



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2018**

## INTRODUCTORY SECTION

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SANTA FE PUBLIC SCHOOLS  
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**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
OFFICIAL ROSTER  
JUNE 30, 2018**

<b>Name</b>		<b>Title</b>
	<u>Board of Education</u>	
Steven J. Carrillo		President
Maureen Cashmon		Vice President
Rudy Garcia		Secretary
Kate Nobel		Member
Lorraine Price		Member
	<u>School Officials</u>	
Veronica Garcia		Superintendent
Richard Halford		Executive Director of Finance & Administration/Interim Chief Financial Officer

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Wayne Johnson  
New Mexico State Auditor  
Santa Fe, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Santa Fe Public Schools (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

The Board of Education  
Santa Fe Public Schools and  
Mr. Wayne Johnson  
New Mexico State Auditor

## 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 the District as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages vii through xvii and the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of the District's Retiree Health Care Contributions on pages 52 to 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information as required by the New Mexico State Audit Rule (NMAC 2.2.2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information required by NMAC 2.2.2, and the Schedule of Expenditures of Federal Awards are the responsibility of management and



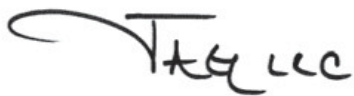
The Board of Education  
Santa Fe Public Schools and  
Mr. Wayne Johnson  
New Mexico State Auditor

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 and individual nonmajor fund financial statements, other supplementary information required by NMAC 2.2.2, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Corrective Action Plan has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of the Santa Fe Public School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Santa Fe Public School's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "JAG LLC", with a stylized flourish above the letters.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2018

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

	Governmental Activities	
	Primary Government	Component Unit
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 14,404,677	\$ 1,298,897
Investments	-	-
Receivables	8,669,159	-
Inventory	416,960	-
Prepaid expenses	-	133,437
<b>Total current assets</b>	<u>23,490,796</u>	<u>1,432,334</u>
<b>Non-current assets</b>		
Restricted investments	96,600,000	-
Capital assets, net of accumulated depreciation	<u>387,850,791</u>	<u>4,869,959</u>
<b>Total non-current assets</b>	<u>484,450,791</u>	<u>4,869,959</u>
<b>Total assets</b>	<u>507,941,587</u>	<u>6,302,293</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to pensions and OPEB	<u>101,019,326</u>	<u>2,373,057</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	5,999,858	1,078
Accrued liabilities	6,130,364	29,843
Current portion of compensated absences	723,829	10,418
Accrued interest	3,420,363	-
Current portion of long-term debt	<u>30,642,014</u>	<u>78,038</u>
<b>Total current liabilities</b>	<u>46,916,428</u>	<u>119,377</u>
<b>Non-current liabilities</b>		
Bond premiums, net of amortization	12,046,516	-
Net pension liability	291,658,526	6,887,016
Net OPEB liability	78,936,306	1,862,971
Long-term portion of compensated absences	79,440	-
Long-term portion of debt	<u>174,278,753</u>	<u>3,743,370</u>
<b>Total non-current liabilities</b>	<u>556,999,541</u>	<u>12,493,357</u>
<b>Total liabilities</b>	<u>603,915,969</u>	<u>12,612,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions and OPEB	<u>25,512,971</u>	<u>577,053</u>
<b>NET POSITION</b>		
Net investment in capital assets	170,883,508	1,048,551
Restricted for		
Debt service	41,603,328	-
Capital projects	50,473,076	-
Other	3,775,269	183,475
Unrestricted (deficit)	<u>(287,203,208)</u>	<u>(5,746,463)</u>
<b>Total net position (deficit)</b>	<u>\$ (20,468,027)</u>	<u>\$ (4,514,437)</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	Component Unit
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary Government</b>						
Governmental activities						
Instruction	\$ 113,942,427	\$ 703,232	\$ 11,116,500	\$ -	\$ (102,122,695)	
Support services						
Students	14,914,589	147,234	1,193,167	-	(13,574,188)	
Instruction	4,766,014	-	-	-	(4,766,014)	
General administration	2,829,641	-	56,593	-	(2,773,048)	
School administration	6,945,761	-	2,778,304	-	(4,167,457)	
Other	12,974	-	-	-	(12,974)	
Central services	2,765,841	-	-	-	(2,765,841)	
Operation & maintenance of plant	8,073,148	-	-	99,025	(7,974,123)	
Student transportation	4,000,824	-	3,244,778	-	(756,046)	
Food services operation	6,318,789	550,354	5,677,738	-	(90,697)	
Community services operations	34,974	-	-	-	(34,974)	
Facilities, materials, supplies, and other	52,003,435	-	-	-	(52,003,435)	
Interest/amortization and bond cost on long-term debt	6,012,556	-	-	-	(6,012,556)	
<b>Total governmental activities</b>	<b>\$ 222,620,973</b>	<b>\$ 1,400,820</b>	<b>\$ 24,067,080</b>	<b>\$ 99,025</b>	<b>\$ (197,054,048)</b>	
<b>Component Unit:</b>	<b>\$ 4,868,984</b>	<b>\$ 41,967</b>	<b>\$ 73,117</b>	<b>\$ 553,937</b>		<b>\$ (4,199,963)</b>
<b>General Revenues</b>						
Property taxes						
Levied for general purposes						
				1,472,456	-	
Levied for debt service						
				36,985,680	-	
Levied for capital projects						
				19,231,490	504,232	
State Equalization Guarantee Revenue						
				97,786,569	3,151,957	
Unrestricted investment earnings						
				1,135,577	-	
Loss on disposal of capital assets						
				(517,101)	-	
Miscellaneous						
				3,738,732	399,201	
<b>Total general revenues</b>				<b>159,833,403</b>	<b>4,055,390</b>	
<b>Changes in net position</b>				<b>(37,220,645)</b>	<b>(144,573)</b>	
Net position - beginning (deficit)						
				110,516,389	(2,523,677)	
Adoption of new accounting standard (Note 16)						
				(93,763,771)	(2,212,913)	
Restatement						
				-	366,726	
Net position, beginning, restated (deficit)						
				16,752,618	(4,369,864)	
<b>Net position - ending (deficit)</b>				<b>\$ (20,468,027)</b>	<b>\$ (4,514,437)</b>	

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	General Fund			
	General 11000	Pupil Transportation 13000	Instructional Materials 14000	Bond Building 31100
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 3,291,660	\$ 142,643	\$ -	\$ -
Investments	-	-	-	46,700,000
Accounts receivable				
Taxes	115,400	-	-	-
Due from other governments	10,000	-	-	-
Interfund receivable	12,207,169	-	-	-
Other receivables	-	-	-	67,627
Inventory	-	416,960	-	-
	<u>\$ 15,624,229</u>	<u>\$ 559,603</u>	<u>\$ -</u>	<u>\$ 46,767,627</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 176,379	\$ 17,257	\$ -	\$ 3,946,258
Cash overdraft	-	-	-	-
Due to other governments	-	-	-	-
Accrued expenses	5,532,472	142,351	-	-
Unspent grant revenue	-	-	-	-
Interfund payables	-	-	-	4,498,410
	<u>5,708,851</u>	<u>159,608</u>	<u>-</u>	<u>8,444,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	73,412	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	416,960	-	-
Restricted for transportation	-	-	-	-
Restricted for instructional materials	-	-	-	-
Restricted for debt service	-	-	-	-
Restricted by grantor	-	-	-	-
Restricted for capital projects	-	-	-	38,322,959
Unassigned	9,841,966	(16,965)	-	-
	<u>9,841,966</u>	<u>399,995</u>	<u>-</u>	<u>38,322,959</u>
<b>Total fund balances</b>	<u>9,841,966</u>	<u>399,995</u>	<u>-</u>	<u>38,322,959</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 15,624,229</u>	<u>\$ 559,603</u>	<u>\$ -</u>	<u>\$ 46,767,627</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018**

	Capital Improvements Educ. Tech. 31900	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ 26,660	\$ 10,943,714	\$ 14,404,677
Investments	7,400,000	30,500,000	12,000,000	96,600,000
Accounts receivable				
Taxes	-	1,420,466	1,656,835	3,192,701
Due from other governments	-	-	5,344,141	5,354,141
Interfund receivable	-	-	-	12,207,169
Other receivables	10,716	13,679	30,295	122,317
Inventory	-	-	-	416,960
<b>Total current assets</b>	<u>\$ 7,410,716</u>	<u>\$ 31,960,805</u>	<u>\$ 29,974,985</u>	<u>\$ 132,297,965</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 53,408	\$ -	\$ 1,806,556	\$ 5,999,858
Cash overdraft	-	-	-	-
Due to other governments	-	-	-	-
Accrued expenses	40,889	-	414,652	6,130,364
Unspent grant revenue	-	-	-	-
Interfund payables	3,540,386	-	4,168,373	12,207,169
<b>Total current liabilities</b>	<u>3,634,683</u>	<u>-</u>	<u>6,389,581</u>	<u>24,337,391</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	801,925	991,603	1,866,940
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	416,960
Restricted for transportation	-	-	-	-
Restricted for instructional materials	-	-	-	-
Restricted for debt service	-	31,158,880	10,444,448	41,603,328
Restricted by grantor	-	-	3,775,269	3,775,269
Restricted for capital projects	3,776,033	-	8,374,084	50,473,076
Unassigned	-	-	-	9,825,001
<b>Total fund balances</b>	<u>3,776,033</u>	<u>31,158,880</u>	<u>22,593,801</u>	<u>106,093,634</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 7,410,716</u>	<u>\$ 31,960,805</u>	<u>\$ 29,974,985</u>	<u>\$ 132,297,965</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

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

Fund balances - total governmental funds	\$ 106,093,634
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	387,850,791
Deferred outflow of resources related to pensions and OPEB	101,019,326
Deferred inflow of resources related to pensions and OPEB	(25,512,971)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property taxes	1,866,940
Original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds	
Bond issuance premiums, net of accumulated amortization	(12,046,516)
Accrued interest	(3,420,363)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension and OPEB liability	(370,594,832)
Accrued compensated absences	(803,269)
Long-term debt	<u>(204,920,767)</u>
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b><u>\$ (20,468,027)</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund			
	General 11000	Pupil Transportation 13000	Instructional Materials 14000	Bond Building 31100
<b>REVENUES</b>				
Property taxes	\$ 1,496,372	\$ -	\$ -	\$ -
State grants	97,910,120	3,244,778	398,250	-
Federal grants	227,033	-	-	-
Charges for services	703,232	-	-	-
Miscellaneous	3,128,546	-	-	-
Interest	96,111	-	-	618,983
<b>Total revenues</b>	<u>103,561,414</u>	<u>3,244,778</u>	<u>398,250</u>	<u>618,983</u>
<b>EXPENDITURES</b>				
Current				
Instruction	65,547,892	-	580,345	-
Support services				
Students	10,804,259	-	-	-
Instruction	3,327,269	-	-	-
General administration	1,891,908	-	-	-
School administration	6,742,227	-	-	-
Central services	2,558,659	-	-	-
Operation & maintenance of plant	8,064,216	-	-	-
Student transportation	251,733	3,187,895	-	-
Other support services	12,974	-	-	-
Food services operations	250,570	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	23,722,764
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>99,451,707</u>	<u>3,187,895</u>	<u>580,345</u>	<u>23,722,764</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>4,109,707</u>	<u>56,883</u>	<u>(182,095)</u>	<u>(23,103,781)</u>
<b>Other financing sources (uses)</b>				
Bond issuance premiums	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	4,109,707	56,883	(182,095)	(23,103,781)
Fund balances, beginning of year	5,732,259	343,112	182,095	61,426,740
<b>Fund balances, end of year</b>	<u>\$ 9,841,966</u>	<u>\$ 399,995</u>	<u>\$ -</u>	<u>\$ 38,322,959</u>

See Notes to Financial Statements.



**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Capital Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
	Educ. Tech. 31900	41000		
<b>REVENUES</b>				
Property taxes	\$ -	\$ 27,756,013	\$ 29,120,751	\$ 58,373,136
State grants	-	167,591	4,370,779	106,091,518
Federal grants	-	-	15,634,123	15,861,156
Charges for services	-	-	697,588	1,400,820
Miscellaneous	-	-	610,186	3,738,732
Interest	107,741	168,124	144,618	1,135,577
<b>Total revenues</b>	<u>107,741</u>	<u>28,091,728</u>	<u>50,578,045</u>	<u>186,600,939</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	7,638,041	73,766,278
Support services				
Students	-	-	4,109,315	14,913,574
Instruction	-	-	1,438,745	4,766,014
General administration	-	276,211	659,222	2,827,341
School administration	-	-	203,534	6,945,761
Central services	-	-	205,682	2,764,341
Operation & maintenance of plant	-	-	8,932	8,073,148
Student transportation	-	-	143,365	3,582,993
Other support services	-	-	-	12,974
Food services operations	-	-	6,008,841	6,259,411
Community service	-	-	34,974	34,974
Capital outlay	7,893,992	-	19,859,120	51,475,876
Debt service				
Principal	-	17,163,580	8,250,000	25,413,580
Interest	-	7,191,870	688,709	7,880,579
<b>Total expenditures</b>	<u>7,893,992</u>	<u>24,631,661</u>	<u>49,248,480</u>	<u>208,716,844</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(7,786,251)</u>	<u>3,460,067</u>	<u>1,329,565</u>	<u>(22,115,905)</u>
<b>Other financing sources (uses)</b>				
Bond issuance premiums	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(7,786,251)	3,460,067	1,329,565	(22,115,905)
Fund balances, beginning of year	11,562,284	27,698,813	21,264,236	128,209,539
<b>Fund balances, end of year</b>	<u>\$ 3,776,033</u>	<u>\$ 31,158,880</u>	<u>\$ 22,593,801</u>	<u>\$ 106,093,634</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

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

Net changes in fund balances - total governmental funds	\$ (22,115,905)
District pension and OPEB contributions	11,667,667
Additional GASB 68 and 75 pension and OPEB expenses	(51,144,959)
Increase in accrued compensated absences	(2,095)
Increase in unavailable revenue related to property tax receivable	(683,510)

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

Depreciation expense	(20,680,156)
Capital expenditures recorded in capital outlays	19,623,486
Loss on disposal of capital assets	(517,101)

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. In addition, 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.

Change in bond premiums	1,868,023
Decrease in accrued interest payable	(649,675)
Principal payments on debt	<u>25,413,580</u>

**Changes in Net Position - Total Governmental Activities** **\$ (37,220,645)**

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND (11000)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ 1,473,011	\$ 1,473,011	\$ 1,488,465	\$ 15,454
State grants	97,605,484	97,322,857	97,910,120	587,263
Federal grants	184,750	197,174	227,033	29,859
Charges for services	630,285	630,285	703,232	72,947
Miscellaneous	2,304,250	2,304,250	3,143,752	839,502
Interest	15,000	15,000	96,111	81,111
<b>Total revenues</b>	<u>102,212,780</u>	<u>101,942,577</u>	<u>103,568,713</u>	<u>1,626,136</u>
<b>EXPENDITURES</b>				
Current				
Instruction	68,428,735	68,696,159	65,309,023	3,387,136
Support services				
Students	11,420,418	11,402,969	10,819,037	583,932
Instruction	3,309,205	3,955,772	3,328,845	626,927
General administration	1,942,310	2,215,236	1,897,323	317,913
School administration	6,792,753	6,861,415	6,742,244	119,171
Central services	2,569,079	2,512,257	2,347,180	165,077
Operation & maintenance of plant	8,544,466	8,644,093	8,203,454	440,639
Student transportation	251,735	251,735	251,733	2
Other support services	6,895,510	5,300,372	13,120	5,287,252
Food services operations	258,067	302,067	250,822	51,245
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>110,412,278</u>	<u>110,142,075</u>	<u>99,162,781</u>	<u>10,979,294</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(8,199,498)</u>	<u>(8,199,498)</u>	<u>4,405,932</u>	<u>12,605,430</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(8,199,498)	(8,199,498)	4,405,932	12,605,430
Fund balances - beginning of year	<u>(5,700,490)</u>	<u>(5,608,472)</u>	<u>13,725,294</u>	<u>19,333,766</u>
<b>Fund balances - end of year</b>	<u>\$ (13,899,988)</u>	<u>\$ (13,807,970)</u>	<u>\$ 18,131,226</u>	<u>\$ 31,939,196</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			(7,299)	
Adjustments to expenditures			(288,926)	
<b>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</b>			<u>\$ 4,109,707</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
PUPIL TRANSPORTATION FUND (13000)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	3,244,778	3,244,778	3,244,778	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>3,244,778</u>	<u>3,244,778</u>	<u>3,244,778</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	3,244,778	3,244,778	3,244,486	292
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>3,244,778</u>	<u>3,244,778</u>	<u>3,244,486</u>	<u>292</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>292</u>	<u>292</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	292	292
Fund balances - beginning of year	-	-	-	-
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 292</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			56,591	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ 56,883</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	359,490	398,250	398,250	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>359,490</u>	<u>398,250</u>	<u>398,250</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	545,976	766,831	722,467	44,364
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>545,976</u>	<u>766,831</u>	<u>722,467</u>	<u>44,364</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(186,486)</u>	<u>(368,581)</u>	<u>(324,217)</u>	<u>44,364</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(186,486)	(368,581)	(324,217)	44,364
Fund balances - beginning of year	<u>(648,298)</u>	<u>(587,213)</u>	<u>224,759</u>	<u>811,972</u>
<b>Fund balances - end of year</b>	<u>\$ (834,784)</u>	<u>\$ (955,794)</u>	<u>\$ (99,458)</u>	<u>\$ 856,336</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			<u>142,122</u>	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ (182,095)</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
JUNE 30, 2018**

<b>ASSETS</b>	
Cash	\$ <u>1,222,259</u>
<b>Total assets</b>	<b>\$ <u><u>1,222,259</u></u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 67,636
Deposits held in trust for others	<u>1,154,623</u>
<b>Total liabilities</b>	<b>\$ <u><u>1,222,259</u></u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Santa Fe Public School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected.

The School Board provides educational services to approximately 12,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

The financial statements of Santa Fe Public Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

In evaluating the District as a reporting entity, management has addressed all potential Component Unit for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District (the primary government) is financially accountable if (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District. Organizations for which the District is not financially accountable are also included when doing so is necessary in order to prevent the District's financial statements from being misleading. Discretely presented Component Unit are reported in separate columns in the government-wide financial statements. Based upon the application of these criteria, the following is a brief review of the potential Component Unit addressed in defining the government's reporting entity:

Academy for Technology & the Classics is a Component Unit of the District, as defined by GASB Statement No. 14 and/or GASB Statement No. 39 and have a separate governing board. The Charter Schools do not issue separate financial statements. Charter schools operate under the Senate Bill 192, Chapter 281, Laws of 1999 and are responsible for maintaining separate accounting records, and are Component Units of the school districts they operate within. Academy for Technology & the Classics operates foundations as a Component Unit of the Charter School as defined by GASB Statements No. 14 and 39. See Note 17 for certain information on Charter School assets and liabilities.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities and changes in net position) report information on all of the non-fiduciary 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.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

*Deferred outflows of resources* – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

*Deferred inflows of resources* – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

*Net position* – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary fund operating revenue, such as charges for service, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenue, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt.

The District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the General Fund and the subgroup operating funds noted below, as well as the following funds:

Governmental funds include:

The General Fund (Fund 11000) is the primary operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. In addition to Fund 11000, the following funds are subgroups of the operating fund:

The Pupil Transportation Fund (Fund 13000) is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The Instructional Materials Fund (Fund 14000) is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are no major special revenue funds. Each nonmajor special revenue fund is presented following the notes to the financial statements.

The Debt Service Funds account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds. The following fund is a major debt service fund:

The Debt Service (Fund 41000) is used to account for the accumulation of resources for, and the payment of, GO Bond principal and interest.

Each nonmajor debt service fund is presented following the notes to the financial statements.

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds. The following fund is a major capital projects fund:

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The Bond Building Capital Projects Fund (Fund 31100) is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Education Technology Equipment Act Fund (31900) – To account for proceeds of Education Technology Notes. The proceeds are restricted to the purchase of technology equipment for use in school classrooms.

Each nonmajor capital project fund is presented following the notes to the financial statements.

The Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal and interest.

The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or student organizations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and other State and Federal funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as bond building, SB-9 and special capital outlay funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**D. Assets, Liabilities and Net Position or Equity**

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

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

*Receivables and Payables:* Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There is no allowance for doubtful account in the current year. The District receives monthly income from a tax levy in Santa Fe County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Santa Fe County Treasurer in July 2018 and August 2018 is considered measurable and available and, accordingly, is recorded as revenue during the year ended June 30, 2018.

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.

*Instructional Materials:* The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while 30% of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the 70% account for requisition of material from the adopted list.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**D. Assets, Liabilities and Net Position or Equity (Continued)**

*Inventory:* Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No unearned revenue was recorded for unused commodity inventory as of June 30, 2018. Inventories in the Transportation Fund consisted of related supplies.

*Capital Assets:* Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per Section 12-6-10 NMSA 1978, 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide financial statements. However, infrastructure assets have not been included in the June 30, 2018 financial statements of Santa Fe Public Schools since the District did not own any infrastructure assets as of June 30, 2018. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally-developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2018.

Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements and have been included as capital assets in the District's government-wide financial statements.

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

Land Improvements	20 years
Buildings	20-50 years
Building Improvements	7-30 years
Equipment	5-20 years
Furniture & Fixtures	20 years
Vehicles	5-12 years

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**D. Assets, Liabilities and Net Position or Equity (Continued)**

*Unearned Revenues:* The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resource’s measurement focus are reported as unearned revenues in the governmental fund financial statements.

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

*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.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

*Pensions:* For the purpose 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 New Mexico 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 the 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.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**D. Assets, Liabilities and Net Position or Equity (Continued)**

*Net Position or Fund Equity:* Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

*Net investment in capital assets:* Consists of capital assets, including restricted 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.

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt service or capital projects.”

*Unrestricted Net Position:* All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

In the governmental fund financial statements, fund balance is classified and is displayed in five components:

*Nonspendable* – Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned* – Consist of amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**D. Assets, Liabilities and Net Position or Equity (Continued)**

*Unassigned* – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

*Reclassifications:* Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

*Interfund Transactions:* Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it, that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

*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 affecting the District's financial statements include management's estimate of the useful lives of capital assets.

**E. Revenues**

*State Equalization Guarantee:* School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Article 8, Section 22-8-25, NMSA 1978) is at least equal to the school district's program cost.

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education, 2) basic education, 3) special education, 4) bilingual-multicultural education, and 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance.

*Tax Revenues:* The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. 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.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

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

**E. Revenues (Continued)**

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1 of each year to be paid in whole or in two installments by November 10 and April 10 of each year. Santa Fe County collects County, City and School taxes and distributes them to each fund once per month, except in June when the taxes are distributed twice to close out the fiscal year.

*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.

*Instructional Materials:* The New Mexico Public Education Department (PED) 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, 70% is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while 30% of each allocation is available for purchases directly from vendors.

*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 operated under its own budget, which has been approved by the Federal Department or the flow through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report separate sections for deferred outflows/inflows of resources. These separate financial statement elements, deferred outflows/inflows of resources, represents a decrease/increase of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue/income) until then. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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

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

The 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 a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the PED.

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.

The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.

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. 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.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**Budgetary Information (Continued)**

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 PED.

Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.

Legal budget control for expenditures is by major function.

Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Santa Fe Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

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.

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a cash basis and are reconciled on a GAAP basis. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

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

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis and reconciled to the GAAP basis.

**NOTE 3. CASH AND TEMPORARY INVESTMENTS**

State statutes authorize the investment of District funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2018.

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 by collateral deposited as security or by bond given by the financial institution.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than 100% of the asked price on United States treasury bills of the same maturity on the day of deposit.

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

The collateral pledged is listed on the Schedule of Changes in Fiduciary Assets and Liabilities. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

**Deposits.** NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for at least one half of the amount on deposit with the institution. The schedule presented below meets the requirements in reporting the insured portion of the deposits.

	First National Bank of Santa Fe	Wells Fargo	Morgan Stanley	Total
Total amounts of deposits	\$ 16,350,741	\$ 942,788	\$ 204,041	\$ 17,497,570
FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(204,041)</u>	<u>(954,041)</u>
<b>Total uninsured public funds</b>	15,850,741	692,788	-	16,543,529
Collateral requirement (50% of uninsured Public funds)	7,925,371	346,394	-	8,271,765
Pledged collateral held by pledging bank trust department or agent but not in District's name	<u>39,797,982</u>	<u>542,878</u>	<u>-</u>	<u>40,340,860</u>
<b>Total under (over) collateralized</b>	<u>\$ (31,872,612)</u>	<u>\$ (196,484)</u>	<u>\$ -</u>	<u>\$ (32,069,096)</u>

*Custodial Credit Risk – Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, 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, 2018, the District was not exposed to custodial credit risk.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

**Investments.** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. There are no Level 2 or Level 3 inputs.

As of June 30, 2018, the District had the following investments and maturities:

Investment Type (Level 1 inputs)	Fair Value
New MexiGROW LGIP	<u>\$ 96,600,000</u>

The New MexiGROW LGIP is invested in the following at June 30, 2018: 25.9% in U.S. Treasuries, 34.4% in U.S. government agencies, 7.1% in collateralized demand deposit accounts with qualified banking institutions, 10.1% in floating rate securities, and 22.5% in overnight repurchase agreements.

*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. The District’s investments were rated AAAM by Standard & Poors and have a weighted-average days to maturity (WAM) as follows: WAM(R) was 50 days and the WAM(F) was 100 days.

*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. The investments in the State Pool LGIP Fund represent 100% of the investment portfolio. Since the District only purchases investment with the highest credit rating, the additional concentration is not viewed to be an additional risk by the District. The District’s policy related to concentration 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).

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2018 are as follows:

	Operational	Bond Building	Capital Improvements Educ. Tech.	Debt Service	Other Governmental	Total
Property taxes	\$ 115,400	\$ -	\$ -	\$ 1,420,466	\$ 1,656,835	\$ 3,192,701
Intergovernmental - grants	10,000	-	-	-	5,344,141	5,354,141
Other	-	67,627	10,716	13,679	30,295	122,317
<b>Total</b>	\$ 125,400	\$ 67,627	\$ 10,716	\$ 1,434,145	\$ 7,031,271	\$ 8,669,159

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 4. RECEIVABLES (CONTINUED)**

The above receivables are deemed 100% collectible. Property tax revenue recognized on property tax receivables in the governmental fund financial statements are net of deferred inflows-property taxes of \$1,866,940.

**NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for reimbursements. The composition of interfund balances as of June 30, 2018 is as follows:

	<u>Receivables</u>	<u>Payables</u>
Major Funds		
General Fund	\$ 12,207,169	\$ -
Bond Building Fund	-	4,498,410
Capital Improvements Educ. Tech.	-	3,540,386
Nonmajor Funds		
Special Revenue Funds	-	4,047,736
Capital Project Funds	<u>-</u>	<u>120,637</u>
<b>Total</b>	<u>\$ 12,207,169</u>	<u>\$ 12,207,169</u>

Operating transfers have primarily been recorded when expenditures were not moved from one fund to another and reimbursement was received for those expenditures. There were no operating transfers for the year ended June 30, 2018.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land is not subject to depreciation.

	Balance June 30, 2017	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2018
<b>Governmental Activities</b>					
Capital Assets not depreciated					
Construction in progress	\$ 31,011,231	\$ 18,886,442	\$ -	\$ -	\$ 49,897,673
Land	<u>2,969,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,969,852</u>
Total Capital Assets not being depreciated	<u>33,981,083</u>	<u>18,886,442</u>	<u>-</u>	<u>-</u>	<u>52,867,525</u>
Capital Assets subject to depreciation					
Land improvements	34,824,956	-	(110,142)	(1,413)	34,713,401
Buildings and building improvements	518,561,538	-	(264,910)	37,077	518,333,705
Furniture, fixtures and equipment	<u>33,310,356</u>	<u>737,045</u>	<u>(780,564)</u>	<u>-</u>	<u>33,266,837</u>
Total Capital Assets being depreciated	<u>586,696,850</u>	<u>737,045</u>	<u>(1,155,616)</u>	<u>35,664</u>	<u>586,313,943</u>
Accumulated Depreciation					
Land improvements	(16,634,024)	(1,423,801)	57,639	-	(18,000,186)
Buildings and building improvements	(193,936,473)	(16,159,555)	25,140	-	(210,070,888)
Furniture, fixtures and equipment	<u>(20,718,539)</u>	<u>(3,096,800)</u>	<u>555,736</u>	<u>-</u>	<u>(23,259,603)</u>
Total accumulation depreciation	<u>(231,289,036)</u>	<u>(20,680,156)</u>	<u>638,515</u>	<u>-</u>	<u>(251,330,677)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 389,388,897</u>	<u>\$ (1,056,669)</u>	<u>\$ (517,101)</u>	<u>\$ 35,664</u>	<u>\$ 387,850,791</u>

Depreciation expense for the year ended June 30, 2018 was charged to governmental activities as follows:

Instruction	\$ 47,087
Support Services - Students	1,015
Support Services - General Administration	2,300
Central Services	1,500
Transportation	417,831
Food Services	59,378
Capital Outlay	<u>20,151,045</u>
<b>Total</b>	<u>\$ 20,680,156</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 7. LONG-TERM DEBT**

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the District's government-wide Statement of Net Position:

	Balance <u>June 30, 2017</u>	Additions	Deletions	Balance <u>June 30, 2018</u>	Due Within <u>One Year</u>
Bonds/notes payable	\$ 230,334,347	\$ -	\$ (25,413,580)	<b>\$ 204,920,767</b>	\$ 30,642,014
Compensated absences	<u>805,365</u>	<u>723,829</u>	<u>(725,925)</u>	<b><u>803,269</u></b>	<u>723,829</u>
<b>Total</b>	<b><u>\$ 231,139,712</u></b>	<b><u>\$ 723,829</u></b>	<b><u>\$ (26,139,505)</u></b>	<b><u>\$ 205,724,036</u></b>	<b><u>\$ 31,365,843</u></b>

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds; payable solely from general property taxes that are levied against all taxable property in the District.

The District's Education Technology notes were issued for the purposes of purchasing technology equipment for use in school classrooms and are payable solely from the proceeds of their sale to a third-party. The bonds are payable out of the Debt Service Fund (Fund 41000). Interest payments are due semi-annually on August 1. Interest rates on the bonds range from 2% to 5%. Principal payments in varying amounts are due annually on August 1 through 2028. The notes are payable out of the Debt Service Fund (Fund 43000). Interest payments are due semi-annually on August 1. Interest rates range from .35% to 5%.

During 2016, Santa Fe Public School (SFPS) District Board of Education approved a unique financing agreement which provided \$2,962,734 to construct solar array fields at two (2) school sites. The funding was provided by the NM Finance Authority (NMFA) issuance of 2016A Series Energy Efficiency and Renewable Energy Bonds. The Bonds are special limited obligations of NMFA, and are payable with pledged revenue, which includes money transferred by the Public Education Department from deductions to the State Equalization Guarantee (SEG) distribution of the District. The amount of savings the District expects to gain from the project is designed to be approximately 11% more than the reduction, making for a positive net impact on the finances.

Please see Note 17.D. for detail on the Component Unit's long-term debt.



**STATE OF NEW MEXICO  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

The requirements to amortize the General Obligation Bonds, Education Technology Notes, and Solar Array Note Payable as of June 30, 2018, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 30,642,014	\$ 7,677,010	\$ 38,319,024
2020	27,095,678	6,548,988	33,644,666
2021	23,731,479	5,523,745	29,255,224
2022	19,430,342	4,551,903	23,982,245
2023	20,426,268	3,638,397	24,064,665
2024-2028	71,352,298	7,531,488	78,883,786
2029-2033	10,844,109	561,329	11,405,438
2034-2038	797,144	186,577	983,721
2039-2043	601,435	42,787	644,222
<b>Total</b>	<u>\$ 204,920,767</u>	<u>\$ 36,262,224</u>	<u>\$ 241,182,991</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

**NOTE 8. RISK MANAGEMENT**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery, and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible per occurrence with a maximum annual deductible of 100,000. General liability coverage is afforded to all employees, volunteers, and 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 \$250,000 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, 2018, there have been no claims that have exceeded insurance coverage.

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**NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2018:

Capital Improvements SB-9 State	\$ 45,531
Capital Improvements SB-9 Local	\$222,746

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2018:

21st Century Community Learning Centers 2008-2014 (Fund 24119)	
Support Services	\$ 20,236
Indian Education Act (Fund 27150)	
Operation of Non-instructional Services	3
Sub Abuse Ed/ Prev DOH (Fund 28142)	
Instruction	439
Capital Improvements SB-9 Local (Fund 31701)	
Support Services	36,512
Debt Service (Fund 41000)	
Support Services	26,211
Education Technology Debt Service (Fund 43000)	
Support Services	1,159

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

**Plan description.** The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s comprehensive annual financial report. The report can be found on NMERB’s Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension 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 state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is considered a component unit of the State’s financial reporting entity. 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 which is a pension benefit trust fund of the State of New Mexico. 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.

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

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 Section 22-112, 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.

**Benefits provided.** 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 65 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 67 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.

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

- 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.

**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

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

- 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%.

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.** For the fiscal years ended June 30, 2018 and 2017, educational employers contributed to the Plan based on the following rate schedule:

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$20K or less	7.90%	13.90%	21.80%	0.00%
2017	7-1-16 to 6-30-17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7-1-16 to 6-30-17	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2018 and 2017, the District paid employee and employer contributions of \$17,818,308 and \$18,142,511, which equal the amount of the required contributions for each fiscal year. For the fiscal years ended June 30, 2018 and 2017, the Charter paid employee and employer contributions of \$419,156 and \$430,811, which equal the amount of the required contributions for each fiscal year.

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2018, the District reported a liability of \$291,658,526 for its proportionate share of the net pension liability. At June 30, 2018, the Charter reported a liability of \$6,887,016 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the ERB 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, 2017. Therefore, the District’s and Charter’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The District’s and Charter’s proportion of the net pension liability was based on a projection of the District and Charter long- term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2017, the District’s proportion was 2.62437%, which was a decrease of 0.06236% from its proportion measured at June 30, 2016. At June 30, 2017, the Charter’s proportion was 0.06197%, which was an increase of 0.00141% from its proportion measured at June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$48,053,722. For the year ended June 30, 2018, the Charter recognized pension expense of \$1,127,668.

At June 30, 2018, the District and Charter reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**District:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ 523,555	\$ 4,493,275
Net difference between projected and actual earnings on Pension plan investments	-	40,009
Changes in assumptions	85,140,855	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,687,249	3,014,239
District contributions subsequent to the measurement date	<u>10,209,684</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 99,561,343</u></u>	<u><u>\$ 7,547,523</u></u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

**Charter:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual actuarial experience change of assumptions	\$ 12,363	\$ 106,101
Net difference between projected and actual earnings on Pension plan investments	-	945
Changes in assumptions	2,010,455	-
Changes in proportion and differences between District contributions and proportionate share of contributions	77,941	45,999
District contributions subsequent to the measurement date	238,559	-
<b>Total</b>	<b>\$ 2,339,318</b>	<b>\$ 153,045</b>

The District reported \$10,209,684 and the Charter reported \$238,559 as deferred outflows of resources related to pensions resulting from the District’s and Charter’s contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>District:</b>	<u>Year Ending June 30,</u>	<b>Charter:</b>	<u>Year Ending June 30,</u>
	2019	\$	737,950
	2020		782,019
	2021		484,455
	2022		(56,709)
	2023		-
	Total		\$ 1,947,715
	2019	\$	32,688,886
	2020		32,447,972
	2021		19,068,864
	2022		(2,401,586)
	2023		-
	Total		\$ 81,804,136

**Actuarial assumptions.** The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

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.										
Average of Expected Remaining Service Lives	<table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Fiscal year</td> <td style="padding-right: 10px;"><u>2017</u></td> <td style="padding-right: 10px;"><u>2016</u></td> <td style="padding-right: 10px;"><u>2015</u></td> <td><u>2014</u></td> </tr> <tr> <td>Service life in years</td> <td>3.35</td> <td>3.77</td> <td>3.92</td> <td>3.88</td> </tr> </table>	Fiscal year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	Service life in years	3.35	3.77	3.92	3.88
Fiscal year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>							
Service life in years	3.35	3.77	3.92	3.88							
Mortality	<p><b>Healthy males:</b> 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.</p> <p><b>Healthy females:</b> 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.</p> <p><b>Disabled males:</b> RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p><b>Disabled females:</b> RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p><b>Active members:</b> 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.</p>										
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.										
Cost-of-living increases	1.90% per year, compounded annually.										
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.										



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**NOTE 10. 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	33%	
Fixed income	26%	
Alternatives	40%	
Cash	1%	
	<u>100%</u>	<u>7.25%</u>

**Discount rate.** A single discount rate of 5.9% was used to measure the total pension liability as of 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 3.56%, 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 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 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.

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**NOTE 10. 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 presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90%) or 1-percentage-point higher (6.90%) than the current rate.

	1 % Decrease 4.90%	Current Discount Rate 5.90%	1 % Increase 6.90%
District's proportionate share of the net pension liability	<u>\$379,666,870</u>	<u>\$291,658,526</u>	<u>\$219,718,865</u>
Charter's proportionate share of the net pension liability	<u>\$ 8,965,182</u>	<u>\$ 6,887,016</u>	<u>\$ 5,188,284</u>

**Pension Plan Fiduciary Net Position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for the years ended June 30, 2018 and 2017, which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE 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.

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**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

**Employees covered by benefit terms.** At June 30, 2017, the Fund’s measurement date, the following State of New Mexico employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	160,035
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	97,349

**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. Contributions to the Fund from the District were \$1,457,983 for the year ended June 30, 2018. Contributions to the Fund from the Charter were \$33,739 for the year ended June 30, 2018.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2018, the District reported a liability of \$78,936,306 for its proportionate share of the net OPEB liability. At June 30, 2018, the Charter reported a liability of \$1,862,971 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The District’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the District’s proportion was 1.74188%. The Charter’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the District’s proportion was 0.04111%.

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**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,138,254. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,029,157
Differences between actual and projected earnings on OPEB plan investments	-	1,135,553
Changes of assumptions	-	13,801,008
Contributions made after the measurement date	<u>1,457,983</u>	<u>-</u>
Total	<u>\$ 1,457,983</u>	<u>\$ 17,965,718</u>

For the year ended June 30, 2018, the Charter recognized OPEB expense of \$74,066. At June 30, 2018, the Charter reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 71,491
Differences between actual and projected earnings on OPEB plan investments	-	26,800
Changes of assumptions	-	325,717
Contributions made after the measurement date	<u>33,738</u>	<u>-</u>
Total	<u>\$ 33,738</u>	<u>\$ 424,008</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

Deferred outflows of resources totaling \$1,457,983 represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (3,819,637)
2020	(3,819,637)
2021	(3,819,637)
2022	(3,819,637)
2023	<u>(2,687,170)</u>
Total	<u>\$ (17,965,718)</u>

Deferred outflows of resources totaling \$33,738 represent Charter 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:

<u>Year Ending June 30,</u>	
2019	\$ (90,147)
2020	(90,147)
2021	(90,147)
2022	(90,147)
2023	<u>(63,420)</u>
Total	<u>\$ (424,008)</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

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

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 years for Medicare medical plan costs

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

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

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	4.1%
U.S. equity - large cap	20%	9.1%
Non U.S. - emerging markets	15%	12.2%
Non U.S. - developed equities	12%	9.8%
Private equity	10%	13.8%
Credit and structured finance	10%	7.3%
Real estate	5%	6.9%
Absolute return	5%	6.1%
U.S. equity - small/mid cap	3%	9.1%

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, OPEB liability uses index rate of the 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the 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 (2.81%) or 1-percentage-point higher (4.81%) than the **current discount rate**:

1% Decrease (2.81%)	Current Discount (3.81%)	1% Increase (4.81%)
\$ 95,748,509	\$ 78,936,306	\$ 65,745,621

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 (2.81%) or 1-percentage-point higher (4.81%) than the **current discount rate**:

1% Decrease (2.81%)	Current Discount (3.81%)	1% Increase (4.81%)
\$ 2,259,755	\$ 1,862,971	\$ 1,551,658

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

1% Decrease	Current Trend Rates	1% Increase
\$ 67,140,764	\$ 78,936,306	\$ 88,133,913

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the **current healthcare cost trend rates**:

1% Decrease	Current Trend Rates	1% Increase
\$ 1,584,585	\$ 1,862,971	\$ 2,080,043

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2017.

**NOTE 12. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be allowed 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 the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 13. JOINT POWERS AGREEMENTS**

**Medicaid School – Based Services Program**

Participants	Santa Fe Public Schools NM Health Services Department
Responsible party	Santa Fe Public Schools and NMHSD
Description	To improve the health and development outcomes of children and youth in New Mexico by providing quality health care and service through the program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements.
Term of agreement	Indefinite term beginning May 9, 2003
Amount of Project	Not to exceed \$500,000 each fiscal year
District contributions	None
Audit responsibility	Santa Fe Public Schools

**NOTE 14. DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

**NOTE 15. TAX ABATEMENTS**

GASB Statement No. 77, Tax Abatement Disclosures, has been implemented by governmental entities for the fiscal year ended June 30, 2018. The District does not abate taxes and has not been materially impacted by any tax abatement agreements entered into by other governmental entities.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 16. RESTATEMENT OF NET POSITION – ADOPTION OF NEW ACCOUNTING STANDARD**

The Governmental Accounting Standards Board (GASB) issued a new accounting pronouncement (Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans) effective for the year ended June 30, 2018. The implementation of GASB 75 has created a restatement of the District’s and Charter’s beginning net position.

As a cost-share employer participating the Retiree Health Care Authority (Plan or “RHCA”) (see NOTE 12), the District is required to, and has included, in its June 30, 2018 financial statements, the pro rata share of the Plan’s collective “Net Retiree Healthcare Liability”. This share represents the difference between the Plan’s “Total Plan Liability” and the Plan’s “Net Plan Position”, reported at the market value of the investment assets. With the adoption of the new accounting pronouncement, the District and Charter have reduced their Unrestricted Net Positions the beginning of the fiscal year in the amount of \$93,763,771 and \$2,212,913, respectively, as shown on the government-wide Statement of Activities.

**NOTE 17. COMPONENT UNIT**

The following charter school was formed under NMSA 22-8A and as such are presented here as discrete Component Unit of Santa Fe Public Schools:

Academy for Technology & the Classics (ATC)

District management has determined that the charter school is a Component Unit under GASB Statement No. 61 since their operating budget and charter are presented and approved by the District’s board and a financial burden exists upon closure of a school or when the school is in need of financial assistance. The charter school is considered a legally separate entity and has a separate board from the District board. The District does not appoint members of the charter school board. The New Mexico State Auditor has determined that a charter school is a major Component Unit of their respective Districts. Refer to previous footnotes for significant policies of the charter schools, as they are subject to the same State and Federal regulations and follow the same policies as the District. The following are summarized details of the charter school balances and transactions as of June 30, 2018 and for the year then ended:

In defining the reporting entity of ATC, management considered all possible Component Unit and it was determined (due to the significance of the relationship between the ATC Foundation, a non-profit corporation under the IRC Sec. 501(c)(3) and ATC), the Foundation qualified for inclusion in the financial statements of ATC as a blended Component Unit. This Component Unit has a separate appointed board and provides the building that houses ATC under the terms of a 30-year cancelable lease. For tax purposes, the ATC foundation has a December 31 year-end.

**A. Cash and Temporary Investments**

Deposits: NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The schedule presented below meets the requirements in reporting the insured portion of the deposits.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

**NOTE 17. COMPONENT UNIT (CONTINUED)**

**A. Cash and Temporary Investments (Continued)**

	Academy for Technology and the Classics
Total amounts of deposit	\$ 1,271,044
FDIC coverage	<u>250,860</u>
<b>Total uninsured public funds</b>	<b><u>\$ 1,020,184</u></b>
Collateral requirement (50% of uninsured public funds)	\$ 510,092
Pledged security	<u>1,114,565</u>
<b>Total under (over) collateralized</b>	<b><u>\$ (604,473)</u></b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, 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, 2018, none of the Charter School’s bank was exposed to custodial credit risk.

**B. Accounts Receivable**

As of June 30, 2018, the Charter had no accounts receivable.

**C. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows:

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 17. COMPONENT UNIT (CONTINUED)**

**C. Capital Assets (Continued)**

	Balance <u>June 30, 2017</u>	Additions	Deletions	Balance <u>June 30, 2018</u>
<b>Academy for Technology and the Classics</b>				
Furniture, fixtures and equipment	\$ 176,955	\$ 42,380	\$ -	\$ 219,335
Land and land improvements	537,007	-	-	537,007
Building and building improvements	5,818,482	-	-	5,818,482
Accumulated depreciation	<u>(1,518,510)</u>	<u>(186,355)</u>	<u>-</u>	<u>(1,704,865)</u>
<b>Capital assets, net</b>	<u>\$ 5,013,934</u>	<u>\$ (143,975)</u>	<u>\$ -</u>	<u>\$ 4,869,959</u>

Depreciation expense for the year ended June 30, 2018 was charged to governmental activities as follows:

Charter	\$ 39,729
Foundation	<u>146,626</u>
<b>Total</b>	<u>\$ 186,355</u>

**D. Commitment and Liabilities**

*Academy for Technology & the Classics* – The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2018 was \$439,579. The school had a compensated absences balance of \$10,395 at the beginning of the fiscal year. Additions to the balance were \$23 which resulted in an ending balance of \$10,418. Of this balance, \$10,418 is considered to be current.

Five year Payout-For Footnote Disclosure for Rent Expense

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 378,000	\$ 378,000	\$ 378,000	\$ 378,000	\$ 378,000

On September 29, 2014, ATC Foundation refinanced an outstanding principal balance amount of \$4,200,000 with Los Alamos National Bank; total amount of loan, including financed fees was \$4,300,000. In addition, as part of the agreement with Los Alamos National Bank, ATC agreed to the conditional guarantee of 80% of the loan amount with United States Department of Agriculture (Rural Development program). The loan guarantee is subject to an annual renewal fee of .50% of the guaranteed portion of the outstanding principal balance as of December 31 of each year. Annual renewal fee payments not received by April 1 of the following year are considered delinquent and may result in cancellation of the guarantee to the lender.

The long-term mortgage payable for ATC Foundation as of June 30, 2018 is as follows:

Los Alamos National Bank Mortgage; interest rate 4.25%; matures September 29, 2044, secured by building	<u>\$3,821,408</u>
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**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 17. COMPONENT UNIT (CONTINUED)**

**D. Commitment and Liabilities (Continued)**

The requirements to amortize the mortgage note payable as of June 30, 2018, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 78,038	\$ 170,367	\$ 248,405
2020	81,623	166,782	248,405
2021	85,373	163,032	248,405
2022	89,295	159,110	248,405
2023	93,397	155,008	248,405
2024-2028	535,426	706,599	1,242,025
2029-2033	670,243	571,781	1,242,024
2034-2038	839,008	403,017	1,242,025
2039-2043	1,050,267	191,758	1,242,025
2044-2048	298,738	307,639	606,377
<b>Total</b>	<u>\$ 3,821,408</u>	<u>\$ 2,995,093</u>	<u>\$ 6,816,501</u>

**E. Retiree Health Care (RHC) Contributions**

During fiscal year 2018, RHC remitted by the School was \$33,739 in employer contributions as well as \$16,869 in employee contributions.

**F. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combining Statements of certain information concerning individual funds, including:

- A. Excess of expenditures over appropriations.
- B. Receivables and payables from interfund transactions as of June 30, 2018, with funds which interfund transactions.
- C. Deficit fund balance of individual funds.

*Academy for Technology & the Classics:*

- A. Excess of expenditures over appropriations:

Title I - IASA (Fund 24101)	
Support services	\$ 11,075
Private Dir. Grants (Categorical) (Fund 29102)	
Instruction	13,372
Support services	416

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018**

**NOTE 17. COMPONENT UNIT (CONTINUED)**

- B. There were no receivables and payables from interfund transactions as of June 30, 2018.
- C. There were no funds reported a deficit fund balance at June 30, 2018.

**G. Restatement of Fund Balances and Net Position**

Cash and fund balance due to bank reconciliations errors, as of June 30, 2017, was understated in the amount of \$366,726. This error was corrected in these financial statements as a restatement to beginning fund balance for the following funds:

Funds	As Originally		
	Reported	Restatement	As Restated
11000	\$ (45,497)	\$ 352,406	\$ 306,909
14000	16,360	(3,723)	12,637
21000	(19,373)	19,373	-
22000	(2,167)	2,167	-
24106	(1,930)	1,930	-
24154	755	(755)	-
27107	(537)	537	-
27188	(30,699)	30,699	-
27190	(3,267)	3,267	-
31200	25,498	40,581	66,079
31400	(2,120)	2,120	-
31600	(24,180)	24,180	-
31700	100,403	(296,049)	(195,646)
31701	-	195,646	195,646
31900	6,994	(5,653)	1,341
	<u>\$ 20,240</u>	<u>\$ 366,726</u>	<u>\$ 386,966</u>

Net position and cash were also adjusted for the same amount on the government wide financial statements.

**NOTE 18. SUBSEQUENT EVENT**

The District sold The Alvord School at 551 Alarid Street, Santa Fe, New Mexico on August 24, 2018 for \$2,550,000. The property had been leased to the Tierra Encantada Charter High School since 2010. The Charter school asked to be released early from their lease, as the building did not function well for their needs. Both the odd floorplan configuration and the small lot size (2.8 acres) made the property undesirable for a school and, therefore, not useful for the District to renovate and retain into the future.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

Fiscal Year Measurement Date	<b>2018 2017</b>	2017 2016	2016 2015	2015 2014
District's proportion of the net pension liability	<b>2.62437%</b>	2.68673%	2.63247%	2.49363%
District's proportionate share of the net pension liability	<b>\$ 291,658,526</b>	\$ 193,348,739	\$ 170,512,077	\$ 142,279,821
District's covered employee payroll	<b>\$ 73,444,754</b>	\$ 74,686,466	\$ 71,874,864	\$ 68,733,558
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>397%</b>	259%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>52.95%</b>	61.58%	63.97%	66.54%

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
LAST 10 FISCAL YEARS\* (UNAUDITED)**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contributions	\$ <b>10,209,684</b>	\$ 10,381,419	\$ 10,655,553	\$ 10,401,683
Contributions in relation to contractually required contributions	<u>\$ <b>10,209,684</b></u>	<u>\$ 10,381,419</u>	<u>\$ 10,655,553</u>	<u>\$ 10,401,683</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ <b>73,444,754</b>	\$ 74,686,466	\$ 71,874,864	\$ 71,874,864
Contributions as a percentage of covered employee payroll	<b>13.90%</b>	13.90%	14.83%	14.47%

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



**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	June 30,
Fiscal Year	2018
Measurement Date	2017
District's proportion of the net OPEB liability	<b>1.74188%</b>
District's proportionate share of the net OPEB liability	<b>\$ 78,936,306</b>
District's covered-employee payroll	<b>\$ 72,560,578</b>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	<b>108.79%</b>
RHCA Plan fiduciary net position as a percentage of the total pension liability	<b>11.34%</b>

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years. Complete information for the District is not available prior to 2018, the year the statement's requirements became effective.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF THE DISTRICT'S RETIREE HEALTH CARE CONTRIBUTIONS**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	<b>2018</b>
Contractually required contribution	<b>\$ 5,531,287</b>
Contributions in relation to the contractually required	<b>\$ <u>2,776,090</u></b>
District's proportion of the net OPEB liability	<b>\$ <u><u>2,755,197</u></u></b>
Employer's covered-employee payroll	<b>\$ 72,560,578</b>
Contributions as a percentage of covered-employee payroll	<b>3.83%</b>

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School will present information for available years. Complete information for the District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2018**

**ERB PLAN**

***Changes in benefit provisions.*** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

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

**RHCA Plan**

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

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

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 3,642,111	\$ 7,098,397	\$ 203,206	\$ 10,943,714
Investments	-	2,000,000	10,000,000	12,000,000
Receivables				
Taxes	-	1,265,526	391,309	1,656,835
Due from other governments	5,258,504	85,637	-	5,344,141
Interfund receivables	-	-	-	-
Other receivables	-	2,896	27,399	30,295
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total current assets</b>	<u>\$ 8,900,615</u>	<u>\$ 10,452,456</u>	<u>\$ 10,621,914</u>	<u>\$ 29,974,985</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 666,287	\$ 1,140,269	\$ -	\$ 1,806,556
Cash overdraft	-	-	-	-
Due to government	-	-	-	-
Accrued payroll liabilities	411,323	3,329	-	414,652
Interfund payables	4,047,736	120,637	-	4,168,373
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total current liabilities</b>	<u>5,125,346</u>	<u>1,264,235</u>	<u>-</u>	<u>6,389,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	814,137	177,466	991,603
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,775,269	8,374,084	10,444,448	22,593,801
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u>3,775,269</u>	<u>8,374,084</u>	<u>10,444,448</u>	<u>22,593,801</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 8,900,615</u>	<u>\$ 10,452,456</u>	<u>\$ 10,621,914</u>	<u>\$ 29,974,985</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 19,457,648	\$ 9,663,103	\$ 29,120,751
State grants	4,271,754	99,025	-	4,370,779
Federal grants	15,634,123	-	-	15,634,123
Charges for services	697,588	-	-	697,588
Miscellaneous	609,582	604	-	610,186
Interest	128	56,506	87,984	144,618
<b>Total revenues</b>	<u>21,213,175</u>	<u>19,613,783</u>	<u>9,751,087</u>	<u>50,578,045</u>
<b>EXPENDITURES</b>				
Current				
Instruction	7,638,041	-	-	7,638,041
Support services				
Students	4,109,315	-	-	4,109,315
Instruction	1,438,745	-	-	1,438,745
General administration	368,993	194,070	96,159	659,222
School administration	203,534	-	-	203,534
Central services	205,682	-	-	205,682
Operation & maintenance of plant	8,932	-	-	8,932
Student transportation	143,365	-	-	143,365
Other support services	-	-	-	-
Food services operations	6,008,841	-	-	6,008,841
Community service	34,974	-	-	34,974
Capital outlay	840,962	19,018,158	-	19,859,120
Debt service				
Principal	-	-	8,250,000	8,250,000
Interest	-	-	688,709	688,709
<b>Total expenditures</b>	<u>21,001,384</u>	<u>19,212,228</u>	<u>9,034,868</u>	<u>49,248,480</u>
<b>Excess of revenues over expenditures</b>	<u>211,791</u>	<u>401,555</u>	<u>716,219</u>	<u>1,329,565</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Bond issuance premiums	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	211,791	401,555	716,219	1,329,565
Fund balances, beginning of year	<u>3,563,478</u>	<u>7,972,529</u>	<u>9,728,229</u>	<u>21,264,236</u>
<b>Fund balances, end of year</b>	<u>\$ 3,775,269</u>	<u>\$ 8,374,084</u>	<u>\$ 10,444,448</u>	<u>\$ 22,593,801</u>

See Notes to Financial Statements.

**NONMAJOR SPECIAL REVENUE FUNDS**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018**

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

**Food Services (21000)** – This fund is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users.

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

**Title I IASA (24101)** – same as Title I School Imp (24162) - The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. 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; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Entitlement IDEA-B (24106)** – 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.

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

**Education of Homeless (24113)** – To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**IDEA-B Private School Share (24115)** - A proportionate allocation subtracted from the total IDEA-B Entitlement (24106) award to the Private school students with disabilities.

**21<sup>st</sup> Century Community Learning Centers 2008-2014 (24119)** – To provide assistance for graduates in achieving jobs in their field of education. Authority: Carl D. Perkins Vocational and Technical Education Act of 1998, Title I; Workforce Investment Act, Section 503.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

**Enhancing Education through Technology (24149).** To account for revenues and expenditures received from a federal grant to be used to encourage elementary and secondary schools and community-based agencies to create, develop, and offer service learning opportunities for school-age youth. The fund was created by the authority of the National and Community Service Act of 1990, as amended.

**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.

**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.

**Safe & Drug Free Schools & Community (24157)** – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**Title I School Improvement (24162)** – (same as 24101) - To provide supplemental educational opportunity for academically disadvantaged children in the area residing. 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; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Carl D. Perkins Special Projects – Current (24171)** - The objective of this grant is to provide secondary and postsecondary 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 Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**(24174 – Secondary Current) (24176 – Secondary Redistribution)** – 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 Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**USHHS/CDC School Health (24186)** – New Mexico Public Education Department Intergovernmental Agreement Amendment #IGA#16-924-00266-A1 funding to carry out the Youth Resiliency Project in Santa Fe Schools.

**Student Support & Academic Enrichment Program (24189)** – To account for funds used to improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students. Authorized by Section 4101 of the Elementary and Secondary Education Act.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

**Johnson O'Malley (25131)** – To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382).

**XIX Medicaid (25153)** – To account for a program providing school-based screening, diagnostic services, and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for creation of this fund is the Public Education Department.

**Santa Fe Underage Drinking Alliance (25181)** – The Drug-Free Communities Support Program is a collaborative effort between the Office of Nation Drug Control Policy and the Substance Abuse and Mental Health Services Administration. Grant awards are issued to community coalitions through an interagency agreement with SAMHSA. The purpose of DFC funding is to address two major goals: 1) establish and strengthen collaboration among communities, public and private non-profit agencies, and Federal, State, Local and Tribal governments to support the efforts of community coalitions, and 2) reduce substance abuse among youth and over time young adults.

**Indian Education Formula Grant (25184)** – To make grants to State, Territories, Tribes and tribal organizations serving federally-recognized tribes (public institutions of higher education and hospitals are not eligible applicants) for child care assistance for low-income families and to: 1) allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State; 2) promote parental choice to empower working parents to make their own decisions on the child care that best suits their families' needs; 3) encourage States to provide consumer education information to help parents make informed choices about child care; 4) assist States to provide child care to parents trying to achieve independence from public assistance; and 5) assist States in implementing the health, safety, licensing and registration standards established in State regulations.

**ROTC (25200)** – To provide financial assistance to school districts to reimburse a portion of the salaries paid to R.O.T.C. instructors. The funding is provided by the U.S. Marine Corps.

**GEAR UP (25205)** – Gear Up New Mexico funds will support successful high school graduation and post-secondary attendance.

**Safe Drug Free School/Community (25243)** - PL 107-110 Safe & Drug Free Schools & Communities Act of ESEA, as amended by NCLB Program Title: Safe and Drug-Free Schools and Communities- National Programs.

**LANL Foundation (26113)** – Educational enrichment grant received from Los Alamos National Laboratory.

**PNM Foundation Grant (26123)** – To account for PNM funding supporting various grant requests. These are small classroom projects proposed by individual teachers within the district.

**Dual Credit Instructional Materials (27103)** – A one-time appropriation for school year 2009-2011 for dual credit materials for fall and spring semesters.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

**2012 G.O. Bond Student Library Fund (SB 66) (27107)** – Funds used to purchase books, supplies and other media for school libraries. Laws of 2012. This fund replaced 27106.

**New Mexico Reads to Lead (27114)** – K-3 Reading Initiative legislative funded.

**Truancy Initiative PED (27141)** – To hire Truancy and Dropout Prevention Coaches with appropriate state licensure. The coaches will monitor and report on the performance of each school assigned a coach. The reporting will include information about truancy and dropout statistics, as well as documentation about various events and programming provided by the school as related to truancy and dropout prevention.

**Pre-K Initiative (27149)** – To provide high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high-quality Pre-K program can do regardless of income or ethnicity.

**Indian Education Act (27150)** – To account for funds to help support the educational reform initiatives outlined in the District's Educational Plan for Student Success (EPSS). The grant expenditures must support how the identified EPSS focus areas/ activities/ strategies will be deployed for addressing the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

**Breakfast for Elementary Students (27155)** – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

**School Improvement Framework (27164)** – The grant was awarded as a result of meeting adequate yearly progress for two consecutive years. These funds are to be used for library materials.

**Legislative Appr. of 2007 (27165)** – To provide funds for college readiness and high school redesign initiative.

**Kindergarten – Three Plus (27166)** – The funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds are used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools. HB 198 Laws 2007 Parkinson/Paolillo.

**Libraries SB301 GO BONDS (27170)** – In the November 2004 election, New Mexico voters approved GO bond C for \$6,156,000 to fund public school and juvenile detention libraries statewide. Statute specifies that the funds are available to acquire library books, equipment and library resources for public schools and juvenile detention libraries.

**2013 School Bus (27178)** – Appropriation to purchase school buses statewide. Laws of 2013 SB60 Section 53.

**Early College High School Start Up (27180)** - New Mexico State Legislation appropriation information specific to this award: Early College High School Initiative, Funding Agency: New Mexico Public Education Department, Special Appropriation Fund.

**NM Grown FFV (27183)** – Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. 2013 HB2 Special Appropriation, Section 5, Page 217.

**Teacher and Leader Incentive Pay Program – Group (27190)** – The New Mexico Pay for Performance Pilot (PPP) establishes group and individual-based incentive programs designed to recognize and reward New Mexico's high performing teachers and principals. By using local expertise and negotiating with local partners, PPP grantees will create innovative systems primarily to reward teachers and principals for their excellence. Authority for creating this fund are the Laws of 2014.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

**Early Intervention CYFD (28108)** – The purpose of this program is to provide nursery services for babies of teen students. Funds were provided through a discretionary grant from CYFD. Authority for creation of this fund is authorization of the New Mexico Public Education Department.

**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.

**Sub Abuse Ed/ Prev DOH (28142)** – To account for revenues received for the implementation of innovative and accessible school-based programs which effectively address the mental health and substance abuse needs of high-risk children, youth and their families. Authority: NMSA Section 29-17-2.

**NM Grads Childcare (28189)** – Program to provide licensed child care services for parenting teens, as described in the GRADS “Scope of Work” with the NM Public Education Department for the well-being of children born to Parenting Teen Families. Authority for creating this fund are the Laws of 2014.

**NM Grads Instructional (28190)** – Program to provide summer case management for parenting teens, as described in the GRADS “Scope of Work” with the NM Public Education Department for the well-being of children born to Parenting Teen Families. Authority for creating this fund are the Laws of 2014.

**State Underage Drinking Prevention – Department of Transportation (28196)** – State of New Mexico, New Mexico Department of Transportation, Programs Division, Traffic Safety Division. Purpose: to fund activities to reduce DWI, which are of permanent direct benefit to traffic safety in New Mexico. Funding for this underage drinking prevention program are from state funds authorized by NMSA 66-5-35 “limited driving privilege upon suspension or revocation” which includes a \$45 interlock fee collected and transferred to the Department to be used for DWI prevention and education programs for elementary and secondary school students.

**Energy Minerals and Natural Resources Grant (28197)** – New Mexico Finance Authority Energy Efficiency and Renewable Energy Bonds (Santa Fe Public School District), Series 2016A for the purpose of providing funds for the construction of PV Solar Array Systems at Santa Fe High School and Ramirez Thomas Elementary School.

**Grads Plus (28203)** – Program to provide GRADS PLUS: Making Connections for Success model services at Capital and Santa Fe High School. Authority for creation of this fund are the Laws of 2014.

**Private Dir Grants (Categorical) (29102)** – To account for local grants awarded to provide additional funding for specific projects. AEL was awarded to provide training for the LLHS Administration. Milken was used for beautification purposes at a school site.

**Teen Pregnancy Grant (29103)** – To account for a mini-grant from the New Mexico Department of Health supporting student developed Teen Pregnancy Prevention training materials.

**City/County Grant (29107)** – To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support nutrition-focused event for the school.

**McCune Charitable Foundation (29114)** – Santa Fe Public School E-STEM Program - Preparing Today’s Students for Tomorrow’s Challenges. Energy and Water Conservation Program.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018**

	Food Services 21000	Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,947,614	\$ 29,103	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	159,631	-	1,067,324	691,823
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 2,107,245</u>	<u>\$ 29,103</u>	<u>\$ 1,067,324</u>	<u>\$ 691,823</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 209,502	\$ 3,068	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	170,784	44,616
Interfund payables	-	-	896,540	647,207
<b>Total current liabilities</b>	<u>209,502</u>	<u>3,068</u>	<u>1,067,324</u>	<u>691,823</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,897,743	26,035	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>1,897,743</u>	<u>26,035</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,107,245</u>	<u>\$ 29,103</u>	<u>\$ 1,067,324</u>	<u>\$ 691,823</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	IDEA-B Preschool 24109	Education of Homeless 24113	IDEA-B Private School 24115	21st Century Community Learning Centers 24119
	<u>24109</u>	<u>24113</u>	<u>24115</u>	<u>24119</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	3,714	14,719	5,062	85,792
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 3,714</u>	<u>\$ 14,719</u>	<u>\$ 5,062</u>	<u>\$ 85,792</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	1,260	-	-
Interfund payables	3,714	13,459	5,062	85,792
	<u>3,714</u>	<u>14,719</u>	<u>5,062</u>	<u>85,792</u>
<b>Total current liabilities</b>	<u>3,714</u>	<u>14,719</u>	<u>5,062</u>	<u>85,792</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 3,714</u>	<u>\$ 14,719</u>	<u>\$ 5,062</u>	<u>\$ 85,792</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	IDEA-B Results Plan 24132	Enhancing Education thru Technology 24149	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	77,037	-	122,201	168,329
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 77,037</u>	<u>\$ -</u>	<u>\$ 122,201</u>	<u>\$ 168,329</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	4,091	3,746
Interfund payables	77,037	-	118,110	164,583
	<u>77,037</u>	<u>-</u>	<u>122,201</u>	<u>168,329</u>
<b>Total current liabilities</b>	<u>77,037</u>	<u>-</u>	<u>122,201</u>	<u>168,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 77,037</u>	<u>\$ -</u>	<u>\$ 122,201</u>	<u>\$ 168,329</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	Title I School Improvement 24162	Carl D. Perkins Special Projects 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	64,197	28,800	75,570	9,119
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 64,197</u>	<u>\$ 28,800</u>	<u>\$ 75,570</u>	<u>\$ 9,119</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	64,197	28,800	75,570	9,119
<b>Total current liabilities</b>	<u>64,197</u>	<u>28,800</u>	<u>75,570</u>	<u>9,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 64,197</u>	<u>\$ 28,800</u>	<u>\$ 75,570</u>	<u>\$ 9,119</u>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	USHHS/CDC School Health 24186	Title I Student Support and Academic Enrichment 24189	Johnson O'Malley 25131	Title XIX Medicaid 3/21 Years 25153
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 742,034
Receivables				
Taxes	-	-	-	-
Due from other governments	1,568	38,397	21,651	128,363
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 1,568</u>	<u>\$ 38,397</u>	<u>\$ 21,651</u>	<u>\$ 870,397</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	2,647	-	42,171
Interfund payables	1,568	35,750	21,651	-
<b>Total current liabilities</b>	<u>1,568</u>	<u>38,397</u>	<u>21,651</u>	<u>42,171</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	828,226
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,226</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1,568</u>	<u>\$ 38,397</u>	<u>\$ 21,651</u>	<u>\$ 870,397</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	Santa Fe Underage Drinking Alliance 25181	Indian Education Formula Grant 25184	ROTC 25200	GEAR UP 25205
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 19,196	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	32,503	24,483	-	35,984
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 32,503</u>	<u>\$ 24,483</u>	<u>\$ 19,196</u>	<u>\$ 35,984</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	2,090	-	12,361
Interfund payables	32,503	22,393	-	23,623
	<u>32,503</u>	<u>24,483</u>	<u>-</u>	<u>35,984</u>
<b>Total current liabilities</b>	<u>32,503</u>	<u>24,483</u>	<u>-</u>	<u>35,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	19,196	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>19,196</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>19,196</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 32,503</u>	<u>\$ 24,483</u>	<u>\$ 19,196</u>	<u>\$ 35,984</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	Safe Drug Free School Comm 25243	LANL Foundation 26113	PNM Foundation, Inc. 26123	Dual Credit Instructional Materials/HB2 27103
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 143	\$ 701,665	\$ 10,000	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	-	5,392
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>143</u>	<u>701,665</u>	<u>10,000</u>	<u>5,392</u>
<b>Total current assets</b>	<u>\$ 143</u>	<u>\$ 701,665</u>	<u>\$ 10,000</u>	<u>\$ 5,392</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	5,392
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,392</u>
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,392</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	143	701,665	10,000	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>143</u>	<u>701,665</u>	<u>10,000</u>	<u>-</u>
<b>Total fund balances</b>	<u>143</u>	<u>701,665</u>	<u>10,000</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 143</u>	<u>\$ 701,665</u>	<u>\$ 10,000</u>	<u>\$ 5,392</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	2012 GO Bonds - Student Library SB-66 27107	Pre K Initiative 27149	Indian Educational Act 27150	Breakfast for Elementary Students 27155
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	97,185	644,915	17,352	9,303
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 97,185</u>	<u>\$ 644,915</u>	<u>\$ 17,352</u>	<u>\$ 9,303</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	116,902	-	-
Interfund payables	97,185	528,013	17,352	9,303
	<u>97,185</u>	<u>644,915</u>	<u>17,352</u>	<u>9,303</u>
<b>Total current liabilities</b>	<u>97,185</u>	<u>644,915</u>	<u>17,352</u>	<u>9,303</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 97,185</u>	<u>\$ 644,915</u>	<u>\$ 17,352</u>	<u>\$ 9,303</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	Legislative Appropriations Math Grant 27165	Kindergarten - Three Plus 27166	School Bus Replacement 27178	Teacher and Leader Incentive Pay Program 27188
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	508,534	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 508,534</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	508,534	-	-
	<u>-</u>	<u>508,534</u>	<u>-</u>	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>	<u>508,534</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 508,534</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	ASSIST Tobacco DOH 28122	Substance Abuse Ed/Prev DOH 28142	GRADS - Child Care 28189	GRADS - Instruction 28190
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 81,329	\$ (1)	\$ 7	\$ 199
Receivables				
Taxes	-	-	-	-
Due from other governments	3,168	116,318	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current assets</b>	<u>\$ 84,497</u>	<u>\$ 116,317</u>	<u>\$ 7</u>	<u>\$ 199</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	90,155	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current liabilities</b>	<u>-</u>	<u>90,155</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	84,497	26,162	7	199
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>84,497</u>	<u>26,162</u>	<u>7</u>	<u>199</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 84,497</u>	<u>\$ 116,317</u>	<u>\$ 7</u>	<u>\$ 199</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	State Underage Drinking Prevention DOT 28196	Energy Minerals and Nat Resources Grant 28197	GRADS Plus 28203	Private Dir Grants (Categorical) 29102
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 6,031	\$ 64,725
Receivables				
Taxes	-	-	-	-
Due from other governments	16,258	840,962	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 16,258</u>	<u>\$ 840,962</u>	<u>\$ 6,031</u>	<u>\$ 64,725</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ 453,717	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	851
Interfund payables	16,258	387,245	-	-
<b>Total current liabilities</b>	<u>16,258</u>	<u>840,962</u>	<u>-</u>	<u>851</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	6,031	63,874
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>63,874</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 16,258</u>	<u>\$ 840,962</u>	<u>\$ 6,031</u>	<u>\$ 64,725</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018**

	Teen Pregnancy 29103	City/County Grants 29107	McCune Charitable Foundation 29114	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 40,066	\$ 3,642,111
Receivables				-
Taxes	-	-	-	-
Due from other governments	-	142,850	-	5,258,504
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 142,850</u>	<u>\$ 40,066</u>	<u>\$ 8,900,615</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 666,287
Due to government	-	-	-	-
Accrued payroll liabilities	-	9,804	-	411,323
Interfund payables	-	61,621	-	4,047,736
<b>Total current liabilities</b>	<u>-</u>	<u>71,425</u>	<u>-</u>	<u>5,125,346</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	71,425	40,066	3,775,269
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>71,425</u>	<u>40,066</u>	<u>3,775,269</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 142,850</u>	<u>\$ 40,066</u>	<u>\$ 8,900,615</u>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Food Services 21000	Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,677,738	-	3,112,306	2,758,452
Charges for services	550,354	147,234	-	-
Miscellaneous	-	-	-	-
Interest	128	-	-	-
<b>Total revenues</b>	<u>6,228,220</u>	<u>147,234</u>	<u>3,112,306</u>	<u>2,758,452</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	135,477	2,399,784	401,039
Support services				
Students	-	-	168,696	2,164,197
Instruction	-	-	366,023	-
General administration	-	-	68,784	60,963
School administration	-	-	8,158	-
Central services	-	-	67,615	98,839
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	33,414
Other support services	-	-	-	-
Food services operations	5,960,535	-	-	-
Community service	-	-	33,246	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>5,960,535</u>	<u>135,477</u>	<u>3,112,306</u>	<u>2,758,452</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>267,685</u>	<u>11,757</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	267,685	11,757	-	-
Fund balances, beginning of year	<u>1,630,058</u>	<u>14,278</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,897,743</u>	<u>\$ 26,035</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	IDEA-B Preschool 24109	Education of Homeless 24113	IDEA-B Private School 24115	21st Century Community Learning Centers 24119
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	40,828	69,595	30,361	1,007,575
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>40,828</u>	<u>69,595</u>	<u>30,361</u>	<u>1,007,575</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	3,743	-	794,467
Support services				
Students	40,828	-	30,361	81,965
Instruction	-	65,852	-	-
General administration	-	-	-	44,268
School administration	-	-	-	66,493
Central services	-	-	-	20,382
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>40,828</u>	<u>69,595</u>	<u>30,361</u>	<u>1,007,575</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	IDEA-B Results Plan 24132	Enhancing Education thru Technology 24149	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	183,752	-	281,103	406,427
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>183,752</u>	<u>-</u>	<u>281,103</u>	<u>406,427</u>
<b>EXPENDITURES</b>				
Current				
Instruction	183,752	-	176,454	226,552
Support services				
Students	-	-	-	-
Instruction	-	-	98,436	152,215
General administration	-	-	6,213	8,814
School administration	-	-	-	-
Central services	-	-	-	18,846
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>183,752</u>	<u>-</u>	<u>281,103</u>	<u>406,427</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Title I School Improvement 24162	Carl D. Perkins Special Projects 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	104,210	28,800	128,392	23,719
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>104,210</u>	<u>28,800</u>	<u>128,392</u>	<u>23,719</u>
<b>EXPENDITURES</b>				
Current				
Instruction	104,210	28,800	125,554	23,186
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	2,838	533
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>104,210</u>	<u>28,800</u>	<u>128,392</u>	<u>23,719</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	USHHS/CDC School Health 24186	Title I Student Support and Academic Enrichment 24189	Johnson O'Malley 25131	Title XIX Medicaid 3/21 Years 25153
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	6,021	38,397	31,898	1,122,344
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>6,021</u>	<u>38,397</u>	<u>31,898</u>	<u>1,122,344</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,548	23,625	25,150	73,795
Support services				
Students	4,473	13,920	-	811,673
Instruction	-	-	6,043	222,482
General administration	-	852	705	124,491
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>6,021</u>	<u>38,397</u>	<u>31,898</u>	<u>1,232,441</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,097)</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	(110,097)
Fund balances, beginning of year	-	-	-	938,323
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,226</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Santa Fe Underage Drinking Alliance 25181	Indian Education Formula Grant 25184	ROTC 25200	GEAR UP 25205
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	116,780	77,238	73,338	314,849
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>116,780</u>	<u>77,238</u>	<u>73,338</u>	<u>314,849</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	20,402	80,379	191,367
Support services				
Students	114,199	-	-	-
Instruction	-	55,129	-	116,524
General administration	2,581	1,707	-	6,958
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>116,780</u>	<u>77,238</u>	<u>80,379</u>	<u>314,849</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(7,041)</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	(7,041)	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>26,237</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,196</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Safe Drug Free School Comm 25243	LANL Foundation 26113	PNM Foundation, Inc. 26123	Dual Credit Instructional Materials/HB2 27103
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	21,191
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	143	2,500	10,000	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>143</u>	<u>2,500</u>	<u>10,000</u>	<u>21,191</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	2,500	-	21,191
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>21,191</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>143</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	143	-	10,000	-
Fund balances, beginning of year	<u>-</u>	<u>701,665</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 143</u>	<u>\$ 701,665</u>	<u>\$ 10,000</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	2012 GO Bonds - Student Library SB-66 27107	Pre K Initiative 27149	Indian Educational Act 27150	Breakfast for Elementary Students 27155
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	101,273	1,661,798	17,352	48,306
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>101,273</u>	<u>1,661,798</u>	<u>17,352</u>	<u>48,306</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	1,416,935	15,624	-
Support services				
Students	-	-	-	-
Instruction	101,273	147,340	-	-
General administration	-	16,453	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	6,259	-	-
Student transportation	-	74,811	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	48,306
Community service	-	-	1,728	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>101,273</u>	<u>1,661,798</u>	<u>17,352</u>	<u>48,306</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Legislative Appropriations Math Grant 27165	Kindergarten - Three Plus 27166	School Bus Replacement 27178	Teacher and Leader Incentive Pay Program 27188
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,199,528	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>1,199,528</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	1,026,320	-	-
Support services				
Students	-	6,512	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	128,883	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	2,673	-	-
Student transportation	-	35,140	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>1,199,528</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	ASSIST Tobacco DOH 28122	Substance Abuse Ed/Prev DOH 28142	GRADS - Child Care 28189	GRADS - Instruction 28190
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	35,000	285,455	-	4,000
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>35,000</u>	<u>285,455</u>	<u>-</u>	<u>4,000</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	439	-	501
Support services				
Students	17,341	297,537	-	3,300
Instruction	-	-	-	-
General administration	582	10,196	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>17,923</u>	<u>308,172</u>	<u>-</u>	<u>3,801</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>17,077</u>	<u>(22,717)</u>	<u>-</u>	<u>199</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	17,077	(22,717)	-	199
Fund balances, beginning of year	<u>67,420</u>	<u>48,879</u>	<u>7</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 84,497</u>	<u>\$ 26,162</u>	<u>\$ 7</u>	<u>\$ 199</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	State Underage Drinking Prevention DOT 28196	Energy Minerals and Nat Resources Grant 28197	GRADS Plus 28203	Private Dir Grants (Categorical) 29102
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	50,858	840,962	6,031	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	66,407
Interest	-	-	-	-
<b>Total revenues</b>	<u>50,858</u>	<u>840,962</u>	<u>6,031</u>	<u>66,407</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	61,068
Support services				
Students	49,734	-	-	17,718
Instruction	-	-	-	18,661
General administration	1,124	-	-	135
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	840,962	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>50,858</u>	<u>840,962</u>	<u>-</u>	<u>97,582</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>(31,175)</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	6,031	(31,175)
Fund balances, beginning of year	-	-	-	95,049
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,031</u>	<u>\$ 63,874</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Teen Pregnancy 29103	City/County Grants 29107	McCune Charitable Foundation 29114	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	4,271,754
Federal grants	-	-	-	15,634,123
Charges for services	-	-	-	697,588
Miscellaneous	-	510,216	20,316	609,582
Interest	-	-	-	128
<b>Total revenues</b>	<u>-</u>	<u>510,216</u>	<u>20,316</u>	<u>21,213,175</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	74,179	-	7,638,041
Support services				
Students	-	286,861	-	4,109,315
Instruction	-	80,608	8,159	1,438,745
General administration	-	10,796	-	368,993
School administration	-	-	-	203,534
Central services	-	-	-	205,682
Operation & maintenance of plant	-	-	-	8,932
Student transportation	-	-	-	143,365
Other support services	-	-	-	-
Food services operations	-	-	-	6,008,841
Community service	-	-	-	34,974
Capital outlay	-	-	-	840,962
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>452,444</u>	<u>8,159</u>	<u>21,001,384</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>57,772</u>	<u>12,157</u>	<u>211,791</u>
<b>Other financing sources</b>				
Operating transfers	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	57,772	12,157	211,791
Fund balances, beginning of year	-	13,653	27,909	3,563,478
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 71,425</u>	<u>\$ 40,066</u>	<u>\$ 3,775,269</u>

See Notes to Financial Statements.

**NONMAJOR CAPITAL PROJECTS FUNDS**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2018**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

**Special Capital Outlay State (31400)** – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the school facilities.

**Capital Improvements HB-33 (31600)** – To account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of erecting, remodeling, making additions to, providing equipment for or furnishing public school buildings, purchasing or improving public school grounds.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2018**

	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 State 31700
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ -	\$ 6,758,297	\$ -
Investments	-	2,000,000	-
Accounts receivable			
Taxes	-	547,456	-
Due from other governments	85,637	-	-
Interfund receivables	-	-	-
Other	-	1,448	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
<b>Total current assets</b>	<u>\$ 85,637</u>	<u>\$ 9,307,201</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ -	\$ 306,540	\$ 10,531
Due to government	-	-	-
Accrued payroll liabilities	-	3,329	-
Interfund payables	85,637	-	35,000
<b>Total current liabilities</b>	<u>85,637</u>	<u>309,869</u>	<u>45,531</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	354,971	-
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	8,642,361	(45,531)
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>8,642,361</u>	<u>(45,531)</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 85,637</u>	<u>\$ 9,307,201</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)  
JUNE 30, 2018**

	Capital Improvements SB-9 Local 31701	<u>Total</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 340,100	\$ 7,098,397
Investments	-	2,000,000
Accounts receivable		
Taxes	718,070	1,265,526
Due from other governments	-	85,637
Interfund receivables	-	-
Other	1,448	2,896
Prepaid expenditures	-	-
Inventory	-	-
	<u>                    </u>	<u>                    </u>
<b>Total current assets</b>	<b>\$ 1,059,618</b>	<b>\$ 10,452,456</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 823,198	\$ 1,140,269
Due to government	-	-
Accrued payroll liabilities	-	3,329
Interfund payables	-	120,637
	<u>                    </u>	<u>                    </u>
<b>Total current liabilities</b>	<b>823,198</b>	<b>1,264,235</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes	<u>459,166</u>	<u>814,137</u>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	(222,746)	8,374,084
Committed	-	-
Assigned	-	-
Unassigned	-	-
	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<b>(222,746)</b>	<b>8,374,084</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 1,059,618</b>	<b>\$ 10,452,456</b>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 State 31700
<b>REVENUES</b>			
Property taxes	\$ -	\$ 8,276,956	\$ -
State grants	85,637	13,055	220
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	-	30,793	-
<b>Total revenues</b>	<u>85,637</u>	<u>8,320,804</u>	<u>220</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	82,558	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	85,637	6,058,724	45,751
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<u>85,637</u>	<u>6,141,282</u>	<u>45,751</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>2,179,522</u>	<u>(45,531)</u>
<b>Other financing sources</b>			
Proceeds from loans and bonds	-	-	-
Operating transfers	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	2,179,522	(45,531)
Fund balances, beginning of year	-	6,462,839	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 8,642,361</u>	<u>\$ (45,531)</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Capital Improvements SB-9 Local 31701	Total
	<u>31701</u>	<u>Total</u>
<b>REVENUES</b>		
Property taxes	\$ 11,180,692	\$ 19,457,648
State grants	113	99,025
Federal grants	-	-
Miscellaneous	604	604
Interest	25,713	56,506
	<u>11,207,122</u>	<u>19,613,783</u>
<b>Total revenues</b>		
<b>EXPENDITURES</b>		
Current		
Instruction	-	-
Support services		
Students	-	-
Instruction	-	-
General administration	111,512	194,070
School administration	-	-
Central services	-	-
Operation & maintenance of plant	-	-
Student transportation	-	-
Other support services	-	-
Food services operations	-	-
Community service	-	-
Capital outlay	12,828,046	19,018,158
Debt service		
Principal	-	-
Interest	-	-
	<u>12,939,558</u>	<u>19,212,228</u>
<b>Total expenditures</b>		
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,732,436)</u>	<u>401,555</u>
<b>Other financing sources</b>		
Proceeds from loans and bonds	-	-
Operating transfers	-	-
	<u>-</u>	<u>-</u>
<b>Total other financing sources</b>		
<b>Net changes in fund balances</b>	(1,732,436)	401,555
Fund balances, beginning of year	<u>1,509,690</u>	<u>7,972,529</u>
<b>Fund balances, end of year</b>	<u>\$ (222,746)</u>	<u>\$ 8,374,084</u>

See Notes to Financial Statements.

**NONMAJOR DEBT SERVICE FUND**

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
DEBT SERVICE FUND  
JUNE 30, 2018

**Education Technology Debt (43000)** – This fund is used to account for the accumulation of resources for, and the payment of, Educational Technology note principal and interest.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR DEBT SERVICE FUND  
JUNE 30, 2018

	Education Technology Debt <u>43000</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 203,206
Investments	10,000,000
Accounts receivable	
Taxes	391,309
Due from other governments	-
Interfund receivables	-
Other	27,399
Inventory	<u>-</u>
<b>Total current assets</b>	<u><u>\$ 10,621,914</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	\$ -
Cash overdraft	-
Due to government	-
Accrued expenses	-
Accrued compensated absences	-
Interfund payables	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes	<u>177,466</u>
<b>FUND BALANCES</b>	
Nonspendable	-
Restricted for capital projects	10,444,448
Unassigned	<u>-</u>
<b>Total fund balances</b>	<u>10,444,448</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u><u>\$ 10,621,914</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR DEBT SERVICE FUND  
FOR THE YEAR ENDING JUNE 30, 2018**

	Education Technology Debt 43000
<b>REVENUES</b>	
Property taxes	\$ 9,663,103
State grants	-
Federal grants	-
Miscellaneous	-
Interest	87,984
<b>Total revenues</b>	<b>9,751,087</b>
<b>EXPENDITURES</b>	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	96,159
School administration	-
Cenertal services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community service	-
Facilities, materials, supplies, and other	-
Capital outlay	-
Debt service	
Principal	8,250,000
Interest	688,709
<b>Total expenditures</b>	<b>9,034,868</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>716,219</b>
<b>Other financing sources</b>	
Operating transfers in	-
Operating transfers out	-
Bond issuance premiums	-
<b>Total other financing sources</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>716,219</b>
Fund balances- beginning of year	9,728,229
<b>Fund balances - end of year</b>	<b>\$ 10,444,448</b>

**OTHER SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Adjustments / Transfers	Balance June 30, 2018
Academy	\$ 4,983	\$ 696	\$ 655	\$ 351	\$ 5,375
Acequia Madre	269	13,351	15,333	-	(1,713)
Administrative	92,245	90,556	104,259	(46,885)	31,657
Administrative - HSP	-	133	-	-	133
El Camino (was Agua Fria)	33,408	80,180	93,245	-	20,342
Amy Biehl	3,365	13,550	11,055	-	5,860
Aspen	9,183	24,608	28,598	-	5,193
Atalaya	23,013	56,845	46,524	-	33,335
BF Young Coke Funding	192	97	118	2,500	2,671
Capital High	159,766	231,013	246,838	-	143,940
Capshaw	19,413	-	-	-	19,413
Carlos Gilbert	8,511	77,528	65,043	-	20,996
Cesar Chavez	26,226	22,280	29,339	-	19,167
Chaparral	25,381	6,323	11,832	-	19,873
Clyde Faucet	177,565	-	-	-	177,565
De Vargas	6,795	-	-	-	6,795
District	1,546	1,828	2,592	-	782
Early College Opportunities	-	7,453	6,004	4,586	6,036
EJ Martinez	7,959	419	1,406	-	6,972
El Dorado	144,159	121,621	105,804	-	159,976
Gonzales	8,457	6,874	7,185	-	8,146
Human Resources Fingerprinting	-	530	1,499	2,500	1,531
Kearny	52,726	85,041	79,264	-	58,503
Milargo	-	34,417	36,994	-	(2,578)
Music Sunshine Club	345	1,738	281	-	1,802
Nava	15,397	4,525	6,560	-	13,363
Nelson Mandela	8,275	1,056	3,458	-	5,873
Nino Otero	8,590	19,364	18,528	-	9,427
NYE	7,609	11,145	2,714	-	16,040
Ortiz	10,660	11,668	13,510	-	8,818
Pinon	11,315	383	4,210	-	7,488
Salazar	13,091	19	5,299	-	7,811
Santa Fe High	219,950	265,974	251,080	(3,038)	231,806
Student Nutrition	521	83	167	-	438
Student Wellness	17,688	53,132	40,816	5,200	35,204
Students Assistance	5,351	-	-	(5,351)	(0)
Summer School	14,664	11,255	9,107	3,000	19,812
Superintendent	19	3,000	37,847	34,847	19
Sweeny	49,168	43,771	42,150	-	50,789
Tech Coke Funding	387	13	-	1,000	1,400
Tesuque	8,067	12,774	9,066	-	11,775
Ramirez Thomas	2,792	10,628	9,516	-	3,904
Transportation	73,499	531,634	593,390	-	11,743
Truancy	176	962	-	-	1,138
Volunteer Program	-	-	-	-	-
Wood Gormley	18,900	157,349	157,227	96	19,118
Zia	-	2,000	1,452	-	548
	<u>\$ 1,291,626</u>	<u>\$ 2,017,817</u>	<u>\$ 2,099,967</u>	<u>\$ (1,194)</u>	<u>1,208,282</u>
				Held checks	<u>13,977</u>
				<b>Total assets</b>	<b><u>\$ 1,222,259</u></b>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY  
FOR PUBLIC FUNDS  
JUNE 30, 2018**

Name of Depository	Description of Pledged Collateral	Type	Maturity	CUSIP Number	Face Value or Fair Market Value
<b><u>First National Bank of Santa Fe</u></b>					
First National Bank of Denver	FGPC	Bond	2/1/2034	3128P75H2	\$ 1,801,590
First National Bank of Denver	FGPC	Bond	11/1/2034	3132J4A90	2,637,901
First National Bank of Denver	FNRM	Bond	5/25/2042	3136AATT2	2,943,778
First National Bank of Denver	FNRM	Bond	8/25/2046	3136AYC27	4,823,205
First National Bank of Denver	FGRM	Bond	8/15/2025	3137B9AC9	2,381,927
First National Bank of Denver	FGRM	Bond	5/15/2044	3137F1QQ4	4,381,285
First National Bank of Denver	FGRM	Bond	11/15/2042	3137F5XK0	4,973,970
First National Bank of Denver	FNMS	Bond	11/1/2045	3138YBUC5	817,817
First National Bank of Denver	FNMS	Bond	12/1/2045	3140EUCG2	2,070,354
First National Bank of Denver	FNMS	Bond	12/1/2046	31417ARG6	1,216,299
First National Bank of Denver	FNMS	Bond	6/1/2032	31418AFZ6	4,453,151
First National Bank of Denver	FNMS	Bond	10/1/2034	31418BVK9	618,348
First National Bank of Denver	GCRM	Bond	4/20/2047	38380GGK4	4,651,145
First National Bank of Denver	FNMS	Bond	1/1/2034	31418A5Z7	<u>2,027,212</u>
<b>Total First National Bank of Santa Fe</b>					<b>\$ <u>39,797,982</u></b>
<b><u>Wells Fargo Bank</u></b>					
Bank of New York Mellon	FNMA	Bond	1/1/2043	3138MRF30	<u>\$ 542,878</u>
<b>Total Wells Fargo Bank</b>					<b>\$ <u>542,878</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
JUNE 30, 2018**

Bank Account Type	First National Bank of Santa Fe	Wells Fargo	Morgan Stanley	Total
Checking - Accounts Payable Clearing	\$ 1,595,975	\$ -	\$ -	\$ 1,595,975
Checking - Capital Projects	1,762,747	-	-	1,762,747
Checking - Debt Service	229,816	-	-	229,816
Checking - Operational Account	7,073,265	-	-	7,073,265
Checking - Payroll Clearing	4,518,630	-	-	4,518,630
Checking - Payroll ACH	-	-	-	-
Checking - Student Nutrition Fund (Cafeteria)	1,170,308	-	-	1,170,308
Checking - Activity	-	942,788	-	942,788
Investment Accounts	-	-	204,041	204,041
<b>Total on Deposit</b>	<b>16,350,741</b>	<b>942,788</b>	<b>204,041</b>	<b>17,497,570</b>
Reconciling Items	(8,273,505)	89,908	(14,478)	(8,198,075)
<b>Reconciled Balance, June 30, 2018</b>	<b><u>\$ 8,077,236</u></b>	<b><u>\$ 1,032,696</u></b>	<b><u>\$ 189,563</u></b>	<b>9,299,495</b>
Checks held at year-end				6,327,441
Investments with State of New Mexico Treasurer's Office				96,600,000
				<u>\$ 112,226,936</u>
Fiduciary Assets & Liabilities - Agency Funds				\$ 1,222,259
Cash and Investments per Government-Wide Financial Statements				<u>111,004,677</u>
				<u>\$ 112,226,936</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
JUNE 30, 2018**

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2017	\$ 5,952,942	\$ -	\$ 182,095	\$ 1,021,329
Add:				
2017-18 revenues	103,566,724	3,244,778	398,250	6,350,398
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
<b>Total cash available</b>	<b>109,519,666</b>	<b>3,244,778</b>	<b>580,345</b>	<b>7,371,727</b>
Less:				
2017-18 expenditures	(99,095,614)	(3,244,486)	(722,467)	(5,607,213)
Permanent cash transfers	(1,827)	-	-	-
Charge backs (overdrafts)	-	-	-	-
Receivables/payables	-	-	-	-
Change due to held checks and liabilities	-	-	-	-
<b>Cash, June 30, 2018</b>	<b>10,422,224</b>	<b>292</b>	<b>(142,122)</b>	<b>1,764,514</b>
<b>Reconciliations to GAAP Basis</b>				
Audit reclassifications to cash	(7,130,564)	142,351	142,122	183,100
Cash per books	3,291,660	142,643	-	1,947,614
Fund Balance Reconciliation to GAAP Basis				
Modified accrual adjustments	6,550,306	257,352	-	(49,871)
<b>Fund Balance, Modified Accrual Basis</b>	<b>\$ 9,841,966</b>	<b>\$ 399,995</b>	<b>\$ -</b>	<b>\$ 1,897,743</b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2018**

	Athletics Account 22000	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2017	\$ 14,278	\$ -	\$ (2,029,376)	\$ 689,699
Add:				
2017-18 revenues	147,234	-	7,795,664	1,773,610
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
<b>Total cash available</b>	<u>161,512</u>	<u>-</u>	<u>5,766,288</u>	<u>2,463,309</u>
Less:				
2017-18 expenditures	(132,409)	-	(8,288,608)	(1,858,728)
Permanent cash transfers	-	-	-	-
Charge backs (overdrafts)	-	-	-	-
Receivables/payables	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	<u>29,103</u>	<u>1,827</u>	<u>(2,522,319)</u>	<u>604,581</u>
<b>Reconciliations to GAAP Basis</b>				
Audit reclassifications to cash	<u>-</u>	<u>(1,827)</u>	<u>2,522,319</u>	<u>156,792</u>
Cash per books	29,103	-	-	761,373
Fund Balance Reconciliation to GAAP Basis				
Modified accrual adjustments	<u>(3,068)</u>	<u>-</u>	<u>-</u>	<u>86,192</u>
<b>Fund Balance, Modified Accrual Basis</b>	<u>\$ 26,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 847,565</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2018**

	Local Grants 26000	State Flowthrough 27000	State Direct 28000	Local or State Fund 29000
Cash, June 30, 2017	\$ 701,665	\$ (1,209,019)	\$ 50,173	\$ (45,713)
Add:				
2017-18 revenues	12,500	2,979,274	313,661	636,413
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
<b>Total cash available</b>	<u>714,165</u>	<u>1,770,255</u>	<u>363,834</u>	<u>590,700</u>
Less:				
2017-18 expenditures	(2,500)	(3,049,447)	(769,927)	(578,330)
Permanent cash transfers	-	-	-	-
Charge backs (overdrafts)	-	-	-	-
Receivables/payables	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	711,665	(1,279,192)	(406,093)	12,370
<b>Reconciliations to GAAP Basis</b>				
Audit reclassifications to cash	<u>-</u>	<u>1,279,192</u>	<u>493,658</u>	<u>92,421</u>
Cash per books	711,665	-	87,565	104,791
Fund Balance Reconciliation to GAAP Basis				
Modified accrual adjustments	<u>-</u>	<u>-</u>	<u>29,331</u>	<u>70,574</u>
<b>Fund Balance, Modified Accrual Basis</b>	<u>\$ 711,665</u>	<u>\$ -</u>	<u>\$ 116,896</u>	<u>\$ 175,365</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2018**

	Bond Building 31100	Special Capital Outlay State 31400	Capital Improvement HB 33 31600	Cap. Improv. SB9 - State 31700
Cash, June 30, 2017	\$ 62,185,066	\$ (399,990)	\$ 6,290,365	\$ 2,455,530
Add:				
2017-18 revenues	591,111	370,001	8,299,345	305,548
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
<b>Total cash available</b>	<u>62,776,177</u>	<u>(29,989)</u>	<u>14,589,710</u>	<u>2,761,078</u>
Less:				
2017-18 expenditures	(20,544,598)	(85,637)	(5,834,742)	(35,221)
Permanent cash transfers	-	-	-	-
Charge backs (overdrafts)	-	-	-	-
Receivables/payables	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	42,231,579	(115,626)	8,754,967	2,725,857
<b>Reconciliations to GAAP Basis</b>				
Audit reclassifications to cash	<u>4,468,421</u>	<u>115,626</u>	<u>3,330</u>	<u>(2,725,857)</u>
Cash per books	46,700,000	-	8,758,297	-
Fund Balance Reconciliation to GAAP Basis				
Modified accrual adjustments	<u>(8,377,041)</u>	<u>-</u>	<u>(115,936)</u>	<u>(45,531)</u>
<b>Fund Balance, Modified Accrual Basis</b>	<u>\$ 38,322,959</u>	<u>\$</u>	<u>\$ 8,642,361</u>	<u>\$ (45,531)</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2018**

	Cap. Improv. SB9 - Local 31701	Ed Tech Equip Act Fund 31900	Debt Service Fund 41000	Ed Tech Debt Service Fund 43000	Total
Cash, June 30, 2017	\$ (1,136,590)	\$ 11,684,574	\$ 27,203,901	\$ 9,556,069	\$ 123,166,998
Add:					
2017-18 revenues	11,176,711	103,896	27,786,829	9,682,004	185,533,950
Repayment of loans	-	-	-	-	-
Loans from other funds	-	-	-	-	-
<b>Total cash available</b>	<b>10,040,121</b>	<b>11,788,470</b>	<b>54,990,730</b>	<b>19,238,073</b>	<b>308,700,948</b>
Less:					
2017-18 expenditures	(12,460,879)	(7,969,745)	(24,464,070)	(9,034,867)	(203,779,488)
Permanent cash transfers	-	-	-	-	-
Charge backs (overdrafts)	-	-	-	-	-
Receivables/payables	-	-	-	-	-
Change due to held checks and liabilities	-	-	-	-	-
<b>Cash, June 30, 2018</b>	<b>(2,420,758)</b>	<b>3,818,724</b>	<b>30,526,660</b>	<b>10,203,206</b>	<b>104,921,460</b>
<b>Reconciliations to GAAP Basis</b>					
Audit reclassifications to cash	2,760,858	3,581,276	-	-	6,083,217
Cash per books	340,100	7,400,000	30,526,660	10,203,206	111,004,678
Fund Balance Reconciliation to GAAP Basis					
Modified accrual adjustments	(562,846)	(3,623,967)	632,220	241,242	(4,911,043)
<b>Fund Balance, Modified Accrual Basis</b>	<b>\$ (222,746)</b>	<b>\$ 3,776,033</b>	<b>\$ 31,158,880</b>	<b>\$ 10,444,448</b>	<b>\$ 106,093,634</b>

## COMPONENT UNIT



STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY OF TECHNOLOGY AND CLASSICS  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 1,298,897
Accounts receivables	-
Prepaid expenses	133,437
<b>Total current assets</b>	1,432,334
<b>Non-current assets</b>	
Capital assets, net	4,869,959
<b>Total assets</b>	6,302,293
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	2,373,057
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	1,078
Accrued salaries and benefits	29,843
Compensated absences	10,418
Mortgage payable	78,038
<b>Total current liabilities</b>	119,377
<b>Non-current liabilities</b>	
Net pension liability	6,887,016
Net OPEB liability	1,862,971
Mortgage payable	3,743,370
<b>Total non-current liabilities</b>	12,493,357
<b>Total liabilities</b>	12,612,734
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	577,053
<b>NET POSITION</b>	
Net investment in capital assets	1,048,551
Restricted	183,475
Unrestricted (deficit)	(5,746,463)
<b>Total net position (deficit)</b>	\$ (4,514,437)

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental activities</b>					
Instruction	\$ 2,780,762	\$ -	\$ 73,117	\$ 281,064	\$ (2,426,581)
Support services					
Students	240,771	-	-	-	(240,771)
Instruction	1,964	-	-	-	(1,964)
General administration	191,267	-	-	-	(191,267)
School administration	125,604	-	-	-	(125,604)
Central services	137,909	-	-	-	(137,909)
Operation & maintenance of plant	303,697	-	-	-	(303,697)
Student transportation	-	-	-	-	-
Food services operation	39,265	41,967	-	-	2,702
Non-instructional support	-	-	-	-	-
Facilities materials, supplies and other	874,701	-	-	-	(874,701)
Interest/amortization	173,044	-	-	272,873	99,829
<b>Total governmental activities</b>	<u>\$ 4,868,984</u>	<u>\$ 41,967</u>	<u>\$ 73,117</u>	<u>\$ 553,937</u>	<u>(4,199,963)</u>
<b>General Revenues</b>					
					504,232
					3,151,957
					399,201
					<u>4,055,390</u>
<b>Changes in net position</b>					
					(144,573)
					(2,523,677)
					(2,212,913)
					366,726
					<u>(4,369,864)</u>
					<u>\$ (4,514,437)</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Operational Fund			
	General* 11000	Instructional Materials* 14000	Food Services 21000	Athletics 22000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 877,227	\$ 7,238	\$ 2,702	\$ 456
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>\$ 877,227</b>	<b>\$ 7,238</b>	<b>\$ 2,702</b>	<b>\$ 456</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	27,079	-	-	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<b>27,079</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	-	7,238	-	-
Unassigned	850,148	-	2,702	456
<b>Total fund balances</b>	<b>850,148</b>	<b>7,238</b>	<b>2,702</b>	<b>456</b>
<b>Total liabilities and fund balances</b>	<b>\$ 877,227</b>	<b>\$ 7,238</b>	<b>\$ 2,702</b>	<b>\$ 456</b>

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2018**

	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher / Principal Training & Recruiting 24154	2012 GO Bond Student Library 27107
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
	-	-	-	-
<b>Total current assets</b>	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	-
	-	-	-	-
<b>Total current liabilities</b>	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Unassigned	-	-	-	-
	-	-	-	-
<b>Total fund balances</b>	-	-	-	-
<b>Total liabilities and fund balances</b>	\$ -	\$ -	\$ -	\$ -

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018**

	Teacher and School Leader Incentive Pay 27188	School Leader Incentive Pay Group 27190	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 8,985	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,985</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Unassigned	-	-	8,985	-
	<u>-</u>	<u>-</u>	<u>8,985</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>8,985</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,985</u>	<u>\$ -</u>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018**

	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local* 31701
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ 65,754	\$ 19,415	\$ 156,822
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 65,754</u>	<u>\$ 19,415</u>	<u>\$ 156,822</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	2,228	-	-
Interfund payables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>	<u>2,228</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	-	-	19,415	156,822
Unassigned	-	63,526	-	-
	<u>-</u>	<u>63,526</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>63,526</u>	<u>19,415</u>	<u>156,822</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 65,754</u>	<u>\$ 19,415</u>	<u>\$ 156,822</u>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018**

	Education Technology 31900	ATC Foundation *	Total Governmental Funds
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 8,474	\$ 151,824	\$ 1,298,897
Accounts receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	133,437	133,437
	-	133,437	133,437
<b>Total current assets</b>	<b>\$ 8,474</b>	<b>\$ 285,261</b>	<b>\$ 1,432,334</b>
	8,474	285,261	1,432,334
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ -	\$ 1,078	\$ 1,078
Accrued payroll liabilities	-	536	29,843
Interfund payables	-	-	-
	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>1,614</b>	<b>30,921</b>
	-	1,614	30,921
<b>FUND BALANCES</b>			
Restricted	-	-	183,475
Unassigned	8,474	283,647	1,217,938
	8,474	283,647	1,217,938
<b>Total fund balances</b>	<b>8,474</b>	<b>283,647</b>	<b>1,401,413</b>
	8,474	283,647	1,401,413
<b>Total liabilities and fund balances</b>	<b>\$ 8,474</b>	<b>\$ 285,261</b>	<b>\$ 1,432,334</b>
	8,474	285,261	1,432,334

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 1,401,413
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,869,959
Pension and OPEB plans deferred outflows are not financial resources and, therefore, are not reported in the funds	2,373,057
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(10,418)
Accrued interest	-
Net pension and OPEB liability	(8,749,987)
Mortgage payable	(3,821,408)
Pension and OPEB plans deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds	<u>(577,053)</u>
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b><u><u>\$ (4,514,437)</u></u></b>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Operational Fund			
	General*	Instructional Materials*	Food Services	Athletics
	11000	14000	21000	22000
<b>REVENUES</b>				
Interest income	\$ 1,130	\$ -	\$ -	\$ -
State grants	3,151,957	12,407	-	-
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	1,638	-	41,967	789
<b>Total revenues</b>	<u>3,154,725</u>	<u>12,407</u>	<u>41,967</u>	<u>789</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,819,909	17,806	-	333
Support services				
Students	221,768	-	-	-
Instruction	1,964	-	-	-
General administration	191,267	-	-	-
School administration	125,188	-	-	-
Central services	126,834	-	-	-
Operation & maintenance of plant	155,188	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	39,265	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>2,642,118</u>	<u>17,806</u>	<u>39,265</u>	<u>333</u>
<b>Other financing sources (uses)</b>				
Operating transfers	30,632	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>30,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>543,239</u>	<u>(5,399)</u>	<u>2,702</u>	<u>456</u>
<b>Net changes in fund balances</b>	543,239	(5,399)	2,702	456
Fund balances, beginning of year	(45,497)	16,360	(19,373)	(2,167)
Restatement	352,406	(3,723)	19,373	2,167
Fund balances, beginning of year, as restated	<u>306,909</u>	<u>12,637</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 850,148</u>	<u>\$ 7,238</u>	<u>\$ 2,702</u>	<u>\$ 456</u>

\* Major fund

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher / Principal Training & Recruiting 24154	2012 GO Bond Student Library 27107
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	11,075	19,003	-	-
Property taxes	-	-	-	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<u>11,075</u>	<u>19,003</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	19,003	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	11,075	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>11,075</u>	<u>19,003</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>				
	-	-	-	-
Fund balances, beginning of year	-	(1,930)	755	(537)
Restatement	-	1,930	(755)	537
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Major fund

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Teacher and School Leader Incentive Pay 27188	School Leader Incentive Pay Group 27190	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	30,632	-	272,873
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	-	-	15,550	-
<b>Total revenues</b>	<u>-</u>	<u>30,632</u>	<u>15,550</u>	<u>272,873</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	13,372	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	416	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	338,952
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>13,788</u>	<u>338,952</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	(30,632)	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(30,632)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>-</u>	<u>-</u>	<u>1,762</u>	<u>(66,079)</u>
<b>Net changes in fund balances</b>				
	-	-	1,762	(66,079)
Fund balances, beginning of year	(30,699)	(3,267)	7,223	25,498
Restatement	30,699	3,267	-	40,581
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>7,223</u>	<u>66,079</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,985</u>	<u>\$ -</u>

\* Major fund

See Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local* 31701
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Property taxes	-	215,085	232,728	56,419
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>215,085</u>	<u>232,728</u>	<u>56,419</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	151,559	17,667	95,243
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>151,559</u>	<u>17,667</u>	<u>95,243</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>63,526</u>	<u>215,061</u>	<u>(38,824)</u>
<b>Net changes in fund balances</b>	-	63,526	215,061	(38,824)
Fund balances, beginning of year	(2,120)	(24,180)	100,403	-
Restatement	2,120	24,180	(296,049)	195,646
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>(195,646)</u>	<u>195,646</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 63,526</u>	<u>\$ 19,415</u>	<u>\$ 156,822</u>

\* Major fund

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Education Technology 31900	ATC Foundation *	Total Governmental Funds
<b>REVENUES</b>			
Interest income	\$ -	\$ 339	\$ 1,469
State grants	-	-	3,467,869
Federal grants	-	-	30,078
Property taxes	-	-	504,232
Miscellaneous income	-	378,794	438,738
	<u>-</u>	<u>378,794</u>	<u>438,738</u>
<b>Total revenues</b>	<u>-</u>	<u>379,133</u>	<u>4,442,386</u>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	1,851,420
Support services			
Students	-	-	240,771
Instruction	-	-	1,964
General administration	-	-	191,267
School administration	-	-	125,604
Central services	-	-	137,909
Operation & maintenance of plant	-	1,883	157,071
Student transportation	-	-	-
Food services operations	-	-	39,265
Capital outlay	273,931	-	877,352
Debt service			
Principal	-	75,288	75,288
Interest	-	173,044	173,044
	<u>273,931</u>	<u>250,215</u>	<u>3,870,955</u>
<b>Total expenditures</b>	<u>273,931</u>	<u>250,215</u>	<u>3,870,955</u>
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issues	281,064	-	281,064
	<u>281,064</u>	<u>-</u>	<u>281,064</u>
<b>Total other financing sources (uses)</b>	<u>281,064</u>	<u>-</u>	<u>281,064</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>7,133</u>	<u>128,918</u>	<u>852,495</u>
<b>Net changes in fund balances</b>	7,133	128,918	852,495
Fund balances, beginning of year	6,994	154,729	182,192
Restatement	(5,653)	-	366,726
	<u>1,341</u>	<u>154,729</u>	<u>548,918</u>
Fund balances, beginning of year, as restated	<u>1,341</u>	<u>154,729</u>	<u>548,918</u>
<b>Fund balances, end of year</b>	<u>\$ 8,474</u>	<u>\$ 283,647</u>	<u>\$ 1,401,413</u>

\* Major fund

See Notes to Financial Statements.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ 852,495
Charter pension and OPEB contributions	272,298
Additional GASB 68 and 75 pension and OPEB expenses	(1,200,656)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Capital outlays	42,380
Depreciation expense	(186,355)
<p>The issuance of long-term debt 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.</p>	
Decrease in accrued compensated absences	(23)
Principal payments on debt	<u>75,288</u>
<b>Changes in Net Position - Total Governmental Activities</b>	<u><u>\$ (144,573)</u></u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS**  
**GENERAL FUND (11000)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Interest Income	\$ 600	\$ 600	\$ 1,130	\$ 530
State grants	2,723,416	2,855,031	3,151,957	296,926
Federal grants	-	-	-	-
Miscellaneous	21,500	21,500	1,638	(19,862)
<b>Total revenues</b>	<u>2,745,516</u>	<u>2,877,131</u>	<u>3,154,725</u>	<u>277,594</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,863,962	1,978,347	1,819,909	158,438
Support services				
Students	227,077	227,077	221,768	5,309
Instruction	3,400	3,400	1,964	1,436
General administration	201,840	201,925	191,267	10,658
School administration	117,243	127,322	125,188	2,134
Central services	101,210	127,108	126,834	274
Operation & maintenance of plant	206,255	187,423	155,188	32,235
Student transportation	303	303	-	303
Other support services	50,000	50,000	-	50,000
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>2,771,290</u>	<u>2,902,905</u>	<u>2,642,118</u>	<u>260,787</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(25,774)</u>	<u>(25,774)</u>	<u>512,607</u>	<u>538,381</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	30,632	(30,632)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>30,632</u>	<u>(30,632)</u>
<b>Net changes in fund balances</b>	(25,774)	(25,774)	543,239	543,239
Fund balances, beginning of year	-	-	(74,381)	(74,381)
<b>Fund balances, end of year</b>	<u>\$ (25,774)</u>	<u>\$ (25,774)</u>	<u>\$ 468,858</u>	<u>\$ 468,858</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
<b>Changes in fund balances</b>			<u>\$ 543,239</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS  
INSTRUCTIONAL FUND (14000)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
State grants	10,759	12,407	12,407	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>10,759</u>	<u>12,407</u>	<u>12,407</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	21,529	23,177	21,528	1,649
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>21,529</u>	<u>23,177</u>	<u>21,528</u>	<u>1,649</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(10,770)</u>	<u>(10,770)</u>	<u>(9,121)</u>	<u>1,649</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(10,770)	(10,770)	(9,121)	1,649
Fund balances, beginning of year	-	-	28,077	28,077
<b>Fund balances, end of year</b>	<u>\$ (10,770)</u>	<u>\$ (10,770)</u>	<u>\$ 18,956</u>	<u>\$ 29,726</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>3,722</u>	
<b>Changes in fund balances</b>			<u>\$ (5,399)</u>	

See Notes to Financial Statements.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
JUNE 30, 2018**

<b>ASSETS</b>	
Cash	\$ <u>74,345</u>
<b>Total assets</b>	<b>\$ <u>74,345</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,760
Deposits held in trust for others	<u>71,585</u>
<b>Total liabilities</b>	<b>\$ <u>74,345</u></b>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

Fiscal Year Measurement Date	<b>2018</b> <b>2017</b>	2017 2016	2016 2015	2015 2014
Charter's proportion of the net pension liability	<b>0.06197%</b>	0.06056%	0.06209%	0.10700%
Charter's proportionate share of the net pension liability	<b>\$ 6,887,016</b>	\$ 4,358,160	\$ 4,021,729	\$ 3,505,021
Charter's covered employee payroll	<b>\$ 1,709,067</b>	\$ 1,764,053	\$ 1,695,256	\$ 1,693,182
Charter's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>403%</b>	247%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>52.95%</b>	61.58%	63.97%	66.54%

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

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF THE CHARTER'S PENSION CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contributions	\$ <b>238,559</b>	\$ 245,203	\$ 240,351	\$ 332,508
Contributions in relation to contractually required contributions	<u>\$ <b>238,559</b></u>	<u>\$ 245,203</u>	<u>\$ 240,351</u>	<u>\$ 332,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter's covered employee payroll	\$ <b>1,709,067</b>	\$ 1,764,053	\$ 1,695,256	\$ 1,693,182
Contributions as a percentage of covered employee payroll	<b>13.96%</b>	13.90%	14.18%	14.47%

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

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	June 30,
Fiscal Year	<b>2018</b>
Measurement Date	<b>2017</b>
Charter's proportion of the net OPEB liability	<b>0.041111%</b>
Charter's proportionate share of the net OPEB liability	<b>\$ 1,862,971</b>
Charter's covered-employee payroll	<b>\$ 1,712,498</b>
Charter's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	<b>108.79%</b>
RHCA Plan fiduciary net position as a percentage of the total pension liability	<b>11.34%</b>

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Charter will present information for available years. Complete information for the Charter is not available prior to 2018, the year the statement's requirements became effective.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF THE CHARTER'S PROPORTIONATE SHARE OF OPEB CONTRIBUTIONS**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**

	<b>2018</b>
Contractually required contribution	<b>\$ 130,543</b>
Contributions in relation to the contractually required	<b>\$ 65,518</b>
Charter's proportion of the net OPEB liability	<b>\$ 65,025</b>
Employer's covered employee payroll	<b>\$ 1,712,498</b>
Contributions as a percentage of covered employee payroll	<b>3.83%</b>

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Charter will present information for available years. Complete information for the Charter is not available prior to fiscal year 2018, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2018

**ERB PLAN**

***Changes in benefit provisions.*** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

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

**RHCA Plan**

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

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

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CHANGES IN FIDUCIARY**  
**ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
Cash in bank	\$ 120,577	\$ 123,154	\$ (169,386)	\$ 74,345
<b>Total assets</b>	<u>\$ 120,577</u>	<u>\$ 123,154</u>	<u>\$ (169,386)</u>	<u>\$ 74,345</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,864	\$ -	\$ (9,104)	\$ 2,760
Deposits held for others	<u>108,713</u>	<u>123,154</u>	<u>(160,282)</u>	<u>71,585</u>
<b>Total liabilities</b>	<u>\$ 120,577</u>	<u>\$ 123,154</u>	<u>\$ (169,386)</u>	<u>\$ 74,345</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2018**

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2018	Name & Location of Safekeeper
Los Alamos National Bank	FHMS K011 9.62% 11/25/2020	\$ 512,157	LANB
Los Alamos National Bank	FHMS K011 1.92% 11/25/2020	102,432	LANB
Los Alamos National Bank	FHMS K046 8.57% 03/25/2025	99,995	LANB
Los Alamos National Bank	FHMS K046 8.57% 03/25/2025	99,995	LANB
Los Alamos National Bank	FHMS K046 2.86% 03/35/2025	299,986	LANB
		<u>\$ 1,114,565</u>	



**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2018**

<u>Bank Account Type</u>	<u>Amount</u>
Checking - Operational/Federal	\$ 1,271,044
Checking - Payroll	860
Petty Cash	50
Foundation	
LANB-Checking	\$ 18,661
LANB-Savings	4,810
LANB-lockbox	125,807
Charles Schwab	<u>2,546</u>
<b>Total</b>	151,824
Reconciling Items	<u>(50,536)</u>
<b>Reconciled balance, June 30, 2018</b>	1,373,242
Less: Agency Funds	<u>74,345</u>
<b>Total governmental funds</b>	<u><u>\$ 1,298,897</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION  
JUNE 30, 2018**

	Operational Account 11000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2017	\$ 10,972	\$ 20,082	\$ (19,373)	\$ (2,167)
Add:				
2017-18 revenues	3,141,974	17,707	41,967	456
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	<u>352,406</u>	<u>(3,723)</u>	<u>19,373</u>	<u>2,167</u>
<b>Total cash available</b>	3,505,352	34,066	41,967	456
Less:				
2017-18 expenditures	(2,628,125)	(26,828)	(39,265)	-
Repayment of loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	<u>\$ 877,227</u>	<u>\$ 7,238</u>	<u>\$ 2,702</u>	<u>\$ 456</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2018**

	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2017	\$ -	\$ (1,175)	\$ -	\$ -
Add:				
2017-18 revenues	-	30,078	-	-
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	-	1,175	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total cash available</b>	-	30,078	-	-
Less:				
2017-18 expenditures	-	(30,078)	-	-
Repayment of loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash, June 30, 2018</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2018**

	State Flowthrough 27000	State Direct 28000	Local or State Fund 29000	Bond Building 31100
Cash, June 30, 2017	\$ (34,503)	\$ -	\$ 7,223	\$ -
Add:				
2017-18 revenues	-	-	15,550	-
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	<u>34,503</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total cash available</b>	-	-	22,773	-
Less:				
2017-18 expenditures	-	-	(13,788)	-
Repayment of loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,985</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2018**

	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvement HB 33 31600	Cap. Improv. SB9 31700 / 31701
Cash, June 30, 2017	\$ 25,498	\$ (2,120)	\$ (24,180)	\$ 100,403
Add:				
2017-18 revenues	206,794	-	217,313	289,147
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	<u>40,581</u>	<u>2,120</u>	<u>24,180</u>	<u>(100,403)</u>
<b>Total cash available</b>	272,873	-	217,313	289,147
Less:				
2017-18 expenditures	(272,873)	-	(151,559)	(112,910)
Repayment of loans	-	-	-	-
Transfers to/from other funds	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2018</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,754</u>	<u>\$ 176,237</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2018**

	Education Technology Account 31900	Activity Funds	Total
	_____	_____	_____
Cash, June 30, 2017	\$ 6,994	\$ 155,560	\$ 243,214
Add:			
2017-18 revenues	291,667	41,069	4,293,722
Repayment of loans	-	-	-
Loans from other funds	-	-	-
Cash reclassified	(5,653)	-	366,726
	_____	_____	_____
<b>Total cash available</b>	293,008	196,629	4,903,662
Less:			
2017-18 expenditures	(284,534)	(122,284)	(3,682,244)
Repayment of loans	-	-	-
Transfers to/from other funds	-	-	-
Loans to other funds	-	-	-
Change due to held checks and liabilities	-	-	-
	_____	_____	_____
<b>Cash, June 30, 2018</b>	<u>\$ 8,474</u>	<u>\$ 74,345</u>	<u>\$ 1,221,418</u>

## COMPLIANCE SECTION



**REPORT OF INDEPENDENT AUDITOR'S 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**

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Wayne Johnson  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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, the budgetary comparisons of the general fund and the major special revenue fund of the Santa Fe Public Schools (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents and have issued our report thereon dated November 15, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questions Costs as items 2018-002, 2018-004, 2018-005, and 2018-007A to be material weaknesses.



The Board of Education  
Santa Fe Public Schools and  
Mr. Wayne Johnson  
New Mexico State Auditor

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-003, 2018-001A, 2018-002A, 2018-003A, 2018-004A, and 2018-005A.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-006A.

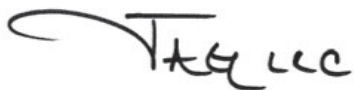
We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA Findings as items 2018-008A, 2018-008, and 2018-009.

### **District's Response to Findings**

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

### **Purpose of this Report**

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



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2018

**FEDERAL FINANCIAL ASSISTANCE**



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

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Wayne Johnson  
New Mexico State Auditor  
Santa Fe, New Mexico

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

We have audited Santa Fe Public Schools' (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, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's 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* (CFR) 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 non-compliance 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.

The Board of Education  
Santa Fe Public Schools and  
Mr. Wayne Johnson  
New Mexico State Auditor

### **Opinion on Each of the Major Federal Programs**

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 other major federal programs for the year ended June 30, 2018.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-006 and 2018-007. Our opinion on each major federal program is not modified with respect to these matters.

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

### **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.

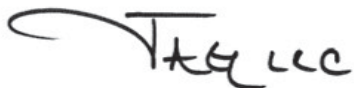
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance 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.

The Board of Education  
Santa Fe Public Schools and  
Mr. Wayne Johnson  
New Mexico State Auditor

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-006 and 2018-007 that we consider to be a significant deficiency.

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

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

A handwritten signature in black ink, appearing to read "JAG LLC", with a large, stylized flourish at the beginning.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2018

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor or Pass-Through Grantor / Program Title	Federal CFDA	Pass-through Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
Indian Ed Formula	84.060A	25184	\$ -	\$ 77,238
Pass-through State of New Mexico Public Education Department				
Title I - IASA	84.010A	24101	16,472	3,112,306
Title I - School Improvement	84.010A	24162	-	104,210
			<u>16,472</u>	<u>3,216,516</u>
IDEA B Entitlement	84.027	24106	39,836	2,758,452
IDEA B Preschool	84.173	24109	-	40,828
IDEA B Private School Proportional Share	84.027	24115	-	30,361
IDEA B Individuals with Disabilities Education Grant	84.027	24132	-	183,752
			<u>39,836</u>	<u>3,013,393</u>
Education of Homeless	84.196	24113	-	69,595
21st Century Community Learning Centers	84.287	24119	-	1,007,575
English Language Acquisition	84.365A	24153	-	281,103
Teacher/Principal Training & Recruiting	84.367A	24154	-	406,427
Student Support and Academic Enrichment	84.424A	24189	-	38,397
Carl D. Perkins Secondary - Project Based Learning	84.048A	24171	-	28,800
Carl D. Perkins Secondary - Current	84.048	24174	-	128,392
Carl D. Perkins Secondary - Redistribution	84.048	24176	-	23,719
			<u>-</u>	<u>1,984,008</u>
Subtotal - Pass-through State of New Mexico Public Education Department			<u>56,308</u>	<u>8,213,917</u>
Pass-through State of New Mexico Higher Education Department				
GEAR UP	84.334A	25205	-	314,849
<b>Total U.S. Department of Education</b>			<u>56,308</u>	<u>8,606,004</u>
<b>U.S. Department of Agriculture</b>				
<i>Child Nutrition Cluster</i>				
Pass-through State of Children, Youth, and Families Department				
Summer Food Service Program for Children	10.559	21000	-	263,891
Pass-through State of New Mexico Public Education Department				
Non-Cash Assistance (Commodities)				
National School Breakfast Programs	10.553	21000	-	1,252,895
National School Lunch Programs	10.555	21000	-	3,830,585
Pass-through State of New Mexico Human Services Department				
Non-Cash Assistance (Commodities)				
USDA Food Commodities	10.555	21000	-	330,366
<b>Total Student Nutrition Cluster</b>			<u>-</u>	<u>5,677,737</u>
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>5,677,737</u>
<b>U.S. Department of Health and Human Services</b>				
Pass-through State of New Mexico Department of Health				
USHHS/CDC School Health	93.079	24186	-	6,021
Santa Fe Underage Drinking Alliance	93.276	25181	-	116,780
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>122,801</u>
<b>U.S. Department of Defense</b>				
R.O.T.C.	12.357	25200	-	80,379
<b>U.S. Department of Interior</b>				
Johnson O'Malley	15.130	25131	-	31,898
<b>Total Federal Financial Assistance</b>			<u>\$ 56,308</u>	<u>\$ 14,518,819</u>

See Notes to Schedule of Expenditures of Federal Awards.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Santa Fe Public Schools (District) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. SUBRECIPIENTS**

During the year ended June 30, 2018, the District had the following subrecipients:

Academy for Technology and the Classics Charter (Component Unit)	84.010	Title I	\$16,472
Academy for Technology and the Classics Charter (Component Unit)	84.027	IDEA-B	\$39,836

**NOTE 4. NONCASH FEDERAL ASSISTANCE**

The District receives USDA Commodities for use in sponsoring the National School Lunch program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same CFDA number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2018 was \$330,366. Commodities are recorded as revenues and expenditures in the Food Service fund.

**NOTE 5. INDIRECT COST RATE**

During the year ended June 30, 2018, the New Mexico Public Education Department reimbursed the District for indirect costs at 2.26%.

**NOTE 6. RECONCILIATION OF FEDERAL REVENUE TO FEDERAL EXPENDITURES**

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 14,518,819
District as contractor relationship:	
Medicaid (Fund 25153)	1,122,344
Forest Reserve (Fund 11000)	43,950
	<u>15,685,113</u>
Indirect cost recovery (Fund 11000)	183,084
Advance reimbursement grant (ROTC - Fund 25200)	<u>(7,041)</u>
Federal revenue as reported in the financial statements	<u>\$ 15,861,156</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Finding No.</b>	<b>Description</b>	<b>Current Year Status</b>
<b>PRIMARY GOVERNMENT SANTA FE PUBLIC SCHOOLS</b>		
<b>Financial Statement Findings</b>		
2015-003	Inventory Balance	Revised and repeated
2016-002	Certification of Capital Asset Inventory and Capitalization Threshold	Revised and repeated
2017-001	Internal Controls Over Cash Receipts & Segregation Of Duties	Revised and repeated
2017-002	Activity Funds – Cash Disbursements Purchase Orders	Resolved
<b>Federal Awards Findings</b>		
2017-003	21 <sup>st</sup> Century Payroll	Revised and repeated
<b>Section 12-6-5 NMSA 1978 Findings</b>		
2016-005	Budgetary Conditions	Revised and repeated
2017-004	Compliance with School Personnel Act	Revised and repeated
<b>COMPONENT UNIT ACADEMY FOR TECHNOLOGY &amp; THE CLASSICS CHARTER SCHOOL</b>		
<b>Financial Statement Findings</b>		
2014-001A	Internal Control Structure	Resolved
2015-002A	Capital Assets	Resolved
2016-002A	IT General Controls	Revised and repeated
2016-003A	PED Cash Reports/Quarterly Budget to actual reports	Resolved
2016-004A	Bank Reconciliations	Revised and repeated
2016-006A	Fund Accounting	Resolved
2017-004A	Internal Controls Over Cash Receipts	Revised and repeated
2017-005A	Internal Controls Over Cash Disbursements	Revised and repeated
2017-006A	Internal Controls Over Journal Entries	Resolved
2017-007A	Internal Controls Over Payroll	Revised and repeated
2017-008A	Chief Procurement Officer	Revised and repeated
2017-009A	Finance and Audit Committees	Resolved
<b>Section 12-6-5 NMSA 1978 Findings</b>		
2015-001A	Budgetary Conditions	Revised and repeated



STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

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**Financial Statement:**

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Non-compliance material to financial statements noted?                        | No         |

**Federal Awards:**

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

4. Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
84.287	21 <sup>st</sup> Century Community Learning Centers
10.553, 10.555, 10.559	Child Nutrition Cluster

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

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**SECTION II A - FINANCIAL STATEMENT FINDINGS – DISTRICT**

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**2018-001 (Previously 2015-003) INVENTORY BALANCE - DISTRICT**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

During our inventory testing, we noted the following exceptions:

- The District did not adjust the inventory ending balance to reflect the end of year count.
- The District has not heard from the company that certifies their assets at year-end.
- Of the 12 inventory items selected for testing, which made up 25% of the total, three were overstated and one was understated, totaling a \$5,756 overstatement of the inventory list based on a comparison to the last invoice paid on each item.
- Certain items were being carried based on the list price on invoices rather than the actual price paid for items. Upon further discussion, it was noted the practice was to use list price from invoices when available.

Management made some progress on this finding in the current year. The District was able to get an operable system in place prior to the end of the year to record the transportation inventory.

**CRITERIA**

- NMAC 6.20.2.11 states that every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.
- NMAC 6.20.2.16 states that at fiscal year-end, each school district shall take a physical inventory of remaining goods and materials of an expendable nature. School districts shall establish adequate internal accounting control procedures over supplies inventory in accordance with GAAP.

**CAUSE**

This is a new process implemented and there was a lack of precision in the tracking of inventory quantities and prices.

**EFFECT**

The District is not in compliance with the NMAC. The District's assets may not be reflected accurately and the District has made itself more susceptible to the possibility of misappropriation of assets absent a good accounting of the inventory during the year and at year-end.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-001 (Previously 2015-003) INVENTORY BALANCE – DISTRICT (CONTINUED)**

**RECOMMENDATION**

We recommend that policies and procedures related to the transportation inventory be implemented to ensure that all inventory related transactions be properly accounted for in accordance with GAAP, including running reports at year-end and maintaining accurate pricing and valuation.

**MANAGEMENT’S RESPONSE**

While we believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed.

**Corrective Action:**

Specifically, the following will occur in 2018-19 to help resolve this Finding:

1. The inventory tracking will be brought into our current accounting system. We believe this would make it easier to track, particularly with new additions to the inventory which can be incorporated automatically.
2. A complete review of the inventory will be done to update quantities on hand and to remove anything that is no longer on hand or is no longer useful (too worn or incompatible).
3. As part of this process, unit prices also will be updated. One of the challenges we faced was for older inventory units which were purchased prior to the implementation of our accounting system (2007-08) and whose price was difficult to confirm. We will devise a methodology in which a fair value is given to avoid overstating the value on hand.

**Due Date of Completion:** June 2019

**Responsible Party:** Assistant Director of Capital Projects

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-002 (Previously 2016-002) CERTIFICATION OF CAPITAL ASSET INVENTORY AND CAPITALIZATION  
THRESHOLD - DISTRICT**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

There was not a physical inventory certification performed for the year ended June 30, 2018. The District contracted with an outside entity to complete the physical inventory of all District assets but have not received the results yet. Additionally, the District removed \$3,287,051 in assets on the listing from prior year and current year which cost less than \$5,000 per unit.

Management did not make progress on these finding points during the year. Assets less than \$5,000 were capitalized again during fiscal year 2018 and the schedules provided for the audit were originally incorrect.

**CRITERIA**

According to 6-15 and 22-24 through 26, NMSA 1978, the District must maintain an inventory of capital assets, which shall be tested at the time of the annual audit. Per NMAC 22.24 through 26, capital assets shall be acquired and accounted for through the development and implementation of a complete property control system. Per Section 12-6-10 NMSA 1978, only capital assets with an initial, individual cost of more than \$5,000 should be capitalized. Upon completion of the physical inventory, the inventory shall be certified by the governing authority as to correctness.

**CAUSE**

The District did not certify an accurate capital asset inventory and construction in progress project listing for the entire year. The capital assets accountant added these assets since they are a group of individual items on a cart in classrooms that totaled over \$5,000. There has also been turnover of employees in Finance.

**EFFECT**

Capital asset reclassifications were adjusted significantly.

**RECOMMENDATION**

We recommend that the facilities department track all capital asset activity assigned to the department throughout the year and reconcile the information with the information maintained in the accounting department and the Visions accounting system no less than quarterly. Final, certified annual reports should be available for external audit review no later than 60 days subsequent to the fiscal year end. We also recommend that management update their review procedures to ensure current year additions meet the threshold requirement.

**MANAGEMENT'S RESPONSE**

While we believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-002 (Previously 2016-002) CERTIFICATION OF CAPITAL ASSET INVENTORY AND CAPITALIZATION  
THRESHOLD - DISTRICT (CONTINUED)**

The items over \$5,000 that were on the original list of additional assets were items that were part of Construction in Progress (CIP) and were not “stand-alone” items that were to be added individually. The District took the approach that anything that went into the building of the assets were included, but did find some items that did not necessarily belong with the soon-to-be-added assets and agree to the need to remove them from the list.

**Corrective Action:** In the future, we will review the Purchase Orders more carefully to ensure that anything that is coded to an ongoing project is indeed part of that asset and not a complimentary piece (furniture, equipment, etc.) that could be tagged separately.

**Due Date of Completion:** June 2019

**Responsible Person:** Assistant Director of Capital Projects

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-003 (Previously 2017-001) INTERNAL CONTROLS OVER CASH RECEIPTS & SEGREGATION OF DUTIES – DISTRICT**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

Three deficiencies were found during the substantive testing of 40 cash receipts:

1. SFPS policy requires Secretaries/Bookkeepers to record on all deposits of checks separately on the deposit slip, listing both the last name of the person writing the check and the check number. In testing Cash Receipts, we found one instance in our sample whereby the deposit slip did not contain the last name or check number or both.
2. SFPS does not have a policy requiring secondary approval of deposits by Secretaries/Bookkeepers prior to making their deposits. In some instances, they will show the Principal/Vice-Principal the actual deposit prior to making the deposit, but only if they are around. In 8 of 40 instances, no second approval was observed.
3. Lack of segregation of duties in the collection, receipting, and depositing of monies received at the schools. The same person, usually a secretary or bookkeeper, is the one who collects the monies, issues the receipts, prepares the bank deposits, and makes the deposits.
4. In one instance, the cash receipt ticket was not signed.
5. Five of 40 tested, there was no cash receipt ticket or deposit ticket available. We were unable to verify that the 24-hour rule was observed.

The District did not make progress during the fiscal year 2018.

**CRITERIA**

The lack of segregation of duties is a basic tenant of good internal controls and should be addressed in all situations.

New Mexico PED PSAB Supplement 2 - Internal Control Structure - CONTROL ACTIVITIES AND PROCEDURES

Control activities are the internal policies and procedures that help ensure district directives are carried out. These policies and procedures help ensure necessary actions are taken to address risks to achieving the school district's objectives. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, review of operating performance, security of assets, and segregation of duties. Control procedures are those processes in addition to the control environment and accounting system that the district or charter school has established to provide reasonable assurance that specific school district objectives will be achieved. Control procedures have various objectives and are applied at various organizational and data processing levels. They may also be integrated into specific components of the control environment and the accounting system. PSAB Supplements 7 through 14 address defined processes for the subject of each Supplement coupled with a sample Risk Assessment Analysis worksheet for each process.

Central Focus Points are: *Assess Risk & Determine Needs, Monitor & Evaluate, Promote Awareness, and Implement Policies and Controls*. Certain basic internal control structure concepts will not vary from one school district to the next (6.20.2.11, NMAC Internal Control Standards). Each school district will devise, establish, and maintain a written structure of internal administrative and accounting controls to provide: Segregation of

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-003 (Previously 2017-001) INTERNAL CONTROLS OVER CASH RECEIPTS & SEGREGATION OF DUTIES – DISTRICT (CONTINUED)**

responsibilities (which is also known as division of duties) shall be established and implemented. The three main duties to be segregated are the authorization to execute a transaction, the recording of the transaction, and the custody of assets involved in the transaction. A system of authorization and recording procedures shall be adopted by the local school board and implemented by the school district.

NM Public Education Department (PED) Manual of Procedures – PSAB Supplement 18 – Student Activity & Athletics As governments increasingly respond to the demands for fiscal and operational accountability, best practice dictates the creation of strong controls surrounding activity funds, including assurance that all transactions are recorded and reported in district and charter school financial records. Additionally, at a minimum, proper lines of authority combined with strong control practices, such as segregation of duties, multiple checks and balances, requirements for annual audits, and regular financial reporting, are the elements to protect against error, waste, fraud, or misuse.

**CAUSE**

SFPS Business Services Guide for 2017-2018, under “Procedures for Processing Revenue” dated July 31, 2017, states that on all checks being deposited, that both the last name and check number need to be listed on the respective deposit slip. This guide does not reflect any policies or procedures requiring a secondary approval of all deposits prior to the depositing of these funds.

The cause of these issues in non-compliance with existing policies and procedures the recordation of checks received, and the lack of policies and procedures for secondary approval of deposits and lack of segregation of duties.

**EFFECT**

There is a high risk of loss or theft of revenue at the point of collection.

**RECOMMENDATIONS**

In regard to these three findings, we recommend the following:

1. Recordation of Checks Received – Enforcement of the current policy of requiring all checks being deposited to be listed separately on each deposit slip showing both the remitters last name and the check number.
2. Secondary Deposit Approval – Establishment of a policy requiring each School’s Principal or Vice-Principal to review and sign off on each deposit made by school personnel prior to the deposit being made. This review should include review of the receipt book for all receipts issued, assurance that all recorded receipts are properly listed on the deposit slip and deposit report to the Business Services Office, and review of the deposit receipts after the deposit is made to ensure the correct amount of monies were deposited.
3. Segregation of Duties - A new policy should be developed which requires a segregation of duties at the front line of schools to ensure that the same person who receives and receipts the cash and checks is

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-003 (Previously 2017-001) INTERNAL CONTROLS OVER CASH RECEIPTS & SEGREGATION OF DUTIES – DISTRICT (CONTINUED)**

not the same person who prepares the deposit slips, prepares the deposit package for the Business Services Office and makes the actual deposit.

Although the Schools have limited administrative staff, steps could be taken to separate incompatible duties between the Schools' offices and Central Office. The basic premise is that no one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

For the Cash Receipts transaction cycle, there should be adequate segregation of duties among those who:

- Collect accounts receivable
- Open the mail or copy checks received
- Prepare deposits
- Compare the listing of receipts received daily to the bank receipt of daily deposit
- Post cash receipts to the activity funds' sub-ledgers (by PTO, Students, Teachers, etc.)
- Review the activity fund reconciliations
- Authorize write-offs or adjustments
- Independently investigate discrepancies or issues related to revenue
- Process staff/parent calls and complaints
- Reconcile bank accounts
- Perform surprise audits

Having duties and, even more importantly, access to the different areas in a particular transaction cycle separated with strong independent reviews is critical to prevent and detect fraud and errors.

**MANAGEMENT'S RESPONSE**

We believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:** The District will implement the following plan:

1. Semi-Annual training for both secretaries and principals. Currently training is scheduled for the beginning of the school year, but follow-up training will occur in the future.
2. Review of Training Material – we will incorporate more of the specific issues into our trainings as well as paperwork provided by the auditors showing employees exactly how their deposit slips, invoices and other documents are reviewed for approval.
3. More on-site visits – whether an Internal Auditor is hired or not, staff will conduct on-site visits to ensure all cash management policies are followed

**Due Date of Completion:** June 2019

**Responsible Party:** Chief Financial and Government Relations Office, Executive Director of Finance and Administration



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-004 BANK RECONCILIATIONS AND CLEARING ACCOUNTS - DISTRICT**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

During our cash testing, we noted the following exceptions:

- The District did not reconcile and adjust all cash accounts monthly due to turnover of staff.
- The District did not have cash balances and schedules ready for audit timely.
- The payroll clearing account had not been reconciled during fiscal year 2018; the District contracted assistance for reconciling which led to an audit journal entry net total of \$220,249.
- Held checks at June 30 were not identified until late in the audit process.

**CRITERIA**

NMAC 6.20.2.11 states that every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Per 6.20.2.11(B)(6) NMAC, and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger. Per the New Mexico State Audit Rule, the audit report of each school district shall include a cash reconciliation schedule which reconciled the cash balance as of the end of the previous fiscal year to the cash balance at the end of the current fiscal year.

Per 6.20.2.14(G) NMAC, "clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis."

**CAUSE**

The District experienced turnover in the Finance Department during the year.

**EFFECT**

The District is not in compliance with laws and regulations. The audit could have been late.

**RECOMMENDATION**

We recommend the District fully staff Finance and develop monthly close processes including a strong review and approval process.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-004 BANK RECONCILIATIONS AND CLEARING ACCOUNTS - DISTRICT (CONTINUED)**

**MANAGEMENT'S RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:**

District will implement the following plan:

1. Cross-functional training for both Business Services and Human Resources staff to make the process more efficient, transparent and captures issues as they arise.
2. Management review of the work of the Comptroller, including renewed effort to enforce the requirement of signing off on all bank reconciliations upon timely completion
3. Timely submission of all bank transfers between accounts

**Due Date of Completion:** June 2019

**Responsible Person:** Exec. Director of Finance and Administration, Comptroller

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-005 TRAINING AND EXPERIENCE (T&E) STATE AUDIT AND FINDINGS - DISTRICT**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

In October 2017, NM Public Education Department (PED) performed an oversight audit of the District's T&E calculations. They tested 547 personnel files, reflecting 60% of the District's personnel files. There were numerous findings in the report and the District's 2017-2018 budgeted SEG revenue was reduced by \$1,014,555.

**CRITERIA**

NMSA 1978 Section 22-8-24 – Instructional staff training and experience index; definitions; factors; calculations detail the requirements.

NMAC 6.20.2.11 states that every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

**CAUSE**

It was reported that former Administrators disregarded guidance from PED in 2012 that per State law and PED guidance, National Board Certified Teachers could not be counted as having Master's Degrees for purposes of T&E reporting. Later, the Board of Education, under the recommendation of the former Administrators, approved Board Policy 249, which allowed provided for this incorrect calculation. Additionally, the control structure at Human Resources was not as strong as it should have been, as evidenced by the PED findings.

**EFFECT**

The District was not in compliance with laws and regulations and improperly increased their T&E funding using this policy. The District essentially re-paid state funds with a decrease in SEG.

**RECOMMENDATION**

We recommend that the current Administration continue evaluating the controls over compliance with T&E requirements and the related areas in Human Resources. This will take random audits and a high level of monitoring and accountability for non-compliance. We also recommend the Audit Committee oversee corrective action and monitoring.

**MANAGEMENT'S RESPONSE**

The Santa Fe Public Schools is now in full compliance with the Training and Experience reporting. It should be noted that the Santa Fe Public Schools self-disclosed the prior practice of following the District's Teaching and Experience/National Board Certified policies. These policies have been retired.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II A - FINANCIAL STATEMENT FINDINGS (CONTINUED) – DISTRICT (CONTINUED)**

**2018-005 TRAINING AND EXPERIENCE (T&E) STATE AUDIT AND FINDINGS - DISTRICT (CONTINUED)**

**Corrective Action:** District will continue with the new procedures put into place in October 2017.

**Due Date of Completion:** Already implemented

**Responsible Party:** Executive Director of Finance and Administration

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

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**SECTION II B - FINANCIAL STATEMENT FINDINGS – COMPONENT UNIT FINDINGS**

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**2018-001A (Previously 2016-002A) IT GENERAL CONTROLS – ATC CHARTER**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

During our review of surrounding IT general controls that are significant to financial reporting, we noted the following:

- There is no Disaster Recovery Plan that will provide guidance to the District in a recovery effort in case of a disaster.
- There is no policy for adding or removing users from APTA system
- There is no policy cover annual review of the SSAE 16 report to ensure that controls exist at service organizations.

Management did make progress on this finding during the year ended June 30, 2018 by drafting the Disaster Recovery Plan, which may be approved in January.

**CRITERIA**

In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 4.1, framework (DS4, Ensure Continuous Service), a Disaster Recovery Plan needs to be developed and tested to reduce impact of a major disruption on key business functions and processes.

In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 4.1 framework, a change management process (A16 and A17) includes controls that provide reasonable assurance that system changes of financial reporting significance are authorized, appropriately tested before being moved to production and that segregation of duties exist between IT staff responsible for moving a system change into production and the IT staff involved in the development.

Framework DSS (Ensure System Security) provides that the need to maintain integrity of information and protect IT assets requires a security management process. This process includes establishing and maintaining IT security and roles and responsibilities, policies, standards, and procedures. Security management also includes performing security monitoring and periodic testing and implementing corrective actions for identified security weakness or incidents. Effective security management protects all IT assets to minimize the business/financial impact of security vulnerabilities and incidents.

**CAUSE**

The Charter lacks manpower and resources and still are in the process of developing and improving its policies and procedures.

**EFFECT**

The absence of a formal Disaster Recovery Plan may pose question as to the District's ability to respond and recover its critical data and applications in the event of an unforeseen disaster. Absence of the other required processes for change management poses risks of unauthorized or incorrect modification in the financial application. Security issues identified decreases overall system security which makes the infrastructure vulnerable to attack and unauthorized data access or modification.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) – COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-001A (Previously 2016-002A) IT GENERAL CONTROLS – ATC CHARTER (CONTINUED)**

**RECOMMENDATIONS**

We recommend the following:

- Develop a formal Disaster Recovery Plan that should be comprehensive in scope covering staff roles and responsibilities, system recovery steps, data restoration procedures, and how to maintain business operations. It would be prudent for the District to test the Disaster Recovery Plan to ensure the viability of the plan and the timeliness of its execution.
- Change management policy should be implemented, covering authorization, testing, user's acceptance and deployment procedures, and a back-out plan. It is imperative that users' testing is documented using the release notes provided by the vendor.
- Develop a vendor assessment policy, especially for applications, that are hosted by the vendor. This policy should cover annual review of the SSAE 16 report to ensure that controls exist at service organizations.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** ATC does have a Disaster Plan and is being reviewed by our IT Provider prior to submission for approval by our Governance Council for adoption.

**Due Date of Completion:** January 2019

**Responsible Party:** Assistant Principal

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) – COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-002A (Previously 2016-004A) BANK RECONCILIATIONS – ATC CHARTER**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

We also noted that during the year, bank cash reconciliations were not being performed on a timely basis. The following is a summary of our sample items:

	Statement Date	Reconciliation Date	Timely Reconciled	Properly Reconciled	Unreconciled Difference
<b>OPERATING ACCOUNT</b>	8/31/2017	3/15/2018	NO	NO	\$ 428,452.70
	1/31/2018	3/27/2018	NO	NO	\$ 783,528.51
	2/28/2018	3/28/2018	NO	NO	\$ 588,771.59
	3/31/2018	4/11/2018	YES	NO	\$ 237,547.09
	5/31/2018	6/5/2018	YES	NO	\$ (37,133.44)
<b>ACTIVITY ACCOUNT</b>	8/31/2017	3/14/2018	NO	NO	\$ 81,657.41
	1/31/2018	3/15/2018	NO	NO	\$ 81,862.48
	2/28/2018	3/15/2018	YES	NO	\$ 81,808.35
	3/31/2018	4/11/2018	YES	NO	\$ 40,048.44
	5/31/2018	6/6/2018	YES	NO	\$ 36,887.34

Management made significant progress on this finding and is reconciling monthly.

**CRITERIA**

Per NMAC 6.20.2.14 (K), all bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration.

**CAUSE**

The School was still performing cash clean-up from prior years.

**EFFECT**

The School could be misstating revenues and expenses when reporting budget amounts to the department and misstating the cash balance in its quarterly cash reports submitted to the department.

**RECOMMENDATION**

We recommend the School reconcile bank accounts monthly to the general ledger and that all reconciliations be properly reviewed.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) – COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-002A (Previously 2016-004A) BANK RECONCILIATIONS – ATC CHARTER (CONTINUED)**

**MANAGEMENT'S RESPONSE**

**Corrective Action:** All reconciliations are now complete and current.

**Due Date of Completion:** Completed - Bank Reconciliations are being done on a monthly basis.

**Responsible Party:** Business Manager



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) – COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-003A (Previously 2017-004A) INTERNAL CONTROLS OVER CASH RECEIPTS – ATC CHARTER**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

During our testing of 40 cash receipts, we noted the following exceptions:

- 4 did not have Principal or the Assistant Principal review prior to deposit
- 20 unable to determine whether the 24 hour deposit requirement was met
- 2 determined that the 24 hour deposit requirement was not met

During our testing of cash receipts, we noted the Receptionist collecting cash and cash equivalents is not issuing receipts to students and/or others as cash is received. When the Receptionist turns over the cash to the Office Manager, there is no count of what is being turned over, the Receptionist just hands over what has been collected. The Office Manager then prepares the deposit ticket and takes the deposit to the bank. There is no second verification on the deposit before it goes to the bank. The tracker for student funds for lunches is never reconciled to revenues or cash receipts. Additionally, there is no record of when the cash and cash equivalents are received, so we were unable to test whether deposits are being made timely (within 24 hours).

**CRITERIA**

The lack of segregation of duties is a basic tenant of good internal controls and should be addressed in all situations.

New Mexico PED PSAB Supplement 2 - Internal Control Structure - CONTROL ACTIVITIES AND PROCEDURES

Control activities are the internal policies and procedures that help ensure district directives are carried out. These policies and procedures help ensure necessary actions are taken to address risks to achieving the school district's objectives. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, review of operating performance, security of assets, and segregation of duties. Control procedures are those processes in addition to the control environment and accounting system that the district or charter school has established to provide reasonable assurance that specific school district objectives will be achieved. Control procedures have various objectives and are applied at various organizational and data processing levels. They may also be integrated into specific components of the control environment and the accounting system. PSAB Supplements 7 through 14 address defined processes for the subject of each Supplement coupled with a sample Risk Assessment Analysis worksheet for each process.

Central Focus Points are: *Assess Risk & Determine Needs, Monitor & Evaluate, Promote Awareness, and Implement Policies and Controls*. Certain basic internal control structure concepts will not vary from one school district to the next (6.20.2.11, NMAC Internal Control Standards). Each school district will devise, establish, and maintain a written structure of internal administrative and accounting controls to provide: Segregation of responsibilities which is also known as division of duties shall be established and implemented. The three main duties to be segregated are the authorization to execute a transaction, the recording of the transaction, and the

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-003A (Previously 2017-004A) INTERNAL CONTROLS OVER CASH RECEIPTS – ATC CHARTER  
(CONTINUED)**

custody of assets involved in the transaction. A system of authorization and recording procedures shall be adopted by the local school board and implemented by the school district.

NM Public Education Department (PED) Manual of Procedures – PSAB Supplement 18 – Student Activity & Athletics As governments increasingly respond to the demands for fiscal and operational accountability, best practice dictates the creation of strong controls surrounding activity funds, including assurance that all transactions are recorded and reported in district and charter school financial records. Additionally, at a minimum, proper lines of authority combined with strong control practices, such as segregation of duties, multiple checks and balances, requirements for annual audits, and regular financial reporting, are the elements to protect against error, waste, fraud, or misuse.

**CAUSE**

This is due to turnover in the Business Manager position and lack of oversight by the Administration and Board.

**EFFECT**

There is high risk of fraud or errors and theft at the various points of collection.

**RECOMMENDATION**

The Board and Administration should perform a risk assessment and design and implement strong controls over cash receipts.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** ATC has implemented written control for cash receipts/cash management.

**Due Date of Completion:** January 2019

**Responsible Party:** Business Manager and Principal

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-004A (Previously 2017-005A) INTERNAL CONTROLS OVER CASH DISBURSEMENTS – ATC CHARTER**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

During our testing of 40 cash disbursements, we noted the following exceptions:

- 2 items tested were missing invoices from the payment packet provided; they totaled \$6,551.92.
- 1 was paid without a purchase order, in the amount of \$63.00.
- 1 was overpaid, in the amount of \$.53.
- 3 were processed with purchase orders dated after the invoice date; they totaled \$3,555.79.

The Charter did not make progress on this finding in fiscal year 2018.

**CRITERIA**

Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

**CAUSE**

This is due to turnover in the Business Manager position and lack of oversight by the Administration and Board.

**EFFECT**

There is a higher risk of fraud or errors and spending over budget.

**RECOMMENDATION**

The Board and Administration should perform a risk assessment and design and implement strong controls over cash disbursements.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** As noted in 2016-004A, ATC is seeking additional business office contract staff to assist in the development of additional internal controls. One such item is CPO training for staff and regular procurement reviews to test/analyze accounts payable procedures and documentation. ATC administration will collaborate with the Governing Council's audit and finance committees to develop and formally adopt these methods.

**Due Date of Completion:** February 2018

**Responsible Party:** Business Manager

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-005A (Previously 2017-007A) INTERNAL CONTROLS OVER PAYROLL – ATC CHARTER**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

During our testing of 40 payroll transactions, we noted the following exceptions:

- 9 did not have documentation in the personnel file to support the amounts being paid
- 1 had a salary in excess of what was approved on the salary schedule.

The District did not make progress on this finding in fiscal year 2018.

**CRITERIA**

Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

**CAUSE**

This is due to turnover in the Business Manager position and lack of oversight by the Administration and Board.

**EFFECT**

There is a higher risk of fraud or errors and spending over budget.

**RECOMMENDATION**

The Board and Administration should perform a risk assessment and design and implement strong controls over personnel files.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** ATC has developed and implemented a standard Personnel Action Form to document changes in compensation and/or duties and annual offer letters to document compensation for non-contract employees. Any changes in compensation will have a Personnel Action Form to support the increase in personnel records.

**Due Date of Completion:** Has been completed.

**Responsible Party:** Business Manager

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-006A (Previously 2017-008A) CHIEF PROCUREMENT OFFICER – ATC CHARTER**

**TYPE OF FINDING:** Other Non-Compliance

**CONDITION**

During the year ended and as of June 30, 2018, the Charter did not have a Chief Procurement Officer registered with the State of New Mexico General Services Department State Purchasing Division.

The Charter did not make progress on this finding until November 5, 2018 when the Business Manager was certified.

**CRITERIA**

According to NM State Statute 13-1-95.2, only certified Chief Procurement Officers may approve procurement pursuant to the Procurement Code.

**CAUSE**

This is due to turnover in the Business Manager position and lack of oversight by the Administration and Board.

**EFFECT**

Management did not comply with Section 13-1-92.2 NMSA 1978. Procurement procedures may not have been followed. The Charter may not be receiving the best obtainable price for purchases.

**RECOMMENDATION**

The Board and Administration should ensure compliance with the CPO requirements as soon as possible.

**MANAGEMENT'S RESPONSE**

**Corrective Action:** ATC Business Manager has completed the Chief Procurement Officer Training and is now certified as of November 4, 2018.

**Due Date of Completion:** Has been completed.

**Responsible Party:** Business Manager

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-007A FINANCIAL CLOSE AND REPORTING – PRIOR PERIOD RESTATEMENT – ATC CHARTER**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

During fiscal year 2018, the Charter reconciled balances in response to prior year audit findings. There were significant adjustments necessary, indicating a material weakness in the financial close and reporting process in previous years. The financial close and reporting process was improved during the year, with the assistance of a contractor; however, since the material restatement impacts the June 30, 2018 financial statements, this finding is required.

<u>Funds</u>	As Originally <u>Reported</u>	<u>Restatement</u>	<u>As Restated</u>
11000	\$(45,497)	\$352,406	\$306,909
14000	16,360	(3,723)	12,637
21000	(19,373)	19,373	-
22000	(2,167)	2,167	-
24106	(1,930)	1,930	-
24154	755	(755)	-
27107	(537)	537	-
27188	(30,699)	30,699	-
27190	(3,267)	3,267	-
31200	25,498	40,581	66,079
31400	(2,120)	2,120	-
31600	(24,180)	24,180	-
31700	100,403	(296,049)	(195,646)
31701	-	195,646	195,646
31900	<u>6,994</u>	<u>(5,653)</u>	<u>1,341</u>
	<u>\$20,240</u>	<u>\$366,726</u>	<u>\$386,966</u>

**CRITERIA**

There are several key underlying accounting standards to an organization designing and implementing an effective financial close and reporting process. Auditors are required to identify and communicate internal control weaknesses according to Statement on Auditing Standards (SAS) AU Section 325 Communication of Internal Control Related Matters Identified in an Audit, which includes:

- The auditor cannot be a part of a client’s internal control because becoming part of a client’s internal control impairs auditor independence
- The auditor’s work is independent of the client’s internal control over financial reporting and the auditor cannot be a compensating control for the client; and

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-007A FINANCIAL CLOSE AND REPORTING – PRIOR PERIOD RESTATEMENT – ATC CHARTER  
(CONTINUED)**

- A system of internal control over the financial reporting does not stop at the general ledger; it includes controls over the presentation of the financial statements.
- Financial reporting is considered a significant process of internal control and should be performed by the Charter's staff or under the supervision of Charter's staff.

The auditing standards require the auditor to obtain the auditees' agreement to correct material misstatements in their financial statements before the financial statements are issued. This agreement is fulfilled up front in the engagement letter by getting the auditee to agree to doing this. Additionally, at the end of the audit, the auditee also fulfills this obligation when they sign the audit representation letter.

To achieve this, the auditee must provide the auditor cash basis trial balances that are free of material misstatement, all the receivables and payables (modified accrual entries) and then, at a minimum, all the correct supporting information for the full accrual statements (accrued compensated absences, bond debt, capital asset detail along with the accumulated depreciation and depreciation expense, property tax receivable, etc.). The auditee must fully understand how all the adjustments flow through the trial balances that link into the final product (the financial statements).

1. **Cash basis.** Have a process in place to give the auditors the correct (free of material adjustments) cash basis trial balances.
2. **Modified accrual basis.** Take ownership for and agree that the modified accrual basis adjustments (primarily receivables and payables) made by the auditor from the Charter's detail to the cash basis trial balances are materially correct. A modified accrual basis trial balance is simply the cash basis trial balance plus receivables and payables at year-end. The modified accrual basis trial balances are grouped by category and then used to create all the individual funds presented in the annual financial report.
3. **Full accrual basis.** Starting with the above final modified accrual basis trial balances then take ownership for the all the adjustments from the total modified basis to the full accrual basis (the entity-wide statements at the very front of the annual financial report).

6.20.2.11 NMAC states that "Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP."

**EFFECT**

Without a strong financial close and reporting process in place in previous years and part of this year, the Charter's account balances were not reflected accurately and the Charter made itself more susceptible to the possibility of errors or fraud.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION II B - FINANCIAL STATEMENT FINDINGS (CONTINUED) - COMPONENT UNIT FINDINGS (CONTINUED)**

**2018-007A FINANCIAL CLOSE AND REPORTING – PRIOR PERIOD RESTATEMENT – ATC CHARTER  
(CONTINUED)**

**CAUSE**

The Charter has experienced turnover in the business office and had been relying upon external auditors to convert their trial balances to the proper accounting basis for the financial statements.

**RECOMMENDATION**

We recommend that the Charter retain business office staff and the contractor for accountability and oversight purposes. We also encourage the Audit Committee and Governing Council to stay active throughout the year to ensure there is thorough oversight through governance.

The Charter's financial close and reporting controls should include but not be limited to:

- Identifying all sources of financial and non-financial data (routine and non-routine events and transactions) that will be needed in order to maintain and systematically adjust the Charter's general ledger
- Preparing PBCs in the format of the financial statement requirements
- Preparing the SEFA in compliance with the Uniform Grant Guidance, related compliance supplements and grant agreements
- Providing all cash to modified accrual basis journal entries for the fund financial statements
- Providing cash to full accrual for the government-wide financial statements
- Establishing and implementing procedures and records to initiate, authorize, record, process, correct, transfer to the general ledger, and report in the financial statements the Charter's transactions
- Monitoring the non-audit services provided by the external auditor and reviewing and approving the services provided
- Reviewing in detail the financial statements and related reports and not releasing them to the Office of the State Auditor until completely accurate

**MANAGEMENT RESPONSE**

**Corrective Action:** ATC has a part-time Financial Director in place and will implement the auditor's recommendations.

**Due date of Completion:** January 31, 2019

**Responsible Party:** Business Manager



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

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**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT**

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**2018-006 (Previously 2017-003) 21<sup>ST</sup> CENTURY PAYROLL - DISTRICT**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Education

Title: Twenty-First Century Learning Centers

CFDA Number: 84.287

**CONDITION**

During our testing of Allowable Costs, we noted that overtime is charged to the grant without required documentation in the employees' personnel files describing how overtime will be paid. Employees did not sign agreement forms in 2018 as was in the response to the 2017 finding. Overtime was not in the 2018 budget so agreement forms were not completed. Overtime and the payroll charges for summer programming were not budgeted in advance of the expenditures.

The District did not make progress on this finding in fiscal year 2018.

**CRITERIA**

Statutory language on computing overtime pay in §778.415 through §778.421 allows flexibility. Rates for overtime need to be agreed upon before performance of the work.

Twenty-first CCLC funds must be used in a manner consistent with all requirements of the Educational Department General Administrative Regulations (EDGAR), and 2 CFR 200, to support activities allowable under the 21<sup>st</sup> CCLC program. Expenditures should be pre-approved in the Budget Justification Form submitted to and approved by the PED prior to receiving the fully executed IGA/PSC for the current year, or pre-approved by submitting a budget adjustment request (BAR).

**QUESTIONED COSTS**

Unknown

**EFFECT**

Additional compensation should be supported with documentation showing hourly rates that will be paid and overtime rates that will be paid. The expenses should be supported by the planning and budgeting for expenditures and the deliverables in the Statement of Work agreement between the District and the NM Public Education Department.

**CAUSE**

The District has a computerized system that builds a blended rate when two different hour rates are paid. A decision was made to discontinue use of blended rate and pay the highest rate for overtime purposes. This is allowable, but overtime rates need to be agreed upon before the work is performed.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2018-006 (Previously 2017-003) 21<sup>ST</sup> CENTURY PAYROLL – DISTRICT (CONTINUED)**

**RECOMMENDATION**

We recommend planning and budgeting summer programming in advance. We also recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

**MANAGEMENT'S RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:**

To ensure compliance, District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable
2. Ensure all applications to PED include overtime as part of the budget

**Due Date of Completion:** June 2019

**Responsible Party:** Executive Director of Finance and Administration, Payroll Specialist

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION III - FEDERAL AWARDS FINDINGS – DISTRICT (CONTINUED)**

**2018-007 STUDENT NUTRITION VERIFICATION - DISTRICT**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Agriculture

Title: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

**CONDITION**

During our testing of 33 applications selected for verification, verification was not completed on one application, and the calculations of gross income were not done properly on 5 applications, with one of the erroneous calculations resulting in 2 students receiving free meals when they should have been on reduced meals. On one verification no response was received but the student remained on reduced meals instead of being changed to full price. Also in discussions on cases where applications were submitted with income reported as zero, it was determined that these are accepted with no subsequent verification.

For the application not verified, the system had a note that verification was not required as they had been verified in the prior year. Further review resulted in determining the student was not verified in the prior year. Verification in prior year would not result in not being selected or verified in the next year.

Application 832 Verification – Pay stub submitted had total of \$11,600 in overtime that was not included in calculation of gross pay. The result was two students continuing to receive free meals for the year when they should have been charged the reduced price.

Application 1349 Verification resulted in no response, so student should have moved from reduced to full price.

**CRITERIA**

Children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or a reduced price.

By November 15<sup>th</sup> of each school year, the District must verify the current free and reduced price eligibility of households from a sample of applications that it has approved for free and reduced price meals. and put them in the correct category. Earnings from work include salary (or wages) and cash bonuses.

From the USDA Food and Nutrition Services, Child Nutrition Services, Eligibility Manual for School Meals – Determining and Verifying Eligibility, if a household submits a pay stub including overtime, the determining official should work with the household to determine if the overtime is representative of other months. If overtime is one-time or sporadic it is not included in the calculation.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**SECTION III - FEDERAL AWARDS FINDINGS – DISTRICT (CONTINUED)**

**2018-007 STUDENT NUTRITION VERIFICATION – DISTRICT (CONTINUED)**

Per CFR 245 6a (c) (7), In addition to the required verification sample, the District must verify any questionable application, and should on a case-by-case basis, verify any application for cause such as an application where a household reports zero income or when the District is aware of additional income or persons in the household.

**QUESTIONED COSTS**

None

**EFFECT**

The District is not in compliance with program requirements. By not calculating income properly for verifications, students' eligibility status is incorrect resulting in improper classifications and students receiving benefits of the Federal program in excess of what they are eligible for. The proper use of Federal money in this program is dependent on Districts correct calculations of income, and questioning applications when allowable by law.

**CAUSE**

The District's issues in this area resulted from not verifying an individual that should have been, not assuring changes from verification were completed, and not following federal regulations to properly calculate income for verifications, and not verifying questionable applications.

**RECOMMENDATION**

We recommend that the District develops procedures to make sure verification calculations are correct. The District needs to ensure it uses all information provided as part of the verification process. Regular pay should be calculated for the year, and then the District needs include overtime and bonuses to get to a gross amount. In situations where the amount calculated for income is less than what was on the application, follow up should occur to determine why. In addition, questionable applications and those with zero income should be flagged for verification in addition to the required verification sample. Families that do not qualify should not receive free and reduced meals.

**MANAGEMENT RESPONSE**

While every effort is made to process student meal applications with the highest level of accuracy, these findings indicate a need for review of internal processes.

**Corrective Action:**

To ensure compliance, the Chief Operations Officer who supervised the director of the Food Services Department will build in additional training; add additional staffing during peak collection times (like the beginning of the school year). Secondly, we will build an internal audit process to ensure compliance with eligibility guidelines.

**Due Date for Completion:** June 2019

**Responsible Party:** Chief Operations Officer

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-008 (Previously 2016-005) BUDGETARY CONDITIONS - DISTRICT**

**TYPE OF FINDING:** Other Non-Compliance

**CONDITION**

The District has expenditure functions where actual expenditures exceeded budgetary authority:

21st Century Community Learning Centers 2008-2014 (Fund 24119)	
Support Services	\$ 20,236
Indian Education Act (Fund 27150)	
Operation of Non-instructional Services	3
Sub Abuse Ed/ Prev DOH (Fund 28142)	
Instruction	439
Capital Improvements SB-9 Local (Fund 31701)	
Support Services	36,512
Debt Service (Fund 41000)	
Support Services	26,211
Education Technology Debt Service (Fund 43000)	
Support Services	1,159

The District did not make progress on this finding in fiscal year 2018.

**CRITERIA**

Per NMAC 6.20.2.9(A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

**CAUSE**

There was a budget adjustment request to the incorrect function.

**EFFECT**

The District is out of compliance with New Mexico state statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

**RECOMMENDATION**

We recommend the District establish a policy of budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-008 (Previously 2016-005) BUDGETARY CONDITIONS – DISTRICT (CONTINUED)**

**MANAGEMENT’S RESPONSE**

**Corrective Action:** We currently reconcile budget between the Public Education Department's Operating Budget Management System and Visions to the fund level weekly, and budget and actuals quarterly. We will expand the OBMS to Visions reconciliation to the function level.

The fund noted in the condition, “GRADs”, is a program to provide support for parenting teens at Capital and Santa Fe High Schools. In an effort to expend the entire budget of \$45,550 during the fiscal year, a purchase of supplies for parenting teens and their children was made from function 2100 in June. The late purchase did not allow enough time for a transfer BAR (Board approval, PED approval). We discovered later that the expenditure, while not direct instruction, could have been moved to function 1000, as the entire GRADs budget was in that function and the childcare supplies are allowable in the grant. The fund was not over expended.

**Due Date of Completion:** We will expand the OBMS to Visions reconciliation and budgetary review to the function level immediately.

**Responsible Party:** Director of Grant Accounting

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-009 (Previously 2017-004) COMPLIANCE WITH SCHOOL PERSONNEL ACT - DISTRICT**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

During our testing of 40 payroll transactions, we noted the following exceptions:

- Supporting documentation such as executed contracts or other approved hiring paperwork could not be provided for 15 of the transactions tested. Because of this, we were not able to verify that the employees were being paid correctly.
- Contracts were not executed 10 or more days before the start of the school year for 15 of the items tested.

During our testing of school personnel act, we noted the following exceptions:

- Supporting documentation could not be provided to verify that new hires completed required training in detection and reporting of child abuse and neglect.

The District did not make progress on this finding in fiscal year 2018.

**CRITERIA**

Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

22-10A-23(B) NMSA 1978 states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.

Section 22-10A-32 Item A NMSA 1978 states that all licensed school employees shall be required to complete training in the detection and reporting of child abuse and neglect, including sexual abuse and assault and substance abuse. Except as otherwise provided in this subsection, this requirement shall be completed within the licensed school employee's first year of employment by a school district. Licensed school employees hired prior to the 2014-2015 school year shall complete the sexual abuse and assault component of the required training during the 2014-2015 school year.

**EFFECT**

The District is at higher risk for misappropriation of assets if it is unable to confirm that pay rates have been approved by management. The District may be at higher risk that classrooms and other services are not staffed as planned. Additionally, the District is not in compliance with Section 22-10A-32 Item A, NMSA 1978.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-009 (Previously 2017-004) COMPLIANCE WITH SCHOOL PERSONNEL ACT – DISTRICT (CONTINUED)**

**CAUSE**

This may be due to turnover in the Human Resources Department and a lack of controls over compliance in this area.

**RECOMMENDATION**

Management should perform a risk assessment and design and implement strong controls over payroll compliance.

**MANAGEMENT'S RESPONSE**

The Human Resources Department (HRD) does recognize the legal requirement stated on Section 22-10A-23(b) of the Personnel Act that “[written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.” As often our Collective Bargaining Agreement slows our process. However, in review of Sections 22-10A-22 in conjunction with 22-10A-23. Those say that “On or before the last day of the school year of the existing employment contract, the local school board or the governing authority of the state agency shall serve *written notice of reemployment* or termination on each certified school instructor employed by the school district or state agency.” AND, within fifteen days of “(1) the date *written notice of reemployment* is served upon the person; or (2) the last day of the school year when no written notice of reemployment or termination is served upon the person on or before the last day of the school year,” the employee has to give the district “a written acceptance or rejection of reemployment for the ensuing school year.” Otherwise, there is no binding employment contract between the certified school instructor and the district until the parties enter into a formal written employment contract.

**Corrective Action:** The HRD will recalibrate processes to mitigate risks and meet compliance requirements. Ensuring that hiring documents are executed in a timely manner and appropriately filed. Will assess and configure to ensure the delivery system of the required trainings and exercises are completed. In addition, include documentation to employee’s personnel file.

**Due Date of Completion:** June 2019

**Responsible Party:** Executive Director of Human Resources



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-008A (Previously 2015-001A) BUDGETARY CONDITIONS – ATC CHARTER**

**TYPE OF FINDING:** Other Non-Compliance

**CONDITION**

The School has expenditure functions where actual expenditures exceeded budgetary authority:

Title I - IASA (Fund 24101)		
Support services	\$	11,075
Private Dir. Grants (Categorical) (Fund 29102)		
Instruction		13,372
Support services		416

Management has made significant progress in regard to budgetary conditions.

**CRITERIA**

Per NMAC 6.20.2.9(A), every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining, and reporting budgetary information. Budgetary control shall be at the major function level. Over-expenditure of a function shall not be allowed.

Per NMAC 6.20.2.10.B, school districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget AUTHORITY has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

**EFFECT**

The School was out of compliance with New Mexico state statute and funds spent could be considered unallowable.

**CAUSE**

The School had several changes in business managers through-out the year causing budgets to be unreconciled.

**RECOMMENDATION**

We recommend the School establish a policy of budgetary review at the end of each quarter and have the board approve the necessary budgetary adjustments to ensure funds are not over expended. We recommend that all BARs are properly completed for all changes in funding received and that all BARs are approved by the board and submitted to the department prior to the end of the year.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-008A (Previously 2015-001A) BUDGETARY CONDITIONS – ATC CHARTER (CONTINUED)**

**MANAGEMENT'S RESPONSE**

**Corrective Action:** ATC acknowledges that there were budget items not in compliance. ATC agrees with the auditor's recommendation for budget controls and reviews and will implement them.

**Due Date of Completion:** January 31, 2019

**Responsible Party:** Business Manager (primary), Principal, Assistant Principal

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
EXIT CONFERENCE  
JUNE 30, 2018**

The contents of this report were discussed, in a closed session, on November 15, 2018. The following individuals were in attendance:

**Santa Fe Public Schools:**

Rudy Garcia, Board of Education  
Kate Noble, Board of Education  
Carl Luff, Audit Committee  
Larry Mirabal, Audit Committee  
Margo Shirley, Audit Committee  
Jolanda Field, Audit Committee  
Veronica Garcia, Superintendent, Administrative Representative  
Richard Halford, Interim Chief Financial Officer, Administrative Representative  
Robert Martinez, Assistant Director of Capital Funds, Administrative Representative

**Academy for Technology & the Classics Charter School:**

Larry Mirabal, Audit Committee, Governing Council Member  
Christine Garcia, Business Manager

**Jaramillo Accounting Group LLC (JAG):**

Audrey J. Jaramillo, CPA, CFE, Managing Partner

*Jaramillo Accounting Group LLC (JAG) assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.*

## **OTHER INFORMATION**



## CORRECTIVE ACTION PLAN

January 10, 2019

US Department of Education

Santa Fe Public Schools respectfully submits the following corrective action plan for the year ended

June 30, 2018.

Name and address of independent public accounting firm:

**Jaramillo Accounting Group LLC  
4700 Lincoln Rd. NE  
Albuquerque, New Mexico 87109**

Audit period:

**June 30, 2018**

The findings from the June 30, 2018 Schedule of Findings and Questioned Costs are discussed below. **The Corrective Action Plan does not include the corrective actions for our discretely presented component unit, the Academy for Technology and Classics Charter School (ATC). ATC does not have federal funds in excess of \$750,000.** The findings are numbered consistently with the numbers assigned in the schedule.

## FINDINGS - FINANCIAL STATEMENT AUDIT

### SIGNIFICANT DEFICIENCY

#### 2018-001 INVENTORY BALANCE

##### RECOMMENDATION

We recommend that policies and procedures related to the transportation inventory be implemented to ensure that all inventory related transactions be properly accounted for in accordance with GAAP, including running reports at year-end and maintaining accurate pricing and valuation.

##### MANAGEMENT'S RESPONSE

While we believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed.

**Corrective Action:** Specifically, the following will occur in 2018-19 to help resolve this Finding:

1. The inventory tracking will be brought into our current accounting system. We believe this would make it easier to track, particularly with new additions to the inventory which can be incorporated automatically.
2. A complete review of the inventory will be done to update quantities on hand and to remove anything that is no longer on hand or is no longer useful (too worn or incompatible).
3. As part of this process, unit prices also will be updated. One of the challenges we faced was for older inventory units which were purchased prior to the implementation of our accounting system (2007-08) and whose price was difficult to confirm. We will devise a methodology in which a fair value is given to avoid overstating the value on hand.

**Due Date of Completion:** June 2019

**Responsible Party:** Assistant Director of Capital Projects

#### 2018-003 INTERNAL CONTROLS OVER CASH RECEIPTS & SEGREGATION OF DUTIES

##### RECOMMENDATIONS

In regard to these three findings, we recommend the following:

1. Recordation of Checks Received – Enforcement of the current policy of requiring all checks



being deposited to be listed separately on each deposit slip showing both the remitters last name and the check number.

2. Secondary Deposit Approval – Establishment of a policy requiring each School’s Principal or Vice-Principal to review and sign off on each deposit made by school personnel prior to the deposit being made. This review should include review of the receipt book for all receipts issued, assurance that all recorded receipts are properly listed on the deposit slip and deposit report to the Business Services Office, and review of the deposit receipts after the deposit is made to ensure the correct amount of monies were deposited.
3. Segregation of Duties - A new policy should be developed which requires a segregation of duties at the front line of schools to ensure that the same person who receives and receipts the cash and checks is not the same person who prepares the deposit slips, prepares the deposit package for the Business Services Office and makes the actual deposit.

Although the Schools have limited administrative staff, steps could be taken to separate incompatible duties between the Schools’ offices and Central Office. The basic premise is that no one person should have access to both physical assets and the related accounting records or to all phases of the transaction.

For Cash Receipts transaction cycle, there should be adequate segregation of duties among those who:

- Collect accounts receivable
- Open the mail or copy checks received
- Prepare deposits
- Compare the listing of receipts received daily to the bank receipt of daily deposit
- Post cash receipts to the activity funds’ sub-ledgers (by PTO, Students, Teachers, etc.)
- Review the activity fund reconciliations
- Authorize write-offs or adjustments
- Independently investigate discrepancies or issues related to revenue
- Process staff/parent calls and complaints
- Reconcile bank accounts
- Perform surprise audits

Having duties and, even more importantly, access to the different areas in a particular transaction cycle separated with strong independent reviews is critical to prevent and detect fraud and errors.

#### **MANAGEMENT’S RESPONSE**

We believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:** The District will implement the following plan:

1. Semi-Annual training for both secretaries and principals. Currently training is scheduled for the beginning of the school year, but follow-up training will occur in the future.
2. Review of Training Material – we will incorporate more of the specific issues into our trainings as well as paperwork provided by the auditors showing employees exactly how their deposit slips, invoices and other documents are reviewed for approval.
3. More on-site visits – whether an Internal Auditor is hired or not, staff will conduct on-site visits to ensure all cash management policies are followed

**Due Date of Completion:** June 2019

**Responsible Party:** Chief Financial and Government Relations Office, Executive Director of Finance and Administration

## **MATERIAL WEAKNESS**

### **2018-002 CERTIFICATION OF CAPITAL ASSET INVENTORY AND CAPITALIZATION THRESHOLD**

#### **RECOMMENDATION**

We recommend that the facilities department track all capital asset activity assigned to the department throughout the year and reconcile the information with the information maintained in the accounting department and the Visions accounting system no less than quarterly. Final, certified annual reports should be available for external audit review no later than 60 days subsequent to the fiscal year end. We also recommend that management update their review procedures to ensure current year additions meet the threshold requirement.

#### **MANAGEMENT'S RESPONSE**

While we believe we have made strides towards resolving this ongoing issue, the District acknowledges that further work is needed.

The items over \$5,000 that were on the original list of additional assets were items that were part of Construction in Progress (CIP) and were not “stand-alone” items that were to be added individually. The District took the approach that anything that went into the building of the assets were included, but did find some items that did not necessarily belong with the soon-to-be-added assets and agree to the need to remove them from the list.



**Corrective Action:** In the future, we will review the Purchase Orders more carefully to ensure that anything that is coded to an ongoing project is indeed part of that asset and not a complimentary piece (furniture, equipment, etc.) that could be tagged separately.

**Due Date of Completion:** June 2019

**Responsible Person:** Assistant Director of Capital Projects

## **2018-004 BANK RECONCILIATIONS AND CLEARING ACCOUNTS**

### **RECOMMENDATION**

We recommend the District fully staff Finance and develop monthly close processes including a strong review and approval process.

### **MANAGEMENT'S RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:** District will implement the following plan:

1. Cross-functional training for both Business Services and Human Resources staff to make the process more efficient, transparent and captures issues as they arise.
2. Management review of the work of the Comptroller, including renewed effort to enforce the requirement of signing off on all bank reconciliations upon timely completion
3. Timely submission of all bank transfers between accounts

**Due Date of Completion:** June 2019

**Responsible Person:** Exec. Director of Finance and Administration, Comptroller

## **2018-005 TRAINING AND EXPERIENCE (T&E) STATE AUDIT AND FINDINGS**

### **RECOMMENDATION**

We recommend that the current Administration continue evaluating the controls over compliance with T&E requirements and the related areas in Human Resources. This will take random audits and a high level of monitoring and accountability for non-compliance. We also recommend the Audit Committee oversee corrective action and monitoring.

### **MANAGEMENT'S RESPONSE**

The Santa Fe Public Schools is now in full compliance with the Training and Experience reporting. It should be noted that the Santa Fe Public Schools self-disclosed the prior practice of following the District's Teaching and Experience/National Board Certified policies. These policies have been retired.

**Corrective Action:** District will continue with the new procedures put into place in October 2017.

**Due Date of Completion:** Already implemented

**Responsible Party:** Executive Director of Finance and Administration

## **FINDINGS - FEDERAL AWARD PROGRAMS AUDIT**

### **SIGNIFICANT DEFICIENCY/NON-COMPLIANCE**

#### **2018-006 21ST CENTURY – PAYROLL**

### **RECOMMENDATION**

We recommend planning and budgeting summer programming in advance. We also recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

### **MANAGEMENT'S RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice.

**Corrective Action:** To ensure compliance, District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable
2. Ensure all applications to PED include overtime as part of the budget

**Due Date of Completion:** June 2019

**Responsible Party:** Executive Director of Finance and Administration, Payroll Specialist

**2018-007 STUDENT NUTRITION – VERIFICATION**

**RECOMMENDATION**

We recommend that the District develops procedures to make sure verification calculations are correct. The District needs to ensure it uses all information provided as part of the verification process. Regular pay should be calculated for the year, and then the District needs include overtime and bonuses to get to a gross amount. In situations where the amount calculated for income is less than what was on the application, follow up should occur to determine why. In addition, questionable applications and those with zero income should be flagged for verification in addition to the required verification sample. Families that do not qualify should not receive free and reduced meals.

**MANAGEMENT RESPONSE**

While every effort is made to process student meal applications with the highest level of accuracy, these findings indicate a need for review of internal processes.

**Corrective Action:** To ensure compliance, the Chief Operations Officer who supervised the director of the Food Services Department will build in additional training; add additional staffing during peak collection times (like the beginning of the school year). Secondly, we will build an internal audit process to ensure compliance with eligibility guidelines.

**Due Date for Completion:** June 2019

**Responsible Party:** Chief Operations Officer

If the US Department of Education has questions regarding this plan, please call me at 505-467-2038.

Sincerely yours,



Richard Halford  
Executive Director of Finance and Administration and  
Interim Chief Financial Officer