues		3,310,360		4,625,176		2,409,866		(2,215,310)
		3,310,300		4,023,170		2,403,800		(2,213,310)
Expenditures Current:								
Instruction		2,644,381		3,352,345		2,421,848		930,497
Support services - students		314,042		591,087		348,304		242,783
Support services - students  Support services - instruction		1,200		1,200		346,304		1,200
Support services - general administration		118,997		176,314		107,100		69,214
Support services - school administration		227,740		503,670		263,018		240,652
Central services		227,740		560		543		17
Operation and maintenance of plant		_		-		545		-
Student transportation		4,000		_		_		_
Other support services		-,000		_		_		_
Capital outlay		_		_		_		_
Total expenditures		3,310,360		4,625,176		3,140,813		1,484,363
		3,310,300		4,023,170		3,140,013		1,404,303
Excess (deficiency) of revenues over expenditures						(720.047)		(720.047)
<u> </u>		-				(730,947)		(730,947)
Other financing sources (uses)								
Designated cash (budgeted increase in cash)		-		-		-		-
Proceeds from sale of capital assets		-		-		-		_
Total other financing sources (uses)								_
Net change in fund balance		-		-		(730,947)		(730,947)
Fund balance - beginning of year		-		-		(679,728)		(679,728)
Fund balance - end of year	\$	-	\$	-	\$	(1,410,675)	\$	(1,410,675)
Net change in fund balance (Non-GAAP Budgeta	arv R	asis)					\$	(730,947)
Adjustments to revenues for federal grants	y D	43137					~	730,946
Adjustments to expenditures for instruction and	d stu	dents						730,340 1
	u stu	uents					۲	<u>T</u>
Net change in fund balance (GAAP Basis)							\$	-

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

### Roswell Independent School District No. 4 Entitlement IDEA-B (24106)

### Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

Variances Favorable

Property taxes   S									Favorable
Revenues         \$			_	An		i		_	
Property taxes         \$			Original		Final		Actual	Fi	nal to Actual
Dil and gas taxes		<b>,</b>		,		,		,	
Intergovernmental revenue:   Federal flowthrough		\$	-	\$	-	>	-	>	-
Federal flowthrough         3,220,686         3,946,408         1,483,298         (2,463,110)           Federal direct         -         -         -         -           Local sources         -         -         -         -           State flowthrough         -         -         -         -           State direct         -         -         -         -         -           Charges for services         -         -         -         -         -         -           Charges for services         -	_		-		-		-		-
Federal direct         -	_								( )
Local sources			3,220,686		3,946,408		1,483,298		(2,463,110)
State flowthrough         .			-		-		-		-
State direct         -         <			-		-		-		-
Transportation distribution         □         □         □           Charges for services         □         □         □           Investment income         □         □         □           Miscellaneous         □         □         □           Total revenues         3,220,686         3,946,408         1,483,298         (2,463,110)           Expenditures           Current:         □         □         1,399,110         1,123,720         275,390           Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         □         □         □         □         □         □         275,390           Support services - instruction         □	_		-		-		-		-
Charges for services Investment income Miscellaneous         -			-		-		-		-
Investment income	-		-		-		-		-
Miscellaneous         -	_		-		-		-		-
Total revenues         3,220,686         3,946,408         1,483,298         (2,463,110)           Expenditures           Current:           Instruction         910,191         1,399,110         1,123,720         275,390           Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         -         -         -         -         -           Support services - general administration         114,314         170,216         119,945         50,271           Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over         -         -			-		-		-		-
Expenditures           Current:         Instruction         910,191         1,399,110         1,123,720         275,390           Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         -         -         -         -         -           Support services - general administration         114,314         170,216         119,945         50,271           Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Excess (deficiency) of revenues over         -	Miscellaneous		-		-		-		
Current:         Instruction         910,191         1,399,110         1,123,720         275,390           Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         -         -         -         -         -           Support services - general administration         114,314         170,216         119,945         50,271           Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (1,372,253)         (1,372,253) <td>Total revenues</td> <td></td> <td>3,220,686</td> <td></td> <td>3,946,408</td> <td></td> <td>1,483,298</td> <td></td> <td>(2,463,110)</td>	Total revenues		3,220,686		3,946,408		1,483,298		(2,463,110)
Instruction         910,191         1,399,110         1,123,720         275,390           Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         -         -         -         -         -           Support services - general administration         114,314         170,216         119,945         50,271           Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         \$         -         -         (1,372,253)         (1,372,253)	Expenditures								
Support services - students         1,683,082         2,335,341         1,602,703         732,638           Support services - instruction         -         -         -         -           Support services - general administration         114,314         170,216         119,945         50,271           Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         \$         -         \$         (2,312,871)         \$         (2,312,871) <td>Current:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Current:								
Support services - instruction         - <th< td=""><td>Instruction</td><td></td><td>910,191</td><td></td><td>1,399,110</td><td></td><td>1,123,720</td><td></td><td>275,390</td></th<>	Instruction		910,191		1,399,110		1,123,720		275,390
Support services - instruction         - <th< td=""><td>Support services - students</td><td></td><td>1,683,082</td><td></td><td>2,335,341</td><td></td><td>1,602,703</td><td></td><td>732,638</td></th<>	Support services - students		1,683,082		2,335,341		1,602,703		732,638
Support services - school administration         -         35,500         3,472         32,028           Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -<	Support services - instruction		-		-		-		-
Central services         511,899         6,241         5,711         530           Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (940,618)         (940,618)           Fund balance - end of year         \$         -         \$         (2,312,871)         \$         (2,312,871)           Net change in fund balance (Non-GAAP Budgetary Basis)         \$         (1,372,253)         \$         (1,372,253)         1,376,965           Adjustments to revenues for PED Federal flowthrough grants         -         \$         (1,372,253)         1,376,965	Support services - general administration		114,314		170,216		119,945		50,271
Operation and maintenance of plant         1,200         -         -         -           Student transportation         -         -         -         -           Other support services         -         -         -         -           Capital outlay         -         -         -         -           Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (940,618)         (940,618)           Fund balance - end of year         \$         -         \$         (2,312,871)         \$         (2,312,871)           Net change in fund balance (Non-GAAP Budgetary Basis)         \$         (1,372,253)         (1,372,253)           Adjustments to revenues for PED Federal flowthrough grants         -         \$         (1,372,253)           Adjustments to expenditures for software         (4,712)	Support services - school administration		-		35,500		3,472		32,028
Operation and maintenance of plant 1,200	Central services		511,899		6,241		5,711		530
Student transportation         -	Operation and maintenance of plant		1,200		-		-		-
Other support services         -			-		-		-		-
Capital outlay         -	Other support services		-		-		-		-
Total expenditures         3,220,686         3,946,408         2,855,551         1,090,857           Excess (deficiency) of revenues over expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (940,618)         (940,618)           Fund balance - end of year         \$         -         \$         (2,312,871)         \$         (2,312,871)           Net change in fund balance (Non-GAAP Budgetary Basis)         \$         (1,372,253)         (1,372,253)           Adjustments to revenues for PED Federal flowthrough grants         1,376,965         (4,712)	· ·		-		-		-		-
expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (940,618)         (940,618)           Fund balance - end of year         \$         -         \$         (2,312,871)         \$           Net change in fund balance (Non-GAAP Budgetary Basis)         \$         (1,372,253)           Adjustments to revenues for PED Federal flowthrough grants         1,376,965           Adjustments to expenditures for software         (4,712)			3,220,686		3,946,408		2,855,551		1,090,857
expenditures         -         -         (1,372,253)         (1,372,253)           Net change in fund balance         -         -         (1,372,253)         (1,372,253)           Fund balance - beginning of year         -         -         (940,618)         (940,618)           Fund balance - end of year         \$         -         \$         (2,312,871)         \$           Net change in fund balance (Non-GAAP Budgetary Basis)         \$         (1,372,253)           Adjustments to revenues for PED Federal flowthrough grants         1,376,965           Adjustments to expenditures for software         (4,712)	Excess (deficiency) of revenues over								
Fund balance - beginning of year (940,618) (940,618)  Fund balance - end of year \$ - \$ (2,312,871) \$ (2,312,871)  Net change in fund balance (Non-GAAP Budgetary Basis)  Adjustments to revenues for PED Federal flowthrough grants  Adjustments to expenditures for software (4,712)			-		-		(1,372,253)		(1,372,253)
Fund balance - end of year \$ - \$ - \$ (2,312,871) \$ (2,312,871)  Net change in fund balance (Non-GAAP Budgetary Basis)  Adjustments to revenues for PED Federal flowthrough grants  Adjustments to expenditures for software  \$ (1,372,253)  1,376,965  (4,712)	Net change in fund balance		-		_		(1,372,253)		(1,372,253)
Net change in fund balance (Non-GAAP Budgetary Basis) \$ (1,372,253)  Adjustments to revenues for PED Federal flowthrough grants  Adjustments to expenditures for software (4,712)	Fund balance - beginning of year		-		-		(940,618)		(940,618)
Adjustments to revenues for PED Federal flowthrough grants  Adjustments to expenditures for software  1,376,965  (4,712)	Fund balance - end of year	\$	-	\$	-	\$	(2,312,871)	\$	(2,312,871)
Adjustments to revenues for PED Federal flowthrough grants  Adjustments to expenditures for software  1,376,965  (4,712)	Net change in fund balance (Non-GAAP Budge	tarv P	lasis)					\$	(1 372 253)
Adjustments to expenditures for software (4,712)		•	•					7	
<u> </u>		0 0	0 0						
	· · · · · · · · · · · · · · · · · · ·							\$	-

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# Roswell Independent School District No. 4 Statement of Fiduciary Assets and Liabilities Agency Funds June 30, 2019

	Pr		
		Government	
Current assets		_	
Cash and cash equivalents	\$	1,037,877	
Investments		52,045	
Receivables		2,365	
Total assets	\$	1,092,287	
Current liabilities			
Accounts payable	\$	27,347	
Deposits held in trust for others		1,064,940	
Total liabilities	\$	1,092,287	

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Roswell Independent School District No. 4 (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 Roswell, New Mexico. 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 the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

### Financial Reporting Entity

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

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

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

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

Based upon the application of these criteria, the District has one component unit, the Sidney Gutierrez Charter School (the "Charter").

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Reporting Entity (Continued)

The District's Board of Education approved the Sidney Gutierrez Charter School for operations in accordance with the criteria listed above. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

### Government-wide and Fund Financial Statements

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

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

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

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.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion.

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

The District reports the following major governmental funds:

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

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

Entitlement IDEA-B (24106) 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.

The Bond Building – Capital Projects Fund (31100) is used to account for special appropriations monies received for the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects.

The *Debt Service – Debt Service Fund (41000)* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Funding authority is the New Mexico Public Education Department.

Additionally, the District reports the following Agency funds:

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

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

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

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 Local Government Investment Pool (LGIP). The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Restricted Assets:** The Debt Service Fund is used to report resources set aside for the payment of long-term debt principal and interest. The Capital Outlay funds are used to report resources set aside for special capital outlay projects.

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

The District receives monthly income from a tax levy in Chaves County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2019 is considered "measurable and available" and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2019. Period of availability is deemed to be sixty days subsequent to year end.

Certain special revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**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's method of accounting for inventory is the consumption method Inventory in the general fund consists of expendable supplies held for consumption.

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. 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.

**Capital Assets**: Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are not capitalized because they are considered to have a useful life of less than one year.

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

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

Assets	Years
Land improvements	20
Buildings and improvements	20-50
Furniture, fixtures and equipment	5-20
Intangibles	20

**Deferred Inflows of Resources**: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized.

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has one type of item, which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount become available. The District and Charter recorded \$376,048 and \$599, respectively, related to property taxes considered to be "unavailable." In addition, the District and Charter each have two types of items present on the statement of net position which are related to pension totaling \$5,739,114 and \$115,499, respectively. These items are detailed in Note 9. The District also has one item reported for this category related to the advance refunding of bonds totaling \$140,642. Lastly, the District and Charter each have four types of items present on the statement of net position which are related to OPEB liability totaling \$14,086,673 and \$142,291, respectively. These items are detailed in Note 10. The pension and OPEB related items are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Deferred Outflows of Resources**: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District and the Charter each have five types of items present on the statement of net position which is related to net pension liability which total \$52,411,698 and \$413,093, respectively. These items are detailed in Note 9. Lastly, the District and Charter each have one type of item present on the statement of net position which are related to OPEB liability totaling \$1,040,451 and \$7,231, respectively. These items are detailed in Note 10. The pension and OPEB related items are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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

The liability for compensated absences increased by \$91,606 for a total of \$608,160 as of June 30, 2019.

**Accrued Payroll**: In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll.

**Long-term Obligations**: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference from the effective interest method is minimal.

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

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

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

This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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

**Nonspendable Fund Balance:** At June 30, 2019, the nonspendable fund balance in the general fund is made up of \$441,165 for inventory and \$136,598 for prepaid expenses. Nonspendable fund balances in the Title I Special Revenue Fund and Entitlement IDEA-B Fund are \$24,457 and \$1,572 for prepaid expenses.

Nonspendable fund balance in the Food Services Fund is \$228,658 for inventory. Nonspendable fund balance in the Technical Education Act of 1998 Fund is \$68,745 for prepaid expenses. Nonspendable fund balance in the Technical Education Act of 1998 Fund is \$68,745 for prepaid expenses. Nonspendable fund balance in the Teacher/Principal Training & Recruiting Fund is \$11,687 for prepaid expenses. Nonspendable fund balance in the Carl Perkins Secondary - Redistribution Fund is \$2,457 for prepaid expenses. Nonspendable fund balance in the Direct Student Services Fund is \$2,292 for prepaid expenses. Nonspendable fund balance in the Title XIX Medicaid Fund is \$4,320 for prepaid expenses. Nonspendable fund balance in the Capital Improvements SB-9 Local Fund is \$54 for prepaid expenses.

Restricted and Committed Fund Balance: At June 30, 2019, the restricted fund balance on the governmental funds balance sheet is made up of \$9,430,548 restricted for instructional materials, food services, extracurricular activities and education to the students of the District, \$13,817,911 restricted for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, and \$6,386,366 restricted for the payment of principal and interest of the future debt service requirements. The District also has committed funds of \$5,459,717 in the general fund rebudgeted for the subsequent year's expenditures. The District has no minimum fund balance policy. Residual amounts are reported as unassigned in the General Fund.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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

- a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District includes unspent bond proceeds in the amount of \$11,496,444 in the calculation of the net investment in capital assets.
- b. Restricted Net Position: Net position is reported as restricted when constraints are placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, capital projects, and debt service" are described at pages 46-47 and 112-117.
- c. Unrestricted Net Position: Net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

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

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 and the Charter received \$72,659,572 and \$695,218, respectively, in state equalization guarantee distributions during the year ended June 30, 2019.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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 and the Charter recognized \$8,516,650 and \$13,647 in tax revenues respectively, in the government-wide 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.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district. The District received \$3,010,758 in transportation distributions during the year ended June 30, 2019.

**Instructional Materials:** The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State by the District and the Charter for the year ended June 30, 2019 totaled \$362,268 and \$2,404, respectively.

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

The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District and the Charter received \$578,880 and \$0, respectively, in state SB-9 matching during the year ended June 30, 2019.

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

**Public School Capital Outlay:** The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

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

The District and the Charter received \$979,272 and \$33,811, respectively, in Public School Capital Outlay matching during the year ended June 30, 2019.

**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.

### **New Accounting Standards Adopted**

During the year ended June 30, 2019, the District adopted GASB Statement No. 83, Certain Asset Retirement Obligations, and GASB Statement No. 88 Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. These two statements are required to be implemented as of June 30, 2019, if applicable.

The implementation of these statements did not have a significant impact on the District because the activities of the District were not affected by the statements in a material manner.

### **NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Information**

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, with payroll and held checks being accrued and expensed, therefore, fund balances on the budget statements do not reconcile to cash due to the District's accrued payroll which is presented on the accrual basis. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as restricted fund balance.

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

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

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico Public Education Department.
- In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
- 3. The school board meeting is open for the general public unless a closed meeting has been called.
- 4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

### NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

### **Budgetary Information (Continued)**

- The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
- 6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
- 7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
- 8. Legal budget control for expenditures is by function.
- 9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
- 10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

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.

Evenes (Deficiency) of

### NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

### **Budgetary Information (Continued)**

The appropriated budget for the year ended June 30, 2019, was properly amended by the District's Board of Education throughout the year. The amendments resulted in the following changes:

	Excess (Deficiency) of					
	Revenues over Expenditures					
	0	riginal Budget		Final Budget		
Budgeted funds:						
General Fund	\$	(372,236)	\$	(14,066,621)		
Title I Special Revenue Fund		-		-		
Entitlement IDEA-B		-		-		
Bond Building Capital Projects Fund		(6,061,114)		(8,656,330)		
Debt Service Fund		(5,635,368)		(5,635,368)		
Other governmental funds		(6,291,633)		(9,292,538)		
	\$	(18,360,351)	\$	(37,650,855)		

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 are included in each individual budgetary comparison.

### **NOTE 3: DEPOSITS AND INVESTMENTS**

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 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. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in 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.

### **NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

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

All of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for all deposit accounts out of state and up to \$250,000 for all time and saving accounts plus up to \$250,000 for all demand deposit accounts held at a single institution in state.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, \$3,250,144 of the District's bank balances of \$3,632,154 was exposed to custodial credit risk. 3,250,144 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the District's name, and \$0 was uninsured and uncollateralized.

			1	Wells Fargo	
	F	Pioneer Bank		Bank	Total
Amount of deposits	\$	3,551,108	\$	81,046	\$ 3,632,154
FDIC coverage		(300,964)		(81,046)	(382,010)
Total uninsured public funds		3,250,144		-	3,250,144
Collateralized by securities held by pledging institutions or by its trust department or					
agent in other than the District's name		3,250,144		-	3,250,144
Uninsured and uncollateralized	\$	-	\$	-	\$ -
Collateral requirement (50%) Pledged securities	\$	1,625,072 12,333,004	\$	-	\$ 1,625,072 12,333,004
Over (under) collateralized	\$	10,707,932	\$	-	\$ 10,707,932

The collateral pledged is listed on the Schedule of Collateral Pledged by Depository for Public Funds on pages 162-163 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, School district or political subdivision of the State of New Mexico.

### **NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

Investment Custodial Credit Risks. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the District for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

At June 30, 2019, the District's investment balances were exposed to custodial credit risk as follows:

Overnight Repurchase Agreements	Pioneer Bank	Total
Amount of deposits	\$ 41,060,398	\$ 41,060,398
Total uninsured public funds	41,060,398	41,060,398
Collateralized by securities held by pledging		
institutions or by its trust department or		
agent in other than the District's name	41,060,398	41,060,398
Uninsured and uncollateralized	\$ -	\$ -
Collateral requirement (102% of uninsured-repurchase)	\$ 41,881,606	\$ 41,881,606
Pledged securities	41,881,606	41,881,606
Over (under) collateralized	\$ -	\$ -

### Reconciliation to the Statement of Net Position

The carrying amount of deposits and investments shown above are included in the District's statement of net position as follows:

Cash and cash equivalents	\$ 34,976,995
Restricted cash	6,271,700
Investments	2,718
Cash - statement of fiduciary assets and liabilities	1,037,868
Investments - statement of fiduciary assets and liabilities	52,054
Total cash, cash equivalents, and investments	42,341,335
Add: outstanding checks	2,355,936
Less: petty cash	(920)
Less: investments	(3,799)
Bank balance of deposits and investments	\$ 44,692,552

### **NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

### The Charter

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Charter's deposits may not be returned to it. The Charter does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, \$254,857 of the Charter's bank balances of \$504,857 was exposed to custodial credit risk. \$254,857 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the District's name, and \$0 was uninsured and uncollateralized.

	Pi	Total		
Amount of deposits	\$	504,857	\$	504,857
FDIC coverage		(250,000)		(250,000)
Total uninsured public funds		254,857		254,857
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Charter's name		254,857		254,857
Uninsured and uncollateralized	\$	-	\$	
Collateral requirement (50%) Pledged securities	\$	127,429 500,000	\$	127,429 500,000
Over (under) collateralized	\$	372,571	\$	372,571

The collateral pledged is listed on the Schedule of Collateral Pledged by Depository for Public Funds on pages 162-163 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, School district or political subdivision of the State of New Mexico.

### Reconciliation to the Statement of Net Position

The carrying amount of deposits and investments shown above are included in the Charter's statement of net position as follows:

Cash and cash equivalents	\$ 494,824
Cash - statement of fiduciary assets and liabilities	6,819
Total cash, cash equivalents, and investments	501,643
Add: outstanding checks	3,214
Bank balance of deposits	\$ 504,857

### **NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

### **Investments**

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2019, the District had the following investments and maturities:

	weighted Average			
Investment Type	Maturities (F)	F	air Value	Rating
New Mexi <i>GROW</i> LGIP	100 days (WAM(F))	\$	3,800 *	AAAm **
Investments per schedule of deposits and	d investment accounts	\$	3,800	

<sup>\* \$1,082</sup> of this balance is agency funds

The investments are listed on Schedule of Deposits and Investment Accounts on pages 164-165 of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

The District's agency funds also report certificate of deposits in the amount of \$50,964 as investments as there is an original maturity date greater than ninety days.

Interest Rate Risk — Investments. The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Concentration Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. Since the District only purchases investment with high credit ratings, the additional concentration is not viewed to be an additional risk by the District. The District's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

<sup>\*\*</sup> Based on Standard & Poor's rating

### **NOTE 4: ACCOUNTS RECEIVABLE**

### **Primary Government**

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

					Entitlement
	Ge	General Fund Title I			IDEA-B
Taxes receivable:					_
Property taxes	\$	22,778	\$	-	\$ -
Due from other governme	ents:				
State		-		-	-
Federal		-		1,622,198	2,412,787
Other receivables:					
Miscellaneous		567,217		-	
			•		
Totals by fund	\$	589,995	\$	1,622,198	\$ 2,412,787

				Other		
			G	overnmental		
	0	Debt Service Funds				Total
Taxes receivable:						_
Property taxes	\$	381,049	\$	130,864	\$	534,691
Due from other governme	nts:					
State		-		2,286,046		2,286,046
Federal		-		1,607,081		5,642,066
Other receivables:						
Miscellaneous		-		-		567,217
Totals by fund	\$	381,049	\$	4,023,991	\$	9,030,020

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$376,048 that was not collected within the period of availability has been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

### **NOTE 4: ACCOUNTS RECEIVABLE (Continued)**

### **The Charter**

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

	Gove			
		Funds		Total
Property taxes receivable	\$	838	\$	838
Totals by fund	\$	838	\$	838

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$599 that was not collected within the period of availability has been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

### **NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. The composition of interfund balances during the year ended June 30, 2019 is as follows:

	Due from	Due to
Governmental Activities	Other Funds	Other Funds
General Fund	\$ 6,615,591	\$ -
Special Revenue Fund		
Title I IASA	-	1,368,996
Entitlement Idea B	-	2,186,337
Nonmajor Funds		
Migrant Children Education	-	9,000
Preschool Idea B	-	40,000
Education for Homeless	-	7,500
Private Schools Share IDEA B	-	14,025
CDC Healthy Schools	-	5,003
Tech Prep - Voc Ed	-	80,000
Title III - English Language Acquisition	-	50,000
Teacher/Principal Training & Recruiting	-	331,333
Rural and Low Income Schools	-	54,600
Immigrant Funding - Title III	-	67,910
Carl D Perkins Secondary Current	-	65,018
Carl D Perkins Secondary Redistribution	-	6,852
Student Support and Academic Enrichment	-	124,300
Direct Student Services	-	28,175
2012 GO Bond Student Library	-	81,051
Automated Text Messaging System	-	2,648
Excellence in Teaching Award	-	26,912
PreK Initiative	-	1,185,126
Breakfast for Elementary Students	-	6,322
Schools in Need of Improvement Grant	-	30,757
Kindergarten Three Plus	-	206,790
K-3 Plus 4 and 5 Pilot	-	47,865
GRADS Plus	-	5,390
Capital Improvements SB9	-	583,681
Total	\$ 6,615,591	\$ 6,615,591

The Charter's general fund also had an interfund receivable in the amount of \$8,453 due from the public schools capital outlay fund.

### **NOTE 5: INTERFUND RECEIVABLES AND PAYABLES (Continued)**

All interfund balances are intended to be repaid within one year. At June 30, 2019, there were no operating transfers made to close out funds.

### **NOTE 6: CAPITAL ASSETS**

### **Primary Government**

A summary of capital assets and changes occurring during the year ended June 30, 2019, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Capital assets, net of accumulated depreciation, at June 30, 2019 appear in the statement of net position as follows:

Governmental activities:	Balance	2		Balance
	June 30, 2018	3 Additions	Deletions	June 30, 2019
Capital assets not being depreciated:				
Land	\$ 2,477,313	\$ -	\$ -	\$ 2,477,313
Construction in progress	14,299,747	2,700,669	(12,710,163)	4,290,253
Total capital assets not being				
depreciated	16,777,060	2,700,669	(12,710,163)	6,767,566
Capital assets being depreciated:				
Land improvements	17,447,713	585,785	_	18,033,498
Buildings and improvements	183,794,634		-	197,776,326
Furniture, fixtures and equipment	8,331,497		(509,995)	8,458,025
Intangibles	451,398		-	451,398
Total capital assets being depreciated	210,025,242	15,204,000	(509,995)	224,719,247
Total capital assets	226,802,302	17,904,669	(13,220,158)	231,486,813
Less accumulated depreciation:				
Land improvements	11,031,213	675,972	-	11,707,185
Buildings and improvements	64,709,650		-	71,198,597
Furniture, fixtures and equipment	5,049,221	562,750	(411,469)	5,200,502
Intangibles	428,999	13,200		442,199
Total accumulated depreciation	81,219,083	7,740,869	(411,469)	88,548,483
Total capital assets, net of depreciation	\$ 145,583,219	\$ 10,163,800	\$ (12,808,689)	\$ 142,938,330

### **NOTE 6: CAPITAL ASSETS (Continued)**

Depreciation and amortization expense for the year ended June 30, 2019 was charged to the following functions:

Instruction	\$ 4,291,376
Support services - students	837,158
Support services - instruction	110,685
Support services - general administration	133,231
Support services - school administration	377,856
Central services	698,412
Operation and maintenance of plant	214,139
Student transportation	1,112
Other support services	668,317
Food service operations	408,583
Total	\$ 7,740,869

### Charter

Governmental activities:		Balance				Balance
	Jun	e 30, 2018	Additions	Deletions	June	30, 2019
Capital assets being depreciated:						
Land improvements	\$	68,126	\$ - \$	-	\$	68,126
Furniture, fixtures and equipment		15,727	-	-		15,727
Total capital assets being depreciated		83,853	-	-		83,853
Less accumulated depreciation:						
Land improvements		11,171	3,365	-	\$	14,536
Furniture, fixtures and equipment		15,993	1,054	-		17,047
Total accumulated depreciation		27,164	4,419	-		31,583
Total capital assets, net of						
depreciation	\$	56,689	\$ (4,419) \$	-	\$	52,270

Depreciation expense in the amount of \$4,419 was charged to Instruction in the statement of activities.

### **NOTE 7: LONG-TERM DEBT**

General obligation bonds are secured by and payable solely from the Debt Service Fund.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2019 are for governmental activities.

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

		Series 2010	Series 2011	Series 2013	Series 2015 A
Original issue:	\$	8,000,000	\$ 9,500,000	\$ 6,500,000	\$ 8,000,000
Principal:		1-Aug	1-Aug	1-Aug	1-Aug
Interest:		1-Feb	1-Feb	1-Feb	1-Feb
		1-Aug	1-Aug	1-Aug	1-Aug
Interest rates:	:	2.00% - 3.00%	2.00% - 3.00%	2.00% - 3.50%	2.00% - 4.00%
Maturity date:		8/1/2022	8/1/2023	8/1/2028	8/1/2029
		Series 2015 B	Series 2017 A	Series 2017 B	Series 2018
Original issue:	\$	5,675,000	\$ 3,730,000	\$ 5,670,000	\$ 4,210,000
Principal:		1-Aug	1-Aug	1-Aug	1-Aug
Interest:		1-Feb	1-Feb	1-Feb	1-Feb
		1-Aug	1-Aug	1-Aug	1-Aug
Interest rates:		4.00%	3.00%	4.00%	3.00%-3.150%

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance			Balance	<b>Due Within</b>
	June 30, 2018	Additions	Retirements	June 30, 2019	One Year
General Obligation Bonds	\$ 39,740,000	\$ 4,210,000	\$ 4,815,000	\$ 39,135,000	\$ 4,760,000
Compensated absences	516,554	504,364	412,758	608,160	496,431
					_
Total long-term debt	\$ 40,256,554	\$ 4,714,364	\$ 5,227,758	\$ 39,743,160	\$ 5,256,431

On September 26, 2018, the District entered into a General Obligation School Building bond series 2018 in the amount of \$4,210,000, due in installments on August 1<sup>st</sup> and February 1st with interest rates between 3.00% and 3.150% paid semiannually through August of 2033. The balance at June 30, 2019 was \$4,210,000.

### **NOTE 7: LONG-TERM DEBT (Continued)**

The annual requirement to amortize the District's bonds outstanding as of June 30, 2019, including interest payments, is as follows:

### **GO Bond Series 2010**

Fiscal Year			<b>Total Debt</b>
Ending June 30,	Principal	Interest	Service
2020	\$ 1,200,000	\$ 138,000	\$ 1,338,000
2021	1,300,000	105,000	1,405,000
2022	1,400,000	64,500	1,464,500
2023	1,450,000	21,750	1,471,750
	\$ 5,350,000	\$ 329,250	\$ 5,679,250

### **GO Bond Series 2011**

Fiscal Year			<b>Total Debt</b>
Ending June 30,	Principal	Interest	Service
2020	\$ 625,000	\$ 204,375	\$ 829,375
2021	1,500,000	172,500	1,672,500
2022	1,500,000	127,500	1,627,500
2023	1,625,000	80,625	1,705,625
2024	1,875,000	28,175	1,903,175
	\$ 7,125,000	\$ 613,175	\$ 7,738,175

### **GO Bond Series 2013**

Fiscal Year			<b>Total Debt</b>
Ending June 30,	Principal	Interest	Service
2020	\$ -	\$ 172,250	\$ 172,250
2021	-	172,250	172,250
2022	575,000	163,625	738,625
2023	600,000	146,000	746,000
2024	600,000	128,000	728,000
2025-2029	3,500,000	304,500	3,804,500
	\$ 5,275,000	\$ 1,086,625	\$ 6,361,625

### **NOTE 7: LONG-TERM DEBT (Continued)**

### **GO Bond Series 2015A**

Fiscal Year						<b>Total Debt</b>
Ending June 30,		Principal		Interest		Service
2020	\$	225,000	\$	239,000	\$	464,000
2021		200,000		234,500		434,500
2022		200,000		230,500		430,500
2023		400,000		226,500		626,500
2024		875,000		210,500		1,085,500
2025-2029		4,500,000		553,500		5,053,500
2030		900,000		27,000		927,000
	۲.	7 200 000	ć 1	724 500	۲.	0.024.500
	\$	7,300,000	\$ 1	,721,500	\$	9,021,500

### **GO Bond Series 2015B**

Fiscal Year			<b>Total Debt</b>
Ending June 30,	Principal	Interest	Service
2020	\$ 1,400,000	\$ 86,000	\$ 1,486,000
2021	750,000	30,000	780,000
	\$ 2,150,000	\$ 116,000	\$ 2,266,000

### **GO Bond Series 2017A**

Fiscal Year			Total Debt
Ending June 30,	Principal	Interest	Service
2020	\$ 30,000	\$ 95,913	\$ 125,913
2021	80,000	95,013	175,013
2022	20,000	92,613	112,613
2023	45,000	92,013	137,013
2024	165,000	90,663	255,663
2025-2029	1,775,000	324,727	2,099,727
2030-2033	1,440,000	93,600	1,533,600
	\$ 3,555,000	\$ 884,542	\$ 4,439,542

### **NOTE 7: LONG-TERM DEBT (Continued)**

### **GO Bond Series 2017B**

Fiscal Year			<b>Total Debt</b>
Ending June 30,	Principal	Interest	Service
2020	\$ 1,250,000	\$ 166,800	\$ 1,416,800
2021	855,000	116,800	971,800
2022	1,185,000	82,600	1,267,600
2023	60,000	35,200	95,200
2024	820,000	32,800	852,800
	\$ 4,170,000	\$ 434,200	\$ 4,604,200

### **GO Bond Series 2018**

Fiscal Year					Total Debt
Ending June 30,	Principal		Interest		Service
2020	\$ 30,000	\$	124,573	\$	154,573
2021	50,000		123,373		173,373
2022	60,000		121,723		181,723
2023	270,000		116,773		386,773
2024	150,000		110,473		260,473
2025-2029	1,825,000		406,247		2,231,247
2030-2034	1,825,000		140,794		1,965,794
	\$ 4,210,000	Ş :	1,143,956	Ş	5,353,956

<u>Compensated Absences</u> – 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 \$91,606 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

### **NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the District is a member of the New Mexico Public 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.

### **NOTE 8: RISK MANAGEMENT (Continued)**

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2019, there have been no claims that have exceeded insurance coverage.

### **NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

### **General Information about the Pension Plan**

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

The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's Web site at <a href="https://www.nmerb.org/Annual reports.html">https://www.nmerb.org/Annual reports.html</a>.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

**Pension Benefit.** A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

**Summary of Plan Provisions for Retirement Eligibility.** For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least sixty-five years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least sixty-seven years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements.

- The member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those
  who retire under the age of 65, and who have fewer than 30 years of earned service credit will
  receive reduced retirement benefits
- The member's age is 67, and has earned 5 or more years of service credit.

**Forms of Payment**. The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

Benefit Options. The Plan has three benefit options available.

- Option A Straight Life Benefit. The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- Option B Joint 100% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- Option C Joint 50% Survivor Benefit. The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

**Disability Benefit.** An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

**Cost of Living Adjustment (COLA).** All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%.

Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%.

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

**Refund of Contributions.** Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

Contributions. The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2019 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2018 employers contributed 13.90%, and employees earning 20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 continued contributing at an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District and the Charter was \$7,450,510 and \$50,251, respectively, for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District and the Charter reported a liability of \$205,019,624 and \$1,485,227, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Therefore, the employer's portion was established as of the measurement date June 30, 2018. At June 30, 2018, the District's proportion was 1.74110 percent, which was a decrease of 0.00616 from its proportion measured as of June 30, 2017. At June 30, 2018, the Charter's proportion was .01249 percent, which was a decrease of 0.00148 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District and the Charter recognized pension expense of \$34,864,189 and \$262,064, respectively.

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

At the June 30, 2019, the District and the Charter reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

### **Primary Government**

	Def	<b>Deferred Outflow</b>		eferred Inflow
		of Resources		of Resources
Differences between expected and actual experience	\$	149,630	\$	4,395,790
Net difference between projected and actual earnings on pension plan investments		947,798		-
Changes in proportion and differences between District contributions and proportionate share of contribution		1,609,833		1,343,324
Changes in assumptions		42,253,576		-
District's contributions subsequent to the measurement date		7,450,410		
Total	\$	52,411,247	\$	5,739,114

### **The Charter**

	Deferred Outflow of Resources		Deferred Inflow of Resources	
Differences between expected and actual experience	\$	1,084	\$	28,266
Net difference between projected and actual earnings on pension plan investments		3,288		-
Changes in proportion and differences between District contributions and proportionate share of contribution		52,372		87,233
Changes in assumptions		306,098		-
Charter's contributions subsequent to the measurement date		50,251		
Total	\$	413,093	\$	115,499

\$7,450,410 and \$50,251 reported as deferred outflows of resources related to pensions resulting from District and Charter's contributions subsequent to the measurement date of June 30, 2018 respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

### **Primary Government**

Year ended June 30:	
2019	\$ (24,355,929)
2020	(15,434,287)
2021	574,465
2022	(5,972)
2023	-
Thereafter	_

### **The Charter**

rear ended June 3	5U:	
2019	\$	(169,745)
2020		(98,275)
2021		20,720
2022		(43)
2023		-
Thereaft	er	_

**Actuarial assumptions.** The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2017. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2018 using generally accepted actuarial principles. The liabilities reflect the impact of Senate Bill 115, signed into law March 29, 2013 and new assumptions adopted by the Board of Trustees on April 21, 2017. Specifically, the liabilities measured as of June 30, 2016 incorporate the following assumptions:

- 1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2016 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. These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.
- 5. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

### NOTE 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 2.50%

Salary increases 3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate,

plus a step-rate promotional increase for members with less than 10 years of

service.

Investment rate of return 7.25% compounded annually, net of expenses. This is made up of a 2.50%

inflation rate and a 4.75 real rate of return.

Mortality Healthy males: Based on the RP-2000 Combined Healthy Mortality Table with

White Collar adjustments, not set back. Generational mortality improvements

with Scale BB from the table's base year of 2000.

**Healthy females:** Based on GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with

Scale BB from the table's base year of 2012.

Disabled males: RP-2000 Disabled Mortality Table for males, set back three

years, projected to 2016 with Scale BB.

Disabled females: RP-2000 Disabled Mortality Table for females, no set back,

projected to 2016 with Scale BB.

**Active members:** RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed

for preretirement mortality.

Retirement Age Experience-based table rates based on age and service, adopted by the Board

on April 21, 2017 in conjunction with the six-year experience study for the

period ending June 30, 2016.

Cost-of-living increases 1.90% per year, compounded annually; increases deferred until July 1

following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for diabled retirees, until

July 1 of the third year following retirement.

Payroll growth 3.00% per year (with no allowance for membership growth).

Contribution accumulation The accumulated member account balance with interest is estimated at the

valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in

the past as well as the future.

Disability incidence Approved rates are applied to eligible members with at least 10 years of

service.

### NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)

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

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

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

		Long-Term
		Expected
	Target	Rate of
Asset Class	Allocation	Return
Equities	34%	
Fixed income	27%	
Alternatives	38%	
Cash	1%	
Total	100%	7.25%

**Discount rate.** A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. The rate is 0.21% less than the 5.90% discount rate used for June 30, 2017.

This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.62%, net of expense. 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 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 projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

### NOTE 9: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of the District's and Charter'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 of 5.69% 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.

Primary Government			Current		
		1% Decrease	<b>Discount Rate</b>		1% Increase
		(4.69%)	(5.69%)		(6.69%)
District's proportionate share					_
of the net pension liability	\$	266,446,992	\$ 205,019,624	\$	154,898,729
Component Unit			Current		
		1% Decrease	<b>Dicount Rate</b>		1% Increase
		(4.69%)	(5.69%)		(6.69%)
Charter's proportionate share of					_
the net pension liability	ς'	1,930,227	\$ 1,485,227	Ś	1,122,136

**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, 2018 and June 30, 2018 which are publicly available at <a href="https://www.nmerb.org">www.nmerb.org</a>.

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS – RETIREE HEALTH CARE

### General Information about the Other Post-Employment Benefits Plan

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

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

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

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS – RETIREE HEALTH CARE (Continued)

**Employees covered by benefit terms** – At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	93,349

**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. The District's contributions to the plan for the year ended June 30, 2019 were \$1,040,451, while the Charter contributed \$7,231, which equals the required contributions for the year.

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS – RETIREE HEALTH CARE (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2019, the District and the Charter reported liabilities of \$49,068,140 and \$355,261 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 June 30, 2017. 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 and the Charter's proportion was 1.12843 percent and .00817 percent, respectively.

For the year ended June 30, 2019, the District recognized an OPEB benefit of \$387,942. At June 30, 2019 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow</b>		Deferred Inflow	
		of Resources		of Resources
Changes of assumptions	\$	-	\$	9,160,806
Net difference between projected and actual earnings on OPEB plan investments		-		612,352
Changes in proportion and differences between contributions and proportionate share of contributions		-		1,408,367
District's contributions subsequent to the measurement date		1,040,451		-
Differences between expected and actual experience		-		2,905,148
Total	\$	1,040,451	\$	14,086,673

Deferred outflows of resources totaling \$1,040,451 represent the District's 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:	
2019	\$ (3,519,667)
2020	(3,519,667)
2021	(3,519,667)
2022	(2,786,028)
2023	(741,644)
Total	\$ (14,086,673)

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS - RETIREE HEALTH CARE (Continued)

For the year ended June 30, 2019, the Charter recognized OPEB benefit of \$11,165. At June 30, 2019 the Charter reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow</b>		<b>Deferred Inflow</b>	
	c	of Resources		of Resources
Changes of assumptions	\$	-	\$	66,328
Net difference between projected and actual earnings on OPEB plan investments		-		4,433
Changes in proportion and differences between contributions and proportionate share of contributions		-		50,496
Charter's contributions subsequent to the measurement date		7,231		-
Differences between expected and actual experience		-		21,034
Total	\$	7,231	\$	142,291

Deferred outflows of resources totaling \$7,231 represent the Charter's 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 end	ed June 30:	
	2019	\$ (34,021)
	2020	(34,021)
	2021	(34,021)
	2022	(28,709)
	2023	(11,519)
Total		\$ (142,291)

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS - RETIREE HEALTH CARE (Continued)

**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%

Investment rate of return 7.25%, net of OPEB plan investment expense

and margin for adverse deviation including

inflation

Health care cost trend rate 8% graded down to 4.5% over 14 years for

Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare

medical plan costs

Mortality ERB members: RP-2000 Combined Healthy

Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-

2000 Combined Healthy Mortality

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

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS – RETIREE HEALTH CARE (Continued)

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

		Long-Term
Asset Class	<b>Target Allocation</b>	Rate of Return
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.1%
Non U.S emerging markets	15%	10.2%
Non U.S developed equities	12%	7.8%
Private equity	10%	11.8%
Credit and structured finance	10%	5.3%
Real estate	5%	4.9%
Absolute return	5%	4.1%
U.S. equity - small/mid cap	3%	7.1%

**Discount Rate.** The discount rate used to measure the 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, 2029. 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 4.08% is the blended discount rate.

**Basis for Allocation.** The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2018.

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS - RETIREE HEALTH CARE (Continued)

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

			Current			
1	% Decrease (3.08%)	Di	scount Rate (4.08%)	1% Increase (5.08%)		
\$	59,384,004	\$	49,068,140	<u> </u>	40,936,940	
٠	JJ,JU <del>T</del> ,UUT	٠	+5,000,1+0	7	+0,550,5+0	

The following presents the net OPEB liability of the Charter, as well as what the Charter'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%)		Dis	Current Discount Rate (4.08%)		6 Increase (5.08%)
\$	429,949	\$	355,261	\$ 296,3	

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

Current Trend							
1% Decrease Rates 1% Increase							
					_		
\$	41,479,782	\$	49,068,140	\$	55,017,584		

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

Current Trend							
1% Decrease Rates 1% Increase							
\$	300,320	\$	355,261	\$	398,335		

### NOTE 10: OTHER POST EMPLOYEMENT BENEFITS – RETIREE HEALTH CARE (Continued)

**OPEB plan fiduciary net position.** Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2018. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**Payable Changes in the Net OPEB Liability.** At June 30, 2019, the District and the Charter reported they have no payable for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

### **NOTE 11: CONTINGENT LIABILITIES**

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

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

### **NOTE 12: TAX ABATEMENTS**

The District has not negotiated any tax abatement agreements. The District is affected by tax abatements entered into by other entities, as follows:

Agency number for Agency making the disclosure (Disclosing Agency)	5003	5003
Disclosing Agency Name	Chaves County	Chaves County
Disclosing Agency Type	County Government	County Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement Series 2015A	Industrial Revenue Bond Project Agreement Series 2000
Name of agency affected by abatement agreement (Affected Agency)	Roswell Independent School District	Roswell Independent School District
Agency number of Affected Agency	7072	7072
Agency type of Affected Agency	Public Schools	Public Schools
Tax Abatement Agreement Name	Roswell Solar Series 2015A	AC Nutrition Series 2000
Recipient(s) of tax abatement	Roswell Solar LLC	AC Nutrition
Tax abatement program (name and brief description)	Industrial Revenue Bonds	Industrial Revenue Bonds
Specific Tax Being Abated	Property Tax	Property Tax
Authority under which abated tax is paid to Affected Agency	Industrial Revenue Bond Act, Section 4-59-1 to 4- 59-16 NMSA 1978	Industrial Revenue Bond Act, Section 4-59-1 to 4- 59-16 NMSA 1978
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$681,986	\$3,779
If the Disclosing Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission		

### **NOTE 12: TAX ABATEMENTS (Continued)**

information required in this spreadsheet or by GASB 77, cite the legal basis for such

omission

Agency number for Agency making the disclosure (Disclosing Agency)	6148	6148
Disclosing Agency Name	City of Roswell	City of Roswell
Disclosing Agency Type	Municipality	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Roswell Independent School District	Roswell Independent School District
Agency number of Affected Agency	7072	7072
Agency type of Affected Agency	Public Schools	Public Schools
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Recipient(s) of tax abatement	Christmas by Krebs, Inc.	Leprino Foods Company
Tax abatement program (name and brief description)	Industrial Revenue Bonds	Industrial Revenue Bonds
Specific Tax Being Abated	Property Tax	Property Tax
Authority under which abated tax is paid to Affected Agency	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement		
If the Disclosing Agency is omitting any		

### **NOTE 12: TAX ABATEMENTS (Continued)**

Agency number for Agency making the	
disclosure (Disclosing Agency)	6148
Disclosing Agency Name	City of Roswell
Disclosing Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Roswell Independent School District
Agency number of Affected Agency	7072
Agency type of Affected Agency	Public Schools
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement
Recipient(s) of tax abatement	Sunrise Energy Ventures New Mexico, LLC
Tax abatement program (name and brief description)	Industrial Revenue Bonds
Specific Tax Being Abated	Property Tax
Authority under which abated tax is paid to Affected Agency	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	
If the Disclosing Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	

### **NOTE 13: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

A. Deficit fund balance of individual funds. The District had four funds that maintained a deficit fund balance at June 30, 2019. The Charter did not have any funds that maintained a deficit fund balance at June 30, 2019.

### **District**

### **General Fund**

Transportation	\$ (1,636)
Nonmajor Funds	
Title I Migrant Children Education	\$ (390)
Schools in Need of Improvement	(30,757)
Capital Improvements SB-9 State	(76,633)
Total governmental funds	\$ (107,780)

- B. Excess of expenditures over appropriations. The District and Charter had no funds with excess of expenditures over appropriations for the year ended June 30, 2019.
- C. Designated cash appropriations in excess of available balance. The District and Charter had no designated cash appropriations in excess of available balances for the year ended June 30, 2019.

### **NOTE 14: CONCENTRATIONS**

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

### **NOTE 15: COMMITMENTS**

The District had a construction project ongoing as of the year ended June 30, 2019 that is to continue into the following fiscal year. The balance to complete the project is \$5,459,717.

### **NOTE 16: RESTRICTED NET POSITION**

The government-wide statement of net position reports \$16,155,649 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related restrictions for net position restricted for special revenue, debt service, and capital projects, see pages 46-47 and 112-117.

### **NOTE 17: SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2019, the date of the most recent balance sheet have been evaluated for possible adjustment to the financial statement or disclosures is November 15, 2019, which is the date on which the financial statements were issued. There was one event identified that required disclosure.

During July of 2019, the Roswell Independent School District contracted to remove, replace and dispose of Wool Bowl Football Stadium artificial playing surface field turf (i.e., reviewed, approved and listed 2018-2019 Fixed Assets of Real Property of the School District) through vendor services agreement and approved purchase order. The District's approved Wool Bowl Football Stadium track and field surface replacement services vendor reportedly removed and provided rolled artificial playing surface field turf to the possession of community members and passers-by, which included key administrative personnel of the District, from the Wool Bowl Stadium job site's parking area. On August 14, 2019, the District self-reported the described non-compliance incident concerning its existing procedures, policies and the state's statutes relating to the proper disposal and disposition of fixed assets, to its independent public accountants concerned with annual financial audit, the Office of the State Auditor of New Mexico and its School Board, in accordance with Section 12-6-6 NMSA 1978 and the state's audit rule.

Additionally, certain portions of the total 97,500 square feet of removed, replaced and distributed Wool Bowl Stadium artificial turf were properly recorded and transferred, as demonstrated by recorded school district work order, to the District's secure obsolete inventory auction facility, area high schools and by District Maintenance Department delivery of approved, reported and accepted donation of real property, maintaining an agreed to fair market value of \$1 per square foot, or less than \$5,000 in total value, to other New Mexico educational institutions, as of September 11, 2019.

### **NOTE 18: SUBSEQUENT PRONOUNCEMENTS**

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

### **NOTE 18: SUBSEQUENT PRONOUNCEMENTS (Continued)**

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

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

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

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, was issued. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

**Required Supplementary Information** 

## Roswell Independent School District No. 4 Schedule of Proportionate Share of the Net Pension Liability Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years\*

Primary Government	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
Roswell Independent School District No. 4's proportion		
of the net pension liability (asset)	1.74110%	1.74726%
Roswell Independent School District No. 4's proportionate share of the net pension liability (asset)  Roswell Independent School District No. 4's covered payroll	\$ 205,019,624 \$ 48,187,766	\$ 194,181,183 \$ 49,706,365
Roswell Independent School District No. 4's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	425%	391%
Plan fiduciary net position as a percentage of the total pension liability	52.17%	52.95%

<sup>\*</sup> 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, Roswell Independent School District No. 4 and Charter School Sidney Gutierrez will present information for those years for which information is available.

2015 Measurement Date (As of and for ne Year Ended une 30, 2014)	th	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2017 Measurement Date (As of and for the Year Ended June 30, 2016)
1.69934%		1.69413%	1.69377%
96,959,771	\$	109,733,312	\$ 121,891,033
46,835,547	\$	48,088,200	\$ 46,255,176
207%		228%	264%
66.54%		63.97%	61.58%

## Roswell Independent School District No. 4 Schedule of Proportionate Share of the Net Pension Liability Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years\*

Component Unit	(,	2019 Ileasurement Date As of and for E Year Ended Ine 30, 2018)	ent Measuremente Defor (As of and ed the Year En	
Charter School - Sidney Gutierrez's proportion				
of the net pension liability (asset)		0.01249%		0.01397%
Charter School - Sidney Gutierrez's proportionate share of the net pension liability (asset)	\$	1,485,227	\$	1,552,552
Charter School - Sidney Gutierrez's covered payroll	\$	349,037	\$	397,882
Charter School - Sidney Gutierrez's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		426%		390%
Plan fiduciary net position as a percentage of the total pension liability		52.17%		52.95%

<sup>\*</sup> 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, Roswell Independent School District No. 4 and Charter School Sidney Gutierrez will present information for those years for which information is available.

2015		2016	201		
Measurement	N	Measurement Date		leasurement	M
Date				Date	
(As of and for	(,	As of and for	(,	As of and for	(/
ne Year Ended	the	Year Ended	the	e Year Ended	the
une 30, 2014)	Ju	ne 30, 2015)	Ju	ne 30, 2016)	Ju
0.01126%		0.01237%		0.01223%	
642,457	\$	801,238	\$	880,124	\$
310,302	\$	351,514	\$	337,741	\$
207%		228%		261%	
66.54%		63.97%		61.58%	

## Roswell Independent School District No. 4 Schedule of Contributions Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years\*

Primary Government	As of and for the Year Ended June 30, 2019			As of and for ne Year Ended June 30, 2018
Contractually required contribution	\$	7,450,410	\$	6,695,714
Contributions in relation to the contractually required contributions		7,450,410		6,695,714
Contribution deficiency (excess)	\$	-	\$	
Roswell Independent School District No. 4 covered payroll	\$	53,716,889	\$	48,187,766
Contribution as a percentage of covered payroll		13.87%		13.90%

<sup>\*</sup> 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, Roswell Independent School District No. 4 and Charter School Sydney Gutierrez will present information for those years for which information is available.

th	As of and for ne Year Ended	th	As of and for ne Year Ended	th	As of and for ne Year Ended
	June 30, 2017		June 30, 2016		June 30, 2015
\$	6,908,542	\$	6,429,469	\$	6,684,260
	6,908,542		6,429,469		6,684,260
\$	-	\$	-	\$	
\$	49,706,365	\$	46,255,176	\$	48,088,200
	13.90%		13.90%		13.90%

## Roswell Independent School District No. 4 Schedule of Contributions Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years\*

Component Unit	the	s of and for Year Ended ne 30, 2019	As of and fo the Year Ende June 30, 201		
Contractually required contribution	\$	50,251	\$	48,517	
Contributions in relation to the contractually required contributions		50,251		48,517	
Contribution deficiency (excess)	\$	-	\$		
Charter School - Sidney Gutierrez covered payroll	\$	361,513	\$	349,037	
Contribution as a percentage of covered payroll		13.90%		13.90%	

<sup>\*</sup> 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, Roswell Independent School District No. 4 and Charter School Sydney Gutierrez will present information for those years for which information is available.

the	As of and for Year Ended	th	As of and for e Year Ended	the	As of and for Year Ended
	ıne 30, 2017	J	une 30, 2016	JI	une 30, 2015
\$	55,306	\$	46,946	\$	48,861
	55,306		46,946		48,861
\$	-	\$	-	\$	_
\$	397,882	\$	337,741	\$	351,514
	13.90%		13.90%		13.90%

# Roswell Independent School District No. 4 Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Act Plan New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years\*

	th	2019 Measurement Date (As of and for the Year Ended	tŀ	2018 Measurement Date (As of and for ne Year Ended
Primary Government	J	une 30, 2018)	J	une 30, 2017)
Roswell Independent School District No. 4's proportion of the net OPEB liability		1.12843%		1.15911%
Roswell Independent School District No. 4's proportionate share of the net OPEB liability	\$	49,068,140	\$	52,527,075
Roswell Independent School District No. 4's covered- employee payroll	\$	48,184,274	\$	49,811,566
Roswell Independent School District No. 4's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		101.83%		105.45%
Plan fiduciary net position as a percentage of the total OPEB liability		13.14%		11.34%

<sup>\*</sup> 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, Roswell Independent School District No. 4 will present information for those years for which information is available.

# Roswell Independent School District No. 4 Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Act Plan New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years\*

Component Unit	( <i>I</i>	2019 easurement Date As of and for Year Ended ne 30, 2018)	tŀ	2018 Weasurement Date (As of and for ne Year Ended une 30, 2017)
Charter School - Sidney Gutierrez's proportion of the net OPEB liability		0.00817%		0.00927%
Charter School - Sidney Gutierrez's proportionate share of the net OPEB liability	\$	355,261	\$	420,086
Charter School - Sidney Gutierrez's covered-employee payroll	\$	349,037	\$	397,882
Charter School - Sidney Gutierrez's proportionate share of the net OPEB liability as a percentage of its covered- employee payroll		101.78%		105.58%
Plan fiduciary net position as a percentage of the total OPEB liability		13.14%		11.34%

<sup>\*</sup> 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, Charter School - Sidney Gutierrez will present information for those years for which information is available.

## Roswell Independent School District No. 4 Schedule of Employer Contributions New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years\*

Primary Government	As of and for the Year Ended June 30, 2019			As of and for ne Year Ended June 30, 2018
Contractually required contributions	\$	1,040,451	\$	962,487
Contributions in relation to the contractually required contribution		(1,040,451)		(962,487)
Contribution deficiency (excess)	\$	-	\$	
Roswell Independent School District No. 4's covered- employee payroll	\$	53,713,135	\$	48,184,274
Contributions as a percentage of covered-employee payroll		2.00%		2.00%

<sup>\*</sup> 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, Roswell Independent School District No. 4 will present information for those years for which information is available.

## Roswell Independent School District No. 4 Schedule of Employer Contributions New Mexico Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years\*

Component Unit	the	s of and for Year Ended ne 30, 2019	the	As of and for e Year Ended une 30, 2018
Contractually required contributions	\$	7,231	\$	6,981
Contributions in relation to the contractually required contribution		(7,231)		(6,981)
Contribution deficiency (excess)	\$	-	\$	
Charter School - Sidney Gutierrez's covered-employee payroll	\$	361,513	\$	349,037
Contributions as a percentage of covered-employee payroll		2.00%		2.00%

<sup>\*</sup> 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, Charter School - Sidney Gutierrez will present information for those years for which information is available.

## Roswell Independent School District No. 4 Notes to Required Supplementary Information June 30, 2019

### New Mexico Education Retirement Board (NMERB) Plan Notes

Changes of benefit terms.

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

Changes of assumptions.

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%.

### New Mexico Retiree Health Care Authority (NMRHCA) Plan Notes

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY18 audit available at

http://nmrhca.org/uploads/FileLinks/4310380076d642ecb015117ae3cdbae8/NMRHCA 2018 OPEB A llocation Audit.pdf

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2018 report is available at

http://www.nmrhca.org/uploads/FileLinks/4310380076d642ecb015117ae3cdbae8/5559596 NMRHC A GASB74 Report as of June 30 2018.pdf. See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2018 valuation.

**Supplementary Information** 

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**Nonmajor Governmental Funds** 

#### **SPECIAL REVENUE FUNDS**

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

**Food Service (21000)** – This fund is used to account for all financial transactions related to the food service operation. Authority for the creation of this fund is the National School Lunch Act, as amended, 42 U.S.C. 1751 1760, 1779.

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

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

**IDEA-B Preschool (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all disabled children from ages three to five. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is the Individuals with Disabilities Education Act (IDEA), Part B, Section 619, as amended, 20 U.S.C. 1419.

**Education of Homeless (24113)** – To provide tutoring and remedial academic services to homeless children and youth within the District. Funding is by the McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

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

#### **SPECIAL REVENUE FUNDS (Continued)**

Center for Disease Control's Healthy Schools Program (24130) – This program supports evidence-based strategies and activities to reduce the risk of children and adolescents developing chronic disease in the future, manage chronic conditions prevalent in student populations (asthma, diabetes, epilepsy, food allergies, oral health) and improve academic success. Long-term outcomes include: (1) increasing the number of students who consume nutritious food and beverages, (2) increasing the number of students who participate in daily physical activity, and (3) reducing chronic health issues among students and improving health outcomes in schools. This program is authorized under sections 301(a) and 317(k)(2) of the Public Health Services Act.

**Technical Education Act of 1998 (24145)** – The Carl D. Perkins Vocational—Technical Education Act Amendments of 1998 (Public Law 105–332) was signed into law on October 31, 1998. This legislation restructures and reforms programs previously authorized by the Carl D. Perkins Vocational and Applied Technology Education Act, setting out a new vision of vocational and technical education for the 21st century. Authority for the creation of this fund is P.L. 105-332

**English Language Acquisition (24153)** — To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. Authority for creation of this fund is the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101, 3129.

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

**Rural and Low Income Schools (24160)** – To account for funds used to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Immigrant Funding - Title III (24163) — The objective of this grant is to help ensure that English learners (ELs), including immigrant children and youth, attain English proficiency and meet the same challenging State academic standards that all children are expected to meet. Authority for creation of this fund is Elementary and Secondary Education Act of 1965 (ESEA), as amended, Title III, Part A, Sections 3101-3131.

Carl D Perkins Cluster (24174 – Carl Perkins Secondary) (24175 Carl D Perkins Secondary - Carryover) (24176 – Carl Perkins Secondary – Redistribution) (24181 - Carl Perkins HSTW - PY Unliq. Obligations) – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

#### **SPECIAL REVENUE FUNDS (Continued)**

**Student Support and Academic Enrichment (24189)** — To support well-rounded education opportunities, safe and health students and effective use of technology (ESEA sections 4107, 4108 and 419). Funding is by the US Department of Education, Title IV — Student Support and Academic Enrichment Grants.

**Direct Student Services (24193)** – The purpose of this grant award is to help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most atrisk of failing, to meet challenging State academic standards. Authority for creation of this fund is Elementary and Secondary Education Act of 1965 (ESEA), as amended, Title I, Part A, 20 US Code 6301 et seq.

**Title XIX Medicaid (25153)** — This fund is used to account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for the creation of this fund is the Social Security Act, Title XIX.

**PNM Foundation, Inc. (26123)** – To account for fund to provide competitive funds applied for by teachers for their classes. This grant will be expended for the state purpose of the project only, in compliance with the policies and guidelines of PNM Foundation. The authority for creation of this fund is the New Mexico Public Education Department.

Daniels Funds (26141) — To explore how early childhood education can be enhanced in Dona Ana County so that more children have access to high quality early childhood education. More specifically, to explore how partner organization's services in early childhood education can be aligned, expanded and/or become more accessible throughout Dona Ana County. Develop a cadre of "parent educators" who facilitate First Teacher or Abriendo Puertas with a common knowledge curriculum to enhance early childhood education throughout the county, and to improve "Workforce Development for Early Childhood Education."

A+ for Energy (26179) – To account for funding based on winning proposals/applications submitted by classroom teachers in order to provide innovative and motivating experiences to deepen children's knowledge about energy conservation. The authority for creation of this fund is the authorization of the District's Board of Education and the New Mexico Public Education Department.

**Dual Credit Instructional Materials HB2 (27103)** – SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. The authority for creation of this fund is the New Mexico Public Education Department.

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

#### **SPECIAL REVENUE FUNDS (Continued)**

**Automated Text Messaging System (27124)** – The purpose of this grant award is to provide opportunities for streamlined communication with parents of high school students related to upcoming tests and absences. The funding was made available through a non-recurring appropriation passed during the 2018 legislative session.

**Excellence in Teaching (27125)** – The purpose of this grant is to be solely for the Excellence in teaching salary supplements. These salary supplements are \$5,000 or \$10,000 per teacher and may only be awarded to teachers who have met the award criteria. The funding made available through legislative appropriations.

Truancy Initiative PED (27141) – To account for grant that is divided into two sections: School Based Law Enforcement and School-Based Family Center. Surveillance cameras were purchased and installed at the high school and Phoenix Program. The purpose was to provide staff training in truancy prevention and strategies to deal with students to improve school attendance. Resources were also available to assist families in developing strategies to improve their children's school attendance. Funding was provided by the School Health Unit of the State of New Mexico. Authority for the creation of this fund is the New Mexico Public Education Department.

**Pre-k Initiative (27149)** – To account for funds received to prepare children for success in school, begin to close the achievement gap between students, and help meet the vision of a seamless education system — Pre-Kindergarten through higher education. Authority for the creation of this fund is the New Mexico Public Education Department.

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

**Schools in Need of Improvement (27163)** – The purpose of this program is to provide additional math or reading class instruction for students who are not proficient on the New Mexico Standards Based Assessment. Authority for creation of this fund is the authority of the New Mexico Public Education Department.

**Kindergarten Three Plus (27166)** – Funds allows for an extended school year for Kindergarten through third grade students. The program focuses on acclimating young students to the structure of a classroom environment and spending additional time to prepare them for the next grade. Authority for the creation of this fund is the New Mexico Public Education Department.

**NM Grown FFV (27183)** – These funds are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Authority for creation of this fund is House Bill 2, General Appropriations as of 2013.

#### **SPECIAL REVENUE FUNDS (Continued)**

**K-3 Plus 4 & 5 Pilot (27198)** – The purpose this program is to provide funding for additional educational time for students in kindergarten through third grade with at least 25 instructional days, beginning up two months earlier than the regular school year.

**Early Intervention CYFD (28108)** – The purpose of this program is to provide funds to daycare for high school students with children. The fund was created by state grant provisions.

ASSIST Tobacco DOH (28122) – To account for monies received from the State of New Mexico to be used for the implementation of prevention and intervention programs for student use of tobacco, including professional development for teachers. Funding was provided by the New Mexico State Department of Health. Authority for creation of this fund is in the New Mexico Public Education Department's School District Policies and Procedures Manual.

**Coordinated Approach to Child Health (28140)** – The purpose of this grant is to fund a research-based physical activity and nutrition diabetes prevention program for elementary school children in the Roswell Independent Public Schools. Authority for creation of this fund is Federal Law Section 204 of the Child Nutrition and WIC Reauthorization Act of 2004.

**Medicaid HSD (28144)** – The purpose of this fund is to account for funding originating from insurance claim receipts that are generated from the services provided by the District's School Based Health Care (SBHC) program and facilitates and are then used to provide additional operational, administrative and facilities support to the District's SBHC program. Authority for creation of this fund is Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.) and the authorization of the New Mexico Public Education Department.

**GRADS Child Care (28189)** – The purpose of this program is to provide federal funds to be used exclusively for salary and fringes for the GRADS Teacher. The GRADS Teachers are teaching in the University High School Graduation Reality and Dual Role Skills Program. They are to teach no more than one related health or family and consumer sciences course in addition to the GRADS classes. Authority for creation of this fund is in the Child Abuse Prevention and Treatment Act, 42 USC 5116 et seq., as amended, Public Law 108-36.

**GRADS - Instruction (28190)** – To assist in the cost for caps and gowns for students who are graduating. Authority for the creation of this fund is the New Mexico Public Education Department.

**Grad Plus (28203)** – To account for a program as an instructional component for teenage parents to be used for summer case management and GRADS case management period. Special Revenue fund established by the local school board.

**Private Direct Grant (29102)** – To account for funds provided through Optum Health New Mexico to provide services to the students with behavioral health issues. This fund was created through the provisions of the grant.

#### **SPECIAL REVENUE FUNDS (Continued)**

**School Based Health Centers (29130)** – To account for funds administered by the Department of Health and Luna County in support of providing Primary Care and Mental Health Service on school campus. Fund established by the local school board.

**Industrial Revenue Bonds Payment In Lieu of Taxes (29135)** — Funds received from two energy companies a Solar Facility located in the District. Funds are for text book and construction services. Authority for creation of this fund is the New Mexico Public Education Department.

#### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for acquisition and construction of major facilities other than those financed by proprietary funds and trust funds.

**Public School Capital Outlay Fund (31200)** is used to account for the Public Schools Capital Outlay Council's (PSCOC) revenues and expenditures related to the donation of capital assets.

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

**The Capital Improvements SB-9 – Local (31701) –** To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

# Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

### **Special Revenue**

	Fo	ood Services 21000		Athletics 22000	Tit	tle I Migrant Children Education 24103
Assets						
Cash and cash equivalents	\$	4,351,083	\$	1,319,737	\$	3,979
Receivables:						
Property taxes		-		-		-
Due from other governments		557,133		375		4,684
Inventory		228,658		-		-
Prepaid expense		-		-		-
Total assets	\$	5,136,874	\$	1,320,112	\$	8,663
Liabilities						
Accounts payable	\$	35,940	\$	201,498	\$	_
Accrued payroll	,	237,151	•	-	•	53
Due to other funds		-		_		9,000
Total liabilities		273,091		201,498		9,053
Deferred inflows of resources						
Unavailable revenue - property taxes		-		-		-
Total deferred inflows of resources		-		-		-
Fund balances						
Nonspendable						
Inventory		228,658		-		-
Prepaid expense		-		-		-
Spendable						
Restricted for:						
Food services		4,635,125		-		-
Extracurricular activities		-		1,118,614		-
Education		-		-		-
Capital acquisitions and improvements		-		-		-
Unassigned		-		-		(390)
Total fund balances		4,863,783		1,118,614		(390)
Total liabilities, deferred inflows of						
resources, and fund balances	\$	5,136,874	\$	1,320,112	\$	8,663

	Preschool IDEA-B 24109		Education of Homeless 24113	Sc	Private hools Share IDEA-B 24115		Title III-A 24130	Ec	Technical ducation Act of 1998 24145		English Language Acquisition 24153
\$	14,368	\$	6,447	\$	2,545	\$	973	\$	21,046	\$	4,057
	-		-		-		-		-		-
	38,129		1,053		11,480		4,030		473		45,943
	-		-		-		-		-		-
	-		-		-		-		68,745		
\$	52,497	\$	7,500	\$	14,025	\$	5,003	\$	90,264	\$	50,000
\$	_	\$	_	\$	_	\$	_	\$	_	\$	_
,	3,593	,	-	,	-	т	-	,	10,264	,	-
	40,000		7,500		14,025		5,003		80,000		50,000
	43,593		7,500		14,025		5,003		90,264		50,000
	-		-		-		-		-		
	-		-		-		-		-		
	_		_		_		_		_		_
	-		-		_		-		68,745		-
									·		
	-		-		-		-		-		-
	- 0.004		-		-		-		-		-
	8,904		-		-		-		-		-
	-		-		-		-		- (68,745)		-
	8,904								-		
\$	52,497	\$	7,500	\$	14,025	\$	5,003	\$	90,264	\$	50,000

# Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

		Spe	cial Revenue		
	Teacher/ Principal Training & Recruiting 24154	Ru	ral and Low Income Schools 24160	Fi	Immigrant unding Title III 24163
Assets					
Cash and cash equivalents Receivables:	\$ 1	\$	5,171	\$	6,520
Property taxes  Due from other governments	- 355,904		- 49,429		63,538
Inventory Prepaid expense	- 11,687		-		-
Total assets	\$ 367,592	\$	54,600	\$	70,058
Liabilities					
Accounts payable	\$ -	\$	-	\$	2,148
Accrued payroll	36,024		-		-
Due to other funds	331,333		54,600		67,910
Total liabilities	367,357		54,600		70,058
Deferred inflows of resources Unavailable revenue - property taxes	-		-		-
Total deferred inflows of resources	-		-		-
Fund balances Nonspendable					
Inventory	-		-		-
Prepaid expense	11,687		-		-
Spendable					
Restricted for:					
Food services	-		-		-
Extracurricular activities	-		-		-
Education	-		-		-
Capital acquisitions and improvements	- (11 453)		-		-
Unassigned Total fund balances	(11,452) 235		-		
	233		-		
Total liabilities, deferred inflows of					
resources, and fund balances	\$ 367,592	\$	54,600	\$	70,058

	Carl Perkins Secondary 24174		Carl Perkins Secondary Carrover 24175	Re	Carl Perkins Secondary - edistribution 24176		Carl Perkins HSTW - PY Unliq. Obligations 24181		Student Support & Academic Enrichment 24189	Di	rect Student Services 24193
\$	1,482	\$	-	\$	-	\$	-	\$	12,261	\$	1,961
	_		_		_		_		_		_
	67,658		-		4,395		-		120,388		31,811
	-		-		- 2.457		-		-		2 202
	60.140	۲	-	۲	2,457	۲	-	۲	122.640	۲	2,292
\$	69,140	Ş		\$	6,852	\$		\$	132,649	Ş	36,064
\$	_	\$	_	\$	_	\$	_	\$	2,929	\$	_
Υ	4,122	~	-	Υ	-	۲	-	Ψ	5,420	۲	7,889
	65,018		-		6,852		-		124,300		28,175
	69,140		-		6,852		-		132,649		36,064
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		2.457		-		-		2 202
	-		-		2,457		-		-		2,292
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		(2,292)
	-		-		- (2,457)		-		-		-
			<u> </u>		- (2,437)		<u> </u>				<u>-</u> _
\$	69,140	\$	-	\$	6,852	\$	-	\$	132,649	\$	36,064

# Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

### **Special Revenue**

		Title XIX Medicaid	Fondatio	PNM on. Inc.	D	aniels Fund
		25153		26123		26141
Assets						
Cash and cash equivalents	\$	2,274,557	\$	505	\$	200,000
Receivables:						
Property taxes		-		-		-
Due from other governments		251,033		-		-
Inventory		-		-		-
Prepaid expense		4,320		-		-
Total assets	\$	2,529,910	\$	505	\$	200,000
Liabilities						
Accounts payable	\$	4,364	\$	_	\$	_
Accrued payroll	,	70,386	•	_	,	_
Due to other funds		-		_		_
Total liabilities		74,750		-		-
Deferred inflows of resources						
Unavailable revenue - property taxes		-		-		-
Total deferred inflows of resources		-		-		-
Fund balances						
Nonspendable						
Inventory		-		-		-
Prepaid expense		4,320		-		-
Spendable						
Restricted for:						
Food services		-		-		-
Extracurricular activities		-		-		-
Education		2,450,840		505		200,000
Capital acquisitions and improvements		-		-		-
Unassigned		-		-		
Total fund balances		2,455,160		505		200,000
Total liabilities, deferred inflows of						
resources, and fund balances	\$	2,529,910	\$	505	\$	200,000

A	+ for Energy 26179	Dual Credit Instructional Materials HB2 27103	2012 GO Bond Student Library 27107	Text Messaging	Teaching	•
\$	2,181	\$ -	\$ -	\$ -	\$ -	\$ 961
	-	-	- 81,051	- 2,648	- 26,913	-
	-	-	-	-	-	-
\$	2,181	\$ -	\$ 81,051	\$ 2,648	\$ 26,913	\$ 961
\$	_	\$ -	\$ -	\$ -	\$ -	\$ -
,	_	-	-	-	-	-
	-	-	81,051	2,648	26,912	-
	-	-	81,051	2,648	26,912	-
	-	-	-	-	-	
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,181	-	-	-	1	961
_	- 	<u> </u>	- 	-	-	<u> </u>
	2,181	-	-	-	1	961
\$	2,181	\$ -	\$ 81,051	\$ 2,648	\$ 26,913	\$ 961

# Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

### **Special Revenue**

	Pre	e-K Initiative 27149	Breakfast for Elementary Students 27155	In	Schools in Need of approvement 27163
Assets					
Cash and cash equivalents	\$	6	\$ 3,870	\$	-
Receivables:					
Property taxes		-	-		-
Due from other governments		1,316,696	2,452		-
Inventory		-	-		-
Prepaid expense		-	-		
Total assets	\$	1,316,702	\$ 6,322	\$	
Liabilities					
Accounts payable	\$	_	\$ -	\$	-
Accrued payroll		131,576	-		-
Due to other funds		1,185,126	6,322		30,757
Total liabilities		1,316,702	6,322		30,757
Deferred inflows of resources					
Unavailable revenue - property taxes		-	-		
Total deferred inflows of resources		-	-		-
Fund balances					
Nonspendable					
Inventory		-	-		-
Prepaid expense		-	-		-
Spendable					
Restricted for:					
Food services		-	-		-
Extracurricular activities		-	-		-
Education		-	-		-
Capital acquisitions and improvements		-	-		-
Unassigned		-	-		(30,757)
Total fund balances		-	-		(30,757)
Total liabilities, deferred inflows of					
resources, and fund balances	\$	1,316,702	\$ 6,322	\$	

Kir	ndergarten- Three Plus 27166	rown FFV 27183	4	K-3 Plus and 5 Pilot 27198	Early Intervention CYFD 28108	т	ASSIST obacco DOH 28122	Coordinated Approach to Child Health 28140
\$	-	\$ -	\$	-	\$ 6,418	\$	578	\$ 1,542
	- 263,062	-		- 61,527	- 3,720		-	-
	-	-		-	-		-	-
\$	263,062	\$ -	\$	61,527	\$ 10,138	\$	578	\$ 1,542
\$	_	\$ -	\$	_	\$ _	\$	_	\$ _
	56,272	-		13,661	1,919		-	-
	206,790	-		47,865	-		-	-
	263,062	-		61,526	1,919		-	-
	-	-		-	-		-	
	-	-		-	-		-	-
	-	-		- -	-		- -	- -
	-	-		-	-		-	-
	-	-		1	8,219		578	1,542
	-	-		-	-		-	-
	-	-		-	-		-	
	-	-		1	8,219		578	1,542
\$	263,062	\$ -	\$	61,527	\$ 10,138	\$	578	\$ 1,542

# Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

### **Special Revenue**

	Med	licaid HSD 28144	GRADS Childcare 28189	GRADS - Instruction 28190
Assets				
Cash and cash equivalents	\$	1,558	\$ -	\$ -
Receivables:				
Property taxes		-	-	-
Due from other governments		-	-	-
Inventory		-	-	-
Prepaid expense		-	-	-
Total assets	\$	1,558	\$ _	\$ _
Liabilities				
Accounts payable	\$	-	\$ -	\$ -
Accrued payroll		-	-	-
Due to other funds		-	-	-
Total liabilities		-	-	-
Deferred inflows of resources				
Unavailable revenue - property taxes		-	-	-
Total deferred inflows of resources		-	-	-
Fund balances				
Nonspendable				
Inventory		-	-	-
Prepaid expense		-	-	-
Spendable				
Restricted for:				
Food services		-	-	-
Extracurricular activities		-	-	-
Education		1,558	-	-
Capital acquisitions and improvements		-	-	-
Unassigned		-	-	-
Total fund balances		1,558	_	-
Total liabilities, deferred inflows of				 
resources, and fund balances	\$	1,558	\$ -	\$ -

		Special F	Rev	enue		 Capital	Proj	ects
Grad Plus 28203	Pri	ivate Direct Grants 29102		chool Based ealth Center 29130	Industrial Revenue Bonds Payment In Lieu of Taxes 29135	lic School al Outlay 31200	lm	Capital provements SB-9 State 31700
\$ -	\$	28,738	\$	65,792	\$ 88,437	\$ -	\$	1
5,390 - -		- 400 - -		- - -	- - -	- - -		- 521,812 - -
\$ 5,390	\$	29,138	\$	65,792	\$ 88,437	\$ -	\$	521,813
\$ -	\$	-	\$	-	\$ -	\$ -	\$	14,765 -
5,390		-		_	-	-		583,681
5,390		-		-	-	-		598,446
<u>-</u>		-		<u>-</u>	-	-		<u>-</u>
- -		-		- -	-	-		-
-		-		-	-	-		-
-		29,138		65,792	88,437	-		-
-		-		-	-	-		-
 -		-				-		(76,633)
 -		29,138		65,792	88,437	-		(76,633)
\$ 5,390	\$	29,138	\$	65,792	\$ 88,437	\$ -	\$	521,813

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### Roswell Independent School District No. 4 Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

### **Capital Projects**

	lm	Capital provements SB-9 Local 31701		Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$	2,480,332	\$	10,907,107
Receivables:				
Property taxes		130,864		130,864
Due from other governments		-		3,893,127
Inventory		-		228,658
Prepaid expense		54		89,555
Total assets	\$	2,611,250	\$	15,249,311
Liabilities				
Accounts payable	\$	190,509	\$	452,153
Accrued payroll	·	, -	•	578,330
Due to other funds		-		3,060,258
Total liabilities		190,509		4,090,741
Deferred inflows of resources				
Unavailable revenue - property taxes		91,991		91,991
Total deferred inflows of resources		91,991		91,991
Fund balances				
Nonspendable				
Inventory		-		228,658
Prepaid expense		54		89,555
Spendable				
Restricted for:				
Food services		-		4,635,125
Extracurricular activities		-		1,118,614
Education		-		2,856,365
Capital acquisitions and improvements		2,328,696		2,328,696
Unassigned		-		(190,434)
Total fund balances		2,328,750		11,066,579
Total liabilities, deferred inflows of				
resources, and fund balances	\$	2,611,250	\$	15,249,311

### Roswell Independent School District No. 4 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

Special	Revenue
---------	---------

	Fo	ood Services 21000	Athletics 22000	Tit	le I Migrant Children Education 24103
Revenues					
Property taxes	\$	-	\$ -	\$	-
Oil and gas taxes		-	-		-
Intergovernmental revenue:					
Federal flowthrough		6,524,198	-		14,772
Federal direct		-	-		-
Local sources		-	-		-
State flowthrough		-	-		-
State direct		-	-		-
Charges for services		303,758	297,549		-
Investment income		63,702	19,196		_
Total revenues		6,891,658	316,745		14,772
Expenditures					
Current:					
Instruction		-	115,447		7,703
Support services - students		-	-		4,273
Support services - instruction		-	-		-
Support services - general administration		242,503	-		538
Support services - school administration		-	-		430
Central services		-	-		2,218
Student transportation		-	-		-
Food services operations		6,560,521	-		-
Capital outlay		416,841	201,498		-
Total expenditures		7,219,865	316,945		15,162
Excess (deficiency) of revenues over expenditures		(328,207)	(200)		(390)
Net change in fund balances		(328,207)	(200)		(390)
Fund balances - beginning		5,191,990	1,118,814		-
Fund balances - ending	\$	4,863,783	\$ 1,118,614	\$	(390)

Preschool IDEA-B 24109	Education of Homeless 24113	Private Schools Share IDEA-B 24115	Title III-A 24130	Technical Education Act of 1998 24145	English Language Acquisition 24153
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
76,310	11,208	17,480	9,992	524,571	82,961
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
76,310	11,208	17,480	9,992	524,571	82,961
58,256	6,207	-	3,810	485,852	74,531
16,078	4,603	17,480	6,182	35,881	426
2,735	398	-	_	314	- 2,936
-	-	_	_	2,524	5,068
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	- 44 200	- 47.400	- 0.003	-	
 77,069	11,208	17,480	9,992	524,571	82,961
 (759)	-	-	-	-	
(759)	-	-	-	-	-
9,663	-	-	-	-	
\$ 8,904	\$ -	\$ -	\$ -	\$ -	\$ -

# Roswell Independent School District No. 4 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

	 !	Special Revenue	
	Teacher/ Principal Training & Recruiting 24154	Rural and Low Income Schools 24160	Immigrant Funding Title III 24163
Revenues			_
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
Intergovernmental revenue:			
Federal flowthrough	851,940	49,428	49,996
Federal direct	-	-	-
Local sources	-	-	-
State flowthrough	-	-	-
State direct	-	-	-
Charges for services	-	-	-
Investment income	-	-	
Total revenues	851,940	49,428	49,996
Expenditures			
Current:			
Instruction	766,635	49,428	49,996
Support services - students	11,092	-	-
Support services - instruction	-	-	-
Support services - general administration	30,821	_	-
Support services - school administration	43,392	_	-
Central services	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	-
Total expenditures	851,940	49,428	49,996
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning	235		
Fund balances - ending	\$ 235	\$ -	\$ -

Carl Perkins Secondary 24174	Carl Perkins Secondar Carrover 24175	Re	Carl Perkins Secondary - edistribution 24176	Carl Perkins HSTW - PY Unliq. Obligations 24181	Student Support and Academic Enrichment 24189	Dir	ect Student Services 24193
\$ -	\$ -	\$	-	\$ -	\$ -	\$	-
-	-		-	-	-		-
131,215	20,967		25,416	3,624	299,822		81,576
-	-		-	-	-		-
-	-		-	-	-		-
-	-		-	-	-		-
-	-		-	-	-		-
-	-		-	-	-		-
131,215	20,967		25,416	3,624	299,822		81,576
75,848	15,123		22,924	3,624	27,712		79,878
46,657	-		1,042	-	260,535		-
2 251	-		-	-	173		1 6 4 4
3,351 5,359	- 5,844		- 1,450	-	10,538 864		1,644
-	-			-	-		-
-	-		-	-	-		54
-	-		-	-	-		-
-	-		-	-	-		-
 131,215	20,967		25,416	3,624	299,822		81,576
 -	-		-	-	-		-
-	-		-	-	-		-
-	-		-	-	-		
\$ -	\$ -	\$	-	\$ -	\$ -	\$	

### Roswell Independent School District No. 4 Expenditures, and Changes in Fund Balances

**Special Revenue** 

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

		Spi	Special Revenue						
	Title XIX Medicaid 25153		PNM Foundation, Inc. 26123	Daniels Fund 26141					
Revenues									
Property taxes	\$ -	\$	- !	\$ -					
Oil and gas taxes	-		-	-					
Intergovernmental revenue:									
Federal flowthrough	-		-	_					
Federal direct	1,713,806		-	-					
Local sources	-		-	200,000					
State flowthrough	-		-	_					
State direct	-		-	-					
Charges for services	-		-	_					
Investment income	27,499		-	_					
Total revenues	1,741,305		-	200,000					
Expenditures									
Current:									
Instruction	7,784		-	-					
Support services - students	899,969		-	-					
Support services - instruction	247		-	-					
Support services - general administration	-		-	-					
Support services - school administration	46,227		-	-					
Central services	-		-	-					
Student transportation	-		-	-					
Food services operations	-		-	_					
Capital outlay	-		-	-					
Total expenditures	954,227		-	-					
Excess (deficiency) of revenues over expenditures	787,078		-	200,000					
Net change in fund balances	787,078		-	200,000					
Fund balances - beginning	1,668,082		505						
Fund balances - ending	\$ 2,455,160	\$	505	\$ 200,000					

A+ fo	r Energy 26179	Dual Credit Instructional Materials HB2 27103	2012 GO Bond Student Library 27107	Automated Text Messaging System 27124	Excellence in Teaching Award 27125	Truancy Initiative PED
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	35,589	81,051	2,648	366,011	-
	-	-	-	-	-	-
	-	-	-	-	-	-
		35,589	81,051	2,648	366,011	
	-	35,589	-	-	339,097	-
	-	-	- 04.054	-	-	-
	-	-	81,051	-	-	-
	-	-	-	-	-	-
	-	-	-	2,648	26,913	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	
	-	35,589	81,051	2,648	366,010	
	-	-	-	-	1	
	-	-	-	-	1	-
	2,181	-	-	-	-	961
\$	2,181	\$ -	\$ -	\$ -	\$ 1	\$ 961

### Roswell Independent School District No. 4

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

		,	Special Revenue	:
		Pre-K Initiative 27149	Breakfast for Elementary Students 27155	Improvement
Revenues				
Property taxes	\$	_	\$ -	\$ -
Oil and gas taxes	·	_	<i>.</i> -	-
Intergovernmental revenue:				
Federal flowthrough		-	-	-
Federal direct		-	-	-
Local sources		-	-	-
State flowthrough		2,561,447	154,110	-
State direct		-	-	-
Charges for services		-	-	-
Investment income		-	-	-
Total revenues		2,561,447	154,110	-
Expenditures				
Current:				
Instruction		2,035,574	-	-
Support services - students		128,195	-	-
Support services - instruction		197	-	-
Support services - general administration		22,389	-	-
Support services - school administration		1,432	-	-
Central services		-	-	-
Student transportation		73,538	-	-
Food services operations		-	154,110	-
Capital outlay		300,122	-	-
Total expenditures		2,561,447	154,110	-
Excess (deficiency) of revenues over expenditures		-	-	
Net change in fund balances		-	-	-
Fund balances - beginning		-	-	(30,757)
Fund balances - ending	\$	-	\$ -	\$ (30,757)

Ki	ndergarten- Three Plus 27166	NM Grown FFV 27183	K 3 Plus 4 & 5 Pilot 27198	Early Intervention CYFD 28108	ASSIST Tobacco DOH 28122	Coordinated Approach to Child Health 28140
	27100	2,103	27130	20100	20122	20140
\$	-	\$ - -	\$ - -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	- 24 750	-	-	-	-
	1,314,108	21,750	505,405	-	-	-
	_	_	_	38,844	_	_
		_	_	_	_	_
	1,314,108	21,750	505,405	38,844	-	_
	1,126,970 27,241	-	499,197 4,204	32,546 -	-	- -
	15,449	_	-,20-	_	_	_
	-	_	_	_	_	_
	130,804	-	-	-	-	_
	-	-	-	-	-	-
	13,644	-	2,003	-	-	-
	-	21,750	-	-	-	-
	-	-	-	-	-	_
	1,314,108	21,750	505,404	32,546	-	
	-	-	1	6,298	-	
	-	-	1	6,298	-	-
	-	-	-	1,921	578	1,542
\$	-	\$ -	\$ 1	\$ 8,219	\$ 578	\$ 1,542

### **Roswell Independent School District No. 4**

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

### **Special Revenue**

			GRADS	GRADS -
	Med	icaid HSD	Childcare	Instruction
		28144	28189	28190
Revenues				-
Property taxes	\$	-	\$ - \$	-
Oil and gas taxes		-	-	-
Intergovernmental revenue:				
Federal flowthrough		-	-	-
Federal direct		-	-	-
Local sources		-	-	-
State flowthrough		-	-	-
State direct		-	1,500	2,500
Charges for services		-	-	-
Investment income		23	-	
Total revenues		23	1,500	2,500
Expenditures				
Current:				
Instruction		-	1,500	2,500
Support services - students		-	-	-
Support services - instruction		-	-	-
Support services - general administration		-	-	-
Support services - school administration		-	-	-
Central services		-	-	-
Student transportation		-	-	-
Food services operations		-	-	-
Capital outlay		-	-	
Total expenditures		-	1,500	2,500
Excess (deficiency) of revenues over expenditures		23	-	_
Net change in fund balances		23	-	-
Fund balances - beginning		1,535	-	
Fund balances - ending	\$	1,558	\$ - \$	_

		Special F	Revenue		Capital	Projects
	Grad Plus 28203	Private Direct Grants 29102	School Based Health Center 29130	Industrial Revenue Bonds Payment In Lieu of Taxes 29135	Public School Capital Outlay 31200	Capital Improvements SB-9 State 31700
\$		\$ -	\$ -	\$ -	\$ -	\$ -
Ą	-	- -	- -	- -	- -	- -
	_	_	_	_	_	_
	_	-	-	-	-	-
	-	52,823	-	276,429	-	-
	-	-	-	-	979,272	578,880
	15,999	-	-	-	-	-
	-	-	-	-	-	-
	-	251	967	1,520	-	-
	15,999	53,074	967	277,949	979,272	578,880
	6,807	50,948	-	-	-	-
	9,030	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	264,740
	162	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	- 070 272	245 242
	15,999	50,948	<u>-</u>	772,522	979,272	345,343
	15,999	50,948	-	772,522	979,272	610,083
	-	2,126	967	(494,573)	-	(31,203)
	-	2,126	967	(494,573)	-	(31,203)
	-	27,012	64,825	583,010	-	(45,430)
\$		\$ 29,138	\$ 65,792	\$ 88,437	\$ -	\$ (76,633)

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# Roswell Independent School District No. 4 Page 6 of 6 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

### **Capital Projects**

	Capital Improvements SB-9 Local 31701			Total Nonmajor Governmental Funds		
Revenues				_		
Property taxes	\$	2,093,259	\$	2,093,259		
Oil and gas taxes		18,049		18,049		
Intergovernmental revenue:						
Federal flowthrough		-		8,775,476		
Federal direct		-		1,713,806		
Local sources		-		529,252		
State flowthrough		-		6,600,271		
State direct		-		58,843		
Charges for services		-		601,307		
Investment income		27,868		141,026		
Total revenues		2,139,176		20,531,289		
Expenditures Current:						
Instruction				5,981,486		
Support services - students		_		1,472,888		
Support services - instruction		_		97,117		
Support services - matraction  Support services - general administration		1,367,228		1,950,135		
Support services - school administration		1,307,220		243,556		
Central services		_		31,779		
Student transportation		_		89,239		
Food services operations		_		6,736,381		
Capital outlay		371,051		3,386,649		
Total expenditures		1,738,279		19,989,230		
·		1,730,273		13,303,230		
Excess (deficiency) of revenues over expenditures		400,897		542,059		
Net change in fund balances		400,897		542,059		
Fund balances - beginning		1,927,853		10,524,520		
Fund balances - ending	\$	2,328,750	\$	11,066,579		

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### **General Fund**

# Roswell Independent School District No. 4 Combining Balance Sheet General Fund June 30, 2019

			Instructional	I
	Operational	Transportation	Materials	
	11000	13000	14000	) Total
Assets				
Current assets				
Cash and cash equivalents		\$ -	\$ 489,726	\$ 12,485,578
Investments	1,105	-	-	1,105
Receivables:				
Property taxes	22,778	-	-	22,778
Other	542,551	-	24,666	567,217
Inventory	441,165	-	-	441,165
Prepaid expenses	136,598	-	-	136,598
Due from other funds	6,615,591			6,615,591
Total assets	\$ 19,755,640	\$ -	\$ 514,392	\$ 20,270,032
Liabilities, deferred inflows of resources	, and fund balance	es		
Liabilities				
Accounts payable	\$ 130,685	\$ 1,636	\$ -	\$ 132,321
Accrued payroll	4,894,161	-	_	4,894,161
Total liabilities	5,024,846	1,636	-	5,026,482
Deferred inflows of resources				
Unavailable revenue - property taxes	16,149	-	-	16,149
Total deferred inflows of resources	16,149	-	-	16,149
Fund balances				
Nonspendable:				
Inventory	441,165	-	_	441,165
Prepaid expense	136,598	-	-	136,598
Spendable:				
Restricted for:				
Instructional materials	-	-	514,392	514,392
Committed for:			•	•
Subsequent year's expenditures	5,459,717	-	-	5,459,717
Unassigned	8,677,165	(1,636)	) -	8,675,529
Total fund balances	14,714,645	(1,636)		15,227,401
Total liabilities, deferred inflows of				
resources, and fund balances	\$ 19,755,640	\$ -	\$ 514,392	\$ 20,270,032

## Roswell Independent School District No. 4 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund For the Year Ended June 30, 2019

	Operational	Transportation	Instructional Materials	
	11000	13000	14000	Total
Revenues			2.000	
Property taxes	\$ 388,620	\$ -	\$ -	\$ 388,620
Oil and gas taxes	4,540	-	· -	4,540
Intergovernmental revenues:				
Federal direct	514,087	-	-	514,087
Local sources	13,038	-	-	13,038
State flowthrough	72,659,572	-	362,268	73,021,840
State direct	46,577	-	-	46,577
Transportation distribution	-	3,010,758	-	3,010,758
Charges for services	32,596	-	-	32,596
Investment income	318,032	-	7,262	325,294
Miscellaneous	542,749	-	-	542,749
Total revenues	74,519,811	3,010,758	369,530	77,900,099
Expenditures				
Current:				
Instruction	45,665,819	-	133,398	45,799,217
Support services - students	8,187,831	-	, -	8,187,831
Support services - instruction	1,552,352	-	-	1,552,352
Support services - general				
administration	1,328,190	-	-	1,328,190
Support services - school				
administration	5,704,732	-	-	5,704,732
Central services	3,398,865	-	-	3,398,865
Operation and maintenance of plant	8,991,368	-	-	8,991,368
Student transportation	16,844	3,010,673	-	3,027,517
Other support services	8,102	-	-	8,102
Capital outlay	88,700	=	=	88,700
Total expenditures	74,942,803	3,010,673	133,398	78,086,874
Excess (deficiency) of revenues over				
expenditures	(422,992)	85	236,132	(186,775)
·	, , ,		•	, , ,
Other financing sources (uses)	200			200
Proceeds from sale of capital assets	309	-	-	309
Total other financing sources (uses)	309	-	-	309
Net change in fund balances	(422,683)	85	236,132	(186,466)
Fund balances - beginning	15,137,328	(1,721)	278,260	15,413,867
Fund balances - ending of year	\$ 14,714,645	\$ (1,636)	\$ 514,392	\$ 15,227,401

## Roswell Independent School District No. 4 Operational Fund (11000) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

**Variances** 

**Favorable** (Unfavorable) **Budgeted Amounts** Original Final **Final to Actual Actual** Revenues \$ 370,629 370,629 \$ 388,800 \$ Property taxes 18,171 Oil and gas taxes 4,831 4,831 5,005 174 Intergovernmental revenues: Federal direct 200,000 200,000 514,087 314,087 Local sources 12,079 12,079 State flowthrough 72,138,968 72,689,531 72,659,572 (29,959)State direct 24,081 24,081 134,795 158,876 Charges for services 30,000 30,000 32,096 2,096 130,000 130,000 Investment income 318,032 188,032 Miscellaneous 251,500 251,500 795,194 543,694 Total revenues 73,150,009 73,700,572 74,883,741 1,183,169 Expenditures Current: Instruction 46,485,237 51,893,899 45,762,491 6,131,408 Support services - students 6,941,798 10,313,380 8,196,913 2,116,467 Support services - instruction 1,341,849 2,492,140 1,464,385 1,027,755 Support services - general administration 1,387,121 2,419,621 1,336,148 1,083,473 Support services - school administration 4,628,773 7,268,857 5,704,038 1,564,819 Central services 2,608,235 3,483,067 3,364,121 118,946 Operation and maintenance of plant 9,985,302 9,437,420 9,012,716 424,704 Student transportation 16,844 16,844 9,000 898 Other support services 58,430 8,102 Capital outlay 85,500 154,705 88,700 66,005 74,954,458 Total expenditures 73,522,245 87,488,933 12,534,475 Excess (deficiency) of revenues over expenditures (372,236)(13,788,361)(70,717)13,717,644 Other financing sources (uses) Designated cash (budgeted increase in cash) 372,236 13,788,361 (13,788,361)Proceeds from sale of capital assets 743 743 Total other financing sources (uses) 372,236 13,788,361 743 (13,787,618)(69,974)(69,974)Net change in fund balances Fund balances - beginning of year 13,788,361 13,788,361 \$ \$ \$ 13,718,387 \$ 13,718,387 Fund balances - end of year \$ (69,974)Net change in fund balances (Non-GAAP Budgetary Basis) Adjustments to revenues for changes in instructional support revenues and property taxes (364, 364)Adjustments to expenditures for supplies, software, contract services, utilities, and accrued payrol 11,655 Net change in fund balances (GAAP Basis) \$ (422,683)

#### Roswell Independent School District No. 4 Transportation Fund (13000)

### Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

Variances Favorable

	Budgeted Original					(Unfavo	rahlel
	Original		r:al		A	(Unfavorable) Final to Actual	
Payanuas		<u> </u>	Final		Actual	Final to F	Actuai
Revenues  Proporty tayor	\$ -	\$		\$		\$	
Property taxes Oil and gas taxes	<b>-</b>	Ş	-	Ş	-	Ş	-
	_		-		-		-
Intergovernmental revenues:							
Federal flowthrough							-
Federal direct	-		-		-		-
Local sources	-		-		-		-
State flowthrough	-		-		-		-
State direct	-		-		-		-
Transportation distribution	2,841,954	-	3,010,758		3,010,758		-
Charges for services	-		-		-		-
Investment income	-		-		-		-
Miscellaneous	-		-		-		-
Total revenues	2,841,954	3	3,010,758		3,010,758		-
Expenditures							
Current:							
Instruction	_		_		_		_
Support services - students	_		_		_		_
Support services - instruction	_		_		_		-
Support services - general administration	_		_		_		-
Support services - school administration	_		_		_		_
Central services	_		_		_		_
Operation and maintenance of plant	_		_		_		_
Student transportation	2,841,954	3	3,010,759		3,010,759		_
Other support services	_,0,00 .		-		-		_
Capital outlay	_		_		_		_
Total expenditures	2,841,954	3	3,010,759		3,010,759		
-							
Excess (deficiency) of revenues over expenditures	-		(1)		(1)		-
Other financing sources (uses)							
Designated cash (budgeted increase in cash)	_		1		-		(1)
Total other financing sources (uses)	-		1		-		(1)
					(4)		
Net change in fund balances	-		-		(1)		(1)
Fund balances - beginning of year	-		-		1		1
Fund balances - end of year	\$ -	\$	_	\$	-	\$	-
Net change in fund balances (Non-GAAP Budgetary	Basis)					\$	(1)
No adjustments to revenues							-
Adjustments to expenditures for rental and other co	ntract service	expen	ises				86
Net change in fund balances (GAAP Basis)						\$	85

## Roswell Independent School District No. 4 Instructional Materials Fund (14000) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

**Variances** 

								Favorable
-		Budgeted	Am					nfavorable)
Revenues		Original		Final		Actual	Fin	al to Actual
Property taxes	\$		\$		\$		\$	
Oil and gas taxes	Ş	-	Ş	-	Ç	-	Ą	-
Intergovernmental revenues:		-		-		-		-
Federal flowthrough								
Federal direct		-		-		-		-
Local sources		-		-		-		-
State flowthrough		227 601		262 267		227 602		(24 GGE)
_		337,601		362,267		337,602		(24,665)
State direct		-		-		-		-
Transportation distribution								-
Charges for services		-		-		7 262		7 262
Investment income		-		-		7,262		7,262
Miscellaneous		227.601		262 267		244.064		(17.402)
Total revenues		337,601		362,267		344,864		(17,403)
Expenditures								
Current:								
Instruction		337,601		640,526		133,398		507,128
Support services - students		-		-		-		-
Support services - instruction		-		-		-		-
Support services - general administration		-		-		-		-
Support services - school administration		-		-		-		-
Central services		-		-		-		-
Operation and maintenance of plant		-		-		-		-
Student transportation		-		-		-		-
Other support services		-		-		-		-
Capital outlay		-		-		-		-
Total expenditures		337,601		640,526		133,398		507,128
Excess (deficiency) of revenues over expenditures		-		(278,259)		211,466		489,725
Other financing sources (uses)								
Designated cash (budgeted increase in cash)		_		278,259		_		(278,259)
Total other financing sources (uses)		_		278,259		_		(278,259)
				270,233				
Net change in fund balances		-		-		211,466		211,466
Fund balances - beginning of year		-		-		278,260		278,260
Fund balances - end of year	\$	-	\$	-	\$	489,726	\$	489,726
Net change in fund balances (Non-GAAP Budgetary	Basi						\$	211,466
Adjustments to expenditures for instructional mater		-					Y	24,666
No adjustments to expenditures								- 1,000
Net change in fund balances (GAAP Basis)							\$	236,132
iver change in runu balances (UMAF basis)							ڔ	230,132

### Sidney Gutierrez Charter School Component Unit of Roswell Independent School District

## Roswell Independent School District No. 4 Sidney Gutierrez Charter School Combining Balance Sheet Governmental Funds June 30, 2019

		Gen	era	ral Special Revenue				
	Operational 11000		In	Instructional Materials 14000		Challenge Foundation 26138		Iter Family Foundation 26148
Assets								
Current assets								
Cash and cash equivalents	\$	437,372	\$	9,978	\$	1,659	\$	724
Receivables:								
Property taxes		-		-		-		-
Due from other governments		-		162		-		-
Prepaids		1,464		-		-		-
Due from other funds		8,453		-		-		-
Total assets	\$	447,289	\$	10,140	\$	1,659	\$	724
Liabilities								
Accounts payable	\$	2,481	\$	-	\$	-	\$	-
Accrued payroll		37,082		-		-		-
Due to other funds		-		-		-		-
Total liabilities		39,563		-		-		-
Deferred inflows of resources								
Unavailable revenue - property taxes		-		-		-		-
Total deferred inflows of resources		-		-		-		
Fund balances								
Nonspendable:								
Prepaids		1,464		-		-		-
Spendable:								
Restricted for:								
Instructional materials		-		10,140		-		-
Education		-		-		1,659		724
Capital acquisitions and								
improvements		-		-		-		-
Committed for:								
Subsequent years' expenditures		148,785		-	-			-
Unassigned		257,477		-		-		
Total fund balances		407,726		10,140		1,659		724
Total liabilities and fund balances	\$	447,289	\$	10,140	\$	1,659	\$	724

	Special F		Capital	_				
Exc	ellence in					Capital		
	Teaching	Private Dire	ect P	ublic Schools	lm	provements		
	Award	Gran	nts C	apital Outlay		SB-9 Local		
	27125	291	02	31200		31701		Total
\$	-	\$ 31	17 \$	-	\$	44,774	\$	494,824
	-		-	-		838		838
	-		-	8,453		-		8,615
	-		-	-		-		1,464
	-		-	-		-		8,453
\$	-	\$ 31	L7 \$	8,453	\$	45,612	\$	514,194
\$	-	\$	- \$	-	\$	-	\$	2,481
	-		-	-		-		37,082
	-		-	8,453		-		8,453
	-		-	8,453		-		48,016
	-		-	-		599		599
	-		-	_		599		599
	-		-	-		-		1,464
	_		_	_		-		10,140
	-	31	L <b>7</b>	-		-		2,700
	-		-	-		45,013		45,013
	_		_	_		-		148,785
	-		-	-		-		257,477
		31	L7	-		45,013		465,579
\$		\$ 31	L7 \$	8,453	\$	45,612	\$	514,194

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# Roswell Independent School District No. 4 Sidney Gutierrez Charter School Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2019

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

	Fund balances - total governmental funds	\$	465,579
	Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		52,270
	Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities		599
	Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:	)	
	Deferred outflows - pension (note 9)		413,093
	Deferred inflows - pension (note 9)		(115,499)
	Deferred outflows - OPEB (note 10)		7,231
	Deferred inflows - OPEB (note 10)		(142,291)
	Certain liabilities, including net pension liability and OPEB liablity, are not due are payable in the current period and, therefore, are not reported in the funds:	nd	
	Net pension liability		(1,485,227)
	OPEB liability		(355,261)
Tota	al net position - government funds	\$	(1,159,506)

# Roswell Independent School District No. 4 Sidney Gutierrez Charter School Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2019

	General					Special Revenue			
	0	perational 11000	In	structional Materials 14000		Challenge Wa Foundation 26138	alter Family Foundation 26148		
Revenues									
Property taxes	\$	-	\$	-	\$	- \$	-		
Oil and gas taxes		-		-		-	-		
Intergovernmental revenue:									
State flowthrough		695,218		2,404		-	-		
Local sources		-		-		2,598	-		
Investment income		6,401		143		27	-		
Total revenues		701,619		2,547		2,625			
Expenditures Current: Instruction Support services - students Support services - general administration Support services - school administration Operation and maintenance of plant Capital outlay		435,975 2,795 113,377 36,337 63,544		- - - -		495 - - - - -	- - - - -		
Total expenditures		652,028		-		495	-		
Excess (deficiency) of revenues over expenditures		49,591		2,547		2,130			
Net change in fund balances		49,591		2,547		2,130	-		
Fund balances - beginning of year		358,135		7,593		(471)	724		
Fund balances - ending of year	\$	407,726	\$	10,140	\$	1,659 \$	724		

	Special F	Revenue	Capita	l Pro	jects	
Ex	cellence in		-		Capital	
	Teaching	<b>Private Direct</b>	Public Schoo	ls Im	nprovements	
	Award	Grants	Capital Outla	у	SB-9 Local	
	27125	29102	3120	0	31701	Total
						_
\$	-	\$ -	\$	- \$	13,764	\$ 13,764
	-	-		-	136	136
	26,913	-	33,81	_	-	758,346
	-	8,850		-	-	11,448
	-	40		-	538	7,149
	26,913	8,890	33,813	_	14,438	790,843
	26.012	0.040				472 222
	26,913	8,849		-	-	472,232
	-	-		-	-	2,795
			33,812		137	147,325
	-	-	33,61.	_	137	147,323
	_	_		_	_	36,337
	_	_		_	_	63,544
	_	_		_	571	571
	26.012	0.040	22.01/			
	26,913	8,849	33,81	-	708	722,804
		41			13,730	68,039
		41			13,730	69.020
	-	41		-	13,/30	68,039
	-	276		-	31,283	397,540
\$	-	\$ 317	\$	- \$	45,013	\$ 465,579

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#### Roswell Independent School District No. 4 Sidney Gutierrez Charter School

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$ 68,039
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Depreciation expense	(4,419)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:	
Change in unavailable revenue related to property taxes receivable	(117)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits and opeb benefits earned net of employee contributions is reported as pension and OPEB expense:	
Pension contribution subsequent to the measurement date Pension expense	50,251 (262,064)
OPEB contribution subsequent to the measurement date	7,231
OPEB benefit	11,165
Change in net position of governmental activities	\$ (129,914)

# Roswell Independent School District No. 4 Sidney Gutierrez Charter School Operational Fund (11000) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

**Variances** 

		Budgeted Amounts					(He	Favorable favorable)
		Original		Final		Actual		al to Actual
Revenues						71010101		
Property taxes	\$	-	\$	-	\$	-	\$	_
Oil and gas taxes		_		_		-		_
Intergovernmental revenue:								
State flowthrough		689,973		689,973		695,218		5,245
Local sources		-		-		-		-
Investment income		1,500		1,500		6,401		4,901
Total revenues		691,473		691,473		701,619		10,146
Expenditures								
Current:								
Instruction		600,274		600,274		437,106		163,168
Support services-students		8,207		8,207		2,795		5,412
Support services-instruction		1,804		1,804		-		1,804
Support services-general administration		118,067		118,137		113,046		5,091
Support services-school administration		53,680		54,708		36,337		18,371
Operation and maintenance of plant		129,735		128,637		61,557		67,080
Capital outlay		-		-		-		
Total expenditures		911,767		911,767		650,841		260,926
Excess (deficiency) of revenues over								
expenditures		(220,294)		(220,294)		50,778		271,072
Other financing sources (uses)								
Designated cash balance (budgeted								
increase in cash)		220,294		220,294		_		(220,294)
Total other financing sources (uses)		220,294		220,294		_		(220,294)
Net change in fund balances		-		-		50,778		50,778
Fund balance - beginning of year		-		-		357,965		357,965
Fund balance - end of year	\$	-	\$	-	\$	408,743	\$	408,743
	_						_	
Net change in fund balances (Non-GAAP Budgetar	\$	50,778						
No adjustments to revenue  Adjustments to expenditures for utilities, supplies and legal expenses								
Net change in fund balances (GAAP Basis)		<u> </u>					\$	(1,187) 49,591
S. S							7	.5,55±

# Roswell Independent School District No. 4 Sidney Gutierrez Charter School Instructional Materials Fund (14000) Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual For the Year Ended June 30, 2019

**Variances** 

**Favorable Budgeted Amounts** (Unfavorable) Original **Final Actual Final to Actual** Revenues Property taxes \$ \$ \$ \$ Oil and gas taxes Intergovernmental revenue: State flowthrough 2,242 2,404 2,242 (162)Local sources Investment income 50 50 143 93 Total revenues 2,292 2,454 2,385 (69)Expenditures Current: Instruction 2,292 2,454 2,454 Support services-students Support services-instruction Support services-general administration Support services-school administration Operation and maintenance of plant Capital outlay 2,292 2.454 2.454 Total expenditures Excess (deficiency) of revenues over expenditures 2,385 2,385 Other financing sources (uses) Designated cash balance (budgeted increase in cash) Total other financing sources (uses) Net change in fund balances 2,385 2,385 Fund balance - beginning of year 7,593 7,593 \$ \$ Fund balance - end of year Ś 9,978 \$ 9,978 \$ Net change in fund balances (Non-GAAP Budgetary Basis) 2,385 Adjustment to revenue for instructional materials 162 No adjustments to expenditures Net change in fund balances (GAAP Basis) 2,547

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**Supporting Schedules** 

### Roswell Independent School District No. 4 Schedule of Collateral Pledged by Depository for Public Funds June 30, 2019

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fai	r Market Value June 30, 2019
Pioneer Bank	<b>0</b>				
	FFCB	7/13/2023	3130A8PC1	\$	5,696,716
	FFCB	7/12/2023	3133EGLK9		4,999,995
	FFCB	7/25/2025	3130A8RV7		10,760,935
	FFCB	1/11/2024	3133EGKS3		9,414,000
	FFCB	2/16/2024	3133EFA23		9,350,964
	FFCB	1/24/2024	3133EG4P7		4,873,000
	FFC	1/5/2022	3133EGKC8		9,619,000
	Total Pioneer Bank				54,714,610
	Less: collateral allocated	to component unit			(500,000)
Total pledged col	lateral			\$	54,214,610

#### Name and Location of Safekeeper

Federal Home Loan Bank of Dallas
Dallas, TX

### Roswell Independent School District No. 4 Schedule of Deposits and Investment Accounts June 30, 2019

	New Mexico	Wells Fargo	Pioneer
Bank Account Type/Name	LGIP	Bank	Bank
New Mexi <i>GROW -</i> LGIP	\$ 2,718	\$ -	\$ -
New MexiGROW - LGIP - Agency	1,081	-	-
Operating Account - Checking	-	-	3,495,144
Operating Account - Checking	-	81,046	-
Sweep Account	-	-	41,060,398
Athletic Change Fund Account - Checking	-	-	5,000
CD (Class of 30-35) 1 year - Agency	-	-	6,523
CD (Bruce Cox Scholarship) 1 year - Agency	-	-	5,041
CD (Worthy Scholarship) 1 year - Agency	-	-	4,577
CD (Worthy Scholarship) - Agency	-	-	34,823
Total	3,799	81,046	44,611,506
Reconciling items	-	-	(2,355,936)
Reconciled balance	\$ 3,799	\$ 81,046	\$ 42,255,570
Petty cash			

Deposits and investments per financial statements:

Cash and cash equivalents - statement of net position

Restricted cash and cash equivalents - statement of net position

Investments - statement of net position

Cash - statement of fiduciary assets and liabilities

Investments - statement of fiduciary assets and liabilities

Total deposits and investments

(	Component Unit
Total	Pioneer Bank
\$ 2,718	\$ -
1,081	-
3,495,144	504,857
81,046	-
41,060,398	-
5,000	-
6,523	-
5,041	-
4,577	-
 34,823	-
44,696,351	504,857
(2,355,936)	(3,214)
42,340,415	501,643
920	
\$ 42,341,335	\$ 501,643
\$ 34,976,995	\$ 494,824
6,271,700	-
2,718	-
1,037,868	6,819
52,054	
\$ 42,341,335	\$ 501,643

## Roswell Independent School District No. 4 Cash Reconciliation June 30, 2019

			Transporation			Instructional
	Ope	erational Fund 11000		Fund 13000	IV	laterials Fund 14000
PED Cash, June 30, 2018	\$	13,909,898	\$	-	\$	278,260
Add:		74 004 404		2 040 750		244.962
2018-2019 receipts		74,884,484		3,010,758		344,862
Total cash available		88,794,382		3,010,758		623,122
Less:						
2018-2019 expenditures		(75,056,297)		(3,010,758)		(133,396)
Adjustments						
PED Cash, June 30, 2019	\$	13,738,085	\$	-	\$	489,726
Add / Less:						
Negative cash loans from (to)	\$	(6,615,591)	\$	-	\$	_
Held checks	,	4,874,463		-	•	-
Cash and investments per financial statements	\$	11,996,957	\$	-	\$	489,726

				Federal				State
	Food			Flowthrough	Federal	<b>Local Grants</b>	F	lowthrough
9	Services Fund	At	thletics Fund	Fund	<b>Direct Fund</b>	Fund		Fund
	21000		22000	24000	25000	26000		27000
\$	4,916,519	\$	1,118,589	\$ (2,177,430)	\$ 1,558,905	\$ 2,686	\$	(1,495,946)
	6,358,337		316,595	5,687,642	1,599,323	200,000		4,753,921
	11,274,856		1,435,184	3,510,212	3,158,228	202,686		3,257,975
	(7,081,720) -		(115,447) -	(8,114,341)	(954,056) -	-		(5,042,118)
\$	4,193,136	\$	1,319,737	\$ (4,604,129)	\$ 2,204,172	\$ 202,686	\$	(1,784,143)
\$	-	\$	-	\$ 4,439,049	\$ -	\$ -	\$	1,587,471
	157,947		-	333,757	70,385	_		201,509
\$	4,351,083	\$	1,319,737	\$ 168,677	\$ 2,274,557	\$ 202,686	\$	4,837

## Roswell Independent School District No. 4 Cash Reconciliation June 30, 2019

		State Direct Fund	Local/State		Bond Building Fund
PED Cash, June 30, 2018	\$	<b>28000</b> 5,576	\$ <b>29000</b> 674,847	\$	<b>31100</b> 8,656,331
Add: 2018-2019 receipts	·	49,756	331,589	·	4,652,136
Total cash available		55,332	1,006,436		13,308,467
Less: 2018-2019 expenditures Adjustments		(52,545) -	(823,469) -		(1,811,935)
PED Cash, June 30, 2019	\$	2,787	\$ 182,967	\$	11,496,532
Add / Less:  Negative cash loans from (to)  Held checks	\$	5,390 1,919	\$ -	\$	-
Cash and investments per financial statements	\$	10,096	\$ 182,967	\$	11,496,532

	Public School								
	<b>Capital Outlay</b>	(	Cap. Improve.	(	Cap. Improve.		<b>Debt Service</b>		
	Fund		SB-9 Fund		SB-9 Local		Fund		
	31200		31700		31701		41000		Total
\$	-	\$	(160,658)	\$	1,966,992	\$	6,214,146	\$	35,468,715
	979,272		173,584		2,141,799		6,184,189		111,668,247
	979,272		12,926		4,108,791		12,398,335		147,136,962
	(979,272) -		(596,606) -		(1,628,459) -		(6,125,110) -		(111,525,529)
\$	-	\$	(583,680)	\$	2,480,332	\$	6,273,225	\$	35,611,433
<b>ب</b>		۲.	F02 601	۲.		Ļ		۲	
\$	-	\$	583,681	Þ	-	\$	-	\$	-
	-		-		-				5,639,980
\$	-	\$	1	\$	2,480,332	\$	6,273,225	\$	41,251,413

### Roswell Independent School District No. 4 Cash Reconciliation June 30, 2019

#### **Component Unit**

	Operational Fund 11000	Instructional aterials Fund 14000	Local Grants Fund 26000
PED Cash, June 30, 2018	\$ 357,963	\$ 7,593	\$ 2,853
Add:			
2018-2019 receipts	701,619	2,385	26
Total cash available	1,059,582	9,978	2,879
Less: 2018-2019 expenditures Adjustments	(650,839) -	- -	(496) -
PED Cash, June 30, 2019	\$ 408,743	\$ 9,978	\$ 2,383
Add / Less:  Negative cash loans from (to)  Held checks	\$ (8,453) 37,082	\$ -	\$ -
Cash and investments per financial statements	\$ 437,372	\$ 9,978	\$ 2,383

Component Unit	Com	pone	nt l	Jnit
----------------	-----	------	------	------

	State				Public School				
	Flowthrough			(	Capital Outlay		Cap. Improve.		
	Fund		Local/State		Fund		SB-9 Local		
	27000		29000		31200		31701		Total
\$	11	\$	277	\$	-	\$	31,145	\$	399,842
	26,912		8,890		25,358		14,337		779,527
	26,923		9,167		25,358		45,482		1,179,369
	(26,912)		(8,850)		(33,811)		(708)		(721,616)
	(11)		-		-		-		(11)
\$	_	\$	317	¢	(8,453)	¢	44,774	ς.	457,742
<del></del>		<del>-</del>	317	7	(0,433)		77,77	7	437,742
\$	-	\$	-	\$	8,453	\$	-	\$	-
	-		-		-		-		37,082
\$	_	\$	317	ς.	_	\$	44,774	\$	494,824

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#### 

Cash and cash equivalents  Total assets  Current liabilities  Deposits held in trust for others	Com	ponent Unit
Current assets		
cash and cash equivalents tal assets rrent liabilities	\$	6,819
Total assets	\$	6,819
Current liabilities		
Deposits held in trust for others	\$	6,819
Total liabilities	\$	6,819

### Roswell Independent School District No. 4 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds For the Year Ended June 30, 2019

		Balance		
Primary Government	June 30, 2018	Addition	s Deletio	ns June 30, 2019
Assets				_
Cash and investments:				
Administration	\$ 246,776	\$ 55,144	\$ (43,72	.9) \$ 258,191
Goddard High	218,156	314,013	(290,56	55) 241,604
Roswell High	183,589	173,532	(191,08	166,036
University High	36,784	37,347	(46,44	27,684
Early College High School	5,536	9,034	(7,71	.4) 6,856
Berrendo Middle	89,820	131,664	(114,32	107,161
Mesa Middle	27,177	40,940	(40,73	39) 27,378
Mountain View Middle	17,389	37,553	(34,86	3) 20,079
Sierra Middle	38,882	89,390	(85,02	43,251
Berrendo Elementary	2,378	12,988	(11,91	.6) 3,450
Del Norte	13,481	19,944	(23,55	9,868
East Grand Plains	16,821	38,784	(38,37	<b>'5)</b> 17,230
El Capitan	13,466	13,729	(16,64	5) 10,550
Military Heights	4,125	17,740	(17,32	1) 4,544
Missouri Avenue	7,351	14,609	(15,58	6,378
Monterry	9,023	44,188	(34,77	<sup>'8)</sup> 18,433
Nancy Lopez	5,748	12,801	(10,65	7,899
Parkview	6,306	12,587	(14,36	55) 4,528
Pecos	14,432	35,055	(40,49	9) 8,988
Sunset	21,439	15,870	(10,96	26,346
Valley View	36,711	61,780	(65,12	25) 33,366
Washington Avenue	19,552	20,275	(24,11	.4) 15,713
Maintenance	25	-	-	- 25
Driver's Ed	673	-	-	- 673
Planetarium	560	-	-	- 560
Vocational Ed	51	-	-	- 51
Arts Fund	73	621		- 694
ESC Building	4,867	-	-	- 4,867
Material Center	322	10	)	- 332
Special Ed	2,685	2,562	(2,53	2,709
Teacher Center	8,974	10,667	(6,79	00) 12,851
Key Club	1,000	-	(1,00	- 00)
Other Reserved	5,630	-	(4,00	
Total cash and investments	1,059,802	1,222,827	(1,192,70	1,089,922
Receivables	342	2,365	(34	2,365
Total assets	\$ 1,060,144	\$ 1,225,192	\$ (1,193,04	9) \$ 1,092,287

(Continued on next page)

### Roswell Independent School District No. 4 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds For the Year Ended June 30, 2019

		Balance			Balance				
Primary Government (Continued)	Ju	ne 30, 2018	Additions		Deletions	Ju	ne 30, 2019		
Liabilities									
Accounts payable	\$	20,082	\$ 27,346	\$	(20,081)	\$	27,347		
Deposits held in trust for others		1,040,062	1,197,846	(	1,172,968)		1,064,940		
Total liabilities	\$	1,060,144	\$ 1,225,192	\$ (	1,193,049)	\$	1,092,287		

		Balance				Balance
Component Unit	Jun	e 30, 2018	Additions	Deletions	Jun	e 30, 2019
Assets						
Cash and cash equivalents and investme	nts:					
Interest	\$	1,368	\$ 100	\$ -	\$	1,468
Student council		195	-	-		195
Year books		660	-	-		660
Other fundraisers		358	-	-		358
Other donations		997	-	-		997
Roswell Sertoma		1,982	-	-		1,982
Latimer		16	-	-		16
Mathematica		868	-	-		868
Book Replacement Funds		275	-	-		275
Total assets	\$	6,719	\$ 100	\$ -	\$	6,819
Liabilities						
Deposits held in trust for others	\$	6,719	\$ 100	\$ -	\$	6,819
Total liabilities	\$	6,719	\$ 100	\$ -	\$	6,819

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**Compliance Section** 



Carr, Riggs & Ingram, LLC 2424 Louisiana Boulevard NE Suite 300 Albuquerque, NM 87110

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#### 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

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Roswell Independent School District No. 4
Roswell, New Mexico

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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Roswell Independent School District No. 4 (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 have issued our report thereon dated November 15, 2019.

#### **Internal Control over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

#### **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.

Carr, Riggs & Ingram, LLC

Can Rigge & Ingram, L.L.C.

Albuquerque, New Mexico November 15, 2019 THIS PAGE INTENTIONALLY LEFT BLANK

### **Federal Financial Assistance**



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

#### INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Roswell Independent School District No. 4
Roswell, New Mexico

#### **Report on Compliance for Each Major Federal Program**

We have audited Roswell Independent School District No. 4's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### **Auditors' Responsibility**

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

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

#### **Opinion on Each Major Federal Program**

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Carr, Riggs & Ingram, LLC Albuquerque, New Mexico

Can Rigge & Ingram, L.L.C.

November 15, 2019

# Roswell Independent School District No. 4 Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

	Pass	Federal
Federal Grantor/Pass Through	Thru	C.F.D.A.
Grantor/Program Title	Number	Number
U.S. Department of Health and Human Services		
Direct United States Department of Health and Human Services		
Community-Based Child Abuse Prevention Grants	28189	93.590
TANF Cluster:		
Temporary Assistance for Needy Families	28190	93.558
Total TANF Cluster		
Total U.S. Department of Health and Human Services		
U.S. Department of Education		
Passthrough - State of NM Public Education Department		
Rural Education	24160	84.358B
English Language Acquisition State Grants	24153	84.365A
English Language Acquisition State Grants - Immigrant Funding	24163	84.365
Education of Homeless Children and Youth	24113	84.196A
Improving Student Health and Academic Achievement	24130	93.981
Comprehensive Literacy Development - Striving Readers (SRCL)	24145	84.371C
Title I Grants to Local Educational Agencies	24101	84.010
Title I Grants to Local Educational Agencies - Direct Student Services	24193	84.010A
Special Education Cluster (IDEA):		
Special Education Grants to States (IDEA, Part B) - Entitlement	24106	84.027
Special Education Preschool Grants (IDEA Preschool)	24109	84.173
Special Education Grants to States (IDEA, Part B) - Private School Share	24115	84.027
Total Special Education Cluster (IDEA)		
Migrant Education State Grant Program	24103	84.011A
Supporting Effective Instruction State Grant	24154	84.367A
Career and Tech Ed-Basic Grants to States - Secondary- Current Year	24174	84.048
Career and Tech Ed-Basic Grants to States - Secondary - PY Obligations	24175	84.048
Career and Tech Ed-Basic Grants to States - Secondary - PY Obligations	24176	84.048
Career and Tech Ed-Basic Grants to States - Secondary - PY Obligations	24181	84.048
Student Support and Academic Enrichment Program	24189	84.424A
Total U.S. Department of Education Passthrough		

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

Fv	penditures	Funds Provided to Subrecipients	Noncash Assistance
	penartares	ouble corpients	713313141100
\$	1,500	\$ -	\$ -
	2,500	-	-
	2,500		
	4,000	-	
	49,429	-	_
	82,721	-	-
	49,996	-	-
	11,209	-	
	9,993	-	-
	593,316	-	-
	2,956,652	-	-
	83,868	-	-
	2,822,604	-	-
	77,069	-	-
	17,480	-	
	2,917,153		
	15,163	-	-
	863,411	-	-
	129,147	-	-
	20,967	-	-
	27,873	-	-
	3,624	-	-
	299,820	-	
	8,114,342	-	

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

### **Roswell Independent School District No. 4 Schedule of Expenditures of Federal Awards** For the Year Ended June 30, 2019

	Pass	Federal
Federal Grantor/Pass Through	Thru	C.F.D.A.
Grantor/Program Title	Number	Number
U.S. Department of Agriculture		
Passthrough - State of NM Public Education Department		
Child Nutrition Cluster:		
School Breakfast Program	21000	10.553
National School Lunch Program	21000	10.555
Total Child Nutrition Cluster		
Total U.S. Department of Agriculture Passthrough		
Total U.S. Department of Agriculture Passthrough  Total federal financial assistance		

Funds Provided to Expenditures Subrecipients		Noncash Assistance	
\$	2,705,049 3,617,134	\$ -	\$ 197,136 279,532
	6,322,183	-	476,668
	6,322,183	-	476,668
\$	14,440,525	\$ 	\$ 476,668

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# Roswell Independent School District No. 4 Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

#### **Notes to Schedule of Expenditures of Federal Awards**

#### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Roswell Independent School District No. 4 (District) and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### 2. Loans

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

#### 3. 10% de minimus Indirect Cost Rate

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

#### **4. Federally Funded Insurance**

The District has no federally funded insurance.

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

lotal federal awards expended per schedule of expenditures of federal awards	\$ 14,440,525
Total expenditures funded by other sources	97,551,721
Total expenditures	\$ 111,992,246

# Roswell Independent School District No. 4 Schedule of Findings and Questioned Costs June 30, 2019

Yes

#### **SECTION I - SUMMARY OF AUDITORS' RESULTS**

6. Auditee qualified as low-risk auditee?

Financial	Statements:
-----------	-------------

1.	Ту	pe of auditors' report issued		Unmodified			
2.	Int						
	a.	Material weaknesses identified?		None noted			
	b.	Significant deficiencies identified not co	onsidered to be material weaknesses?	None noted			
	c.	c. Noncompliance material to the financial statements noted?					
Federa	lΑu	vards:					
1.	Ту	pe of auditors' report issued on complia	nce for major programs	Unmodified			
2.	Int	ternal control over major programs:					
	a.	Material weaknesses identified?		None noted			
	b.	Significant deficiencies identified not co	onsidered to be material weaknesses?	None noted			
3.	<ul> <li>Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?</li> </ul>						
4.	Ide	entification of major programs:					
		CFDA Number	Federal Program				
			<b>Child Nutrition Cluster</b>				
		10.553	School Breakfast Program				
		10.555	National School Lunch Program				
5.	Do	ollar threshold used to distinguish between	en type A and type B programs:	\$750,000			

### Roswell Independent School District No. 4 Schedule of Findings and Questioned Costs June 30, 2019

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS	
None noted.	
SECTION III - FINDINGS-SECTION 12-6-5 NMSA 1978 FINDINGS	
None noted.	
SECTION IV - FEDERAL AWARD FINDINGS	
None noted.	
SECTION V - PRIOR YEAR AUDIT FINDINGS	
NM 2018-001 Internal Controls over Suspended and Debarred Vendors (Finding that does not rise to t	the
level of significant deficiency) - Resolved	

## Roswell Independent School District No. 4 Other Disclosures June 30, 2019

#### **AUDITOR PREPARED FINANCIAL STATEMENTS**

The financial statements were prepared from the original books and records and with the assistance of the management of Roswell Independent School District No. 4 as of June 30, 2019 by Carr, Riggs & Ingram, LLC. The responsibility for these financial statements remains with the District.

#### **EXIT CONFERENCE**

An exit conference was held on November 8, 2019. In attendance were the following:

#### Representing Roswell Independent School District No. 4:

James Edwards School Board Member
Dr. Ann Lynn McIlroy Superintendent of School

Chad Cole Assistant Superintendent for Finance and Operations

Linda Purcella Director of Business Services
Joe Andreis Charter School Principal
Maria Hernandez SGMS Business Manager

#### Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP Partner