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STATE OF NEW MEXICO  
Texico Municipal Schools  
June 30, 2019

Financial Statements and Supplementary Information  
As Of And For The Year Ended June 30, 2019  
With Independent Auditor's Report Thereon

*Sandra Rush*  
*Certified Public Accountant, PC*

*1101 E Llano Estacado*  
*Clovis, New Mexico 88101*

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Introductory Section

STATE OF NEW MEXICO  
TEXICO MUNICIPAL SCHOOLS

Official Roster  
For the year ended June 30, 2019

Board of Education

Cary Crist	President
Justin Barnes	Vice-President
Craig Rohrbach	Secretary
Chad Davis	Member
Clay Franklin	Member

School Officials

Robert Brown	Superintendent
Cheryl Whitener	Business Manager

STATE OF NEW MEXICO  
TEXICO MUNICIPAL SCHOOLS

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TEXICO MUNICIPAL SCHOOLS

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Financial Section

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## Independent Auditor's Report

Mr. Brian Colon  
New Mexico State Auditor  
Board of Education  
Texico Municipal Schools  
Texico, New Mexico

### Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Texico Municipal Schools (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the District's non-major governmental and fiduciary funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2019 as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

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

financial position of each non-major governmental and fiduciary funds of the District, as of June 30, 2019, and the respective changes in financial position, thereof 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My 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 Schedule of the Proportionate Share of Net Pension Liability and the Schedule of Contributions, the notes to the Required Supplementary Information, the Schedule of the Proportionate Share of Net OPEB Liability, and the Schedule of Employer's Contributions as listed in the table of contents 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information as noted in the table of contents required by Section 2.2.2 NMAC is the responsibility of management and was 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 my opinion, the supplemental schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated October 15, 2019 on my consideration of the District's internal control over financial reporting and on my 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 my 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 the District's internal control over financial reporting and compliance.

*Sandra Rush CPA-PC*

Sandra Rush CPA PC  
Clovis, New Mexico  
October 15, 2019

## Basic Financial Statements

## Government Wide Financial Statements

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

Statement of Net Position  
 June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 1,664,801
NMFA cash	13,829
NMFA cash program funds	1,373,228
Receivables	
Property taxes	9,883
Other	
Due from grantor	247,794
Inventory	<u>2,936</u>
Total current assets	<u>3,312,471</u>
Noncurrent assets	
Capital assets	21,071,350
Accumulated depreciation	<u>(7,929,429)</u>
Total non current assets	<u>13,141,921</u>
Total assets	<u>16,454,392</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to net pension liability	3,498,670
Related to net OPEB liability	<u>71,100</u>
Total deferred outflows of resources	<u>3,569,770</u>
Total assets and deferred outflows of resources	<u>\$ 20,024,162</u>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Accounts payable	\$ 7,002
Compensated absences	16,065
Accrued interest	39,778
NMFA state shared gross receipts tax	13,822
Current portion of long term debt	<u>526,921</u>
Total current liabilities	<u>603,588</u>
Noncurrent liabilities	
Bonds and notes	4,534,547
Net pension liability	14,373,052
Net OPEB liability	<u>3,439,983</u>
Total noncurrent liabilities	<u>22,347,582</u>
Total liabilities	<u>22,951,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to net pension liability	662,503
Related to net OPEB liability	<u>1,080,253</u>
Total deferred inflows of resources	<u>1,742,756</u>
Net Position	
Net investment in capital assets	8,080,453
Restricted for:	
General funds	9,786
Special revenue funds	407,346
Capital project funds	1,695,064
Debt service fund	620,311
Unrestricted	<u>(15,482,724)</u>
Total net position	<u>(4,669,764)</u>
Total liabilities and net position	<u>\$ 20,024,162</u>

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

Statement of Activities  
 For the year ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Net Program
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	[Expense] Revenues Governmental Activities Total
Governmental activities					
Instruction	\$ 5,267,864	\$ 44,530	\$ 482,910	\$ -	\$ (4,740,424)
Support services:					
Students	427,026	-	-	-	(427,026)
Instruction	63,230	-	-	-	(63,230)
General administration	217,202	-	-	-	(217,202)
School administration	329,394	-	-	-	(329,394)
Central services	253,774	-	-	-	(253,774)
Operation & maintenance of plant	634,972	-	-	-	(634,972)
Student transportation	283,909	-	283,909	-	-
Other support services	10,662	-	-	-	(10,662)
Food services	163,003	26,086	97,782	-	(39,135)
Community services operation	649,524	-	-	-	(649,524)
Unclassified	11,616	-	-	-	(11,616)
Facilities acquisition and construction	192,055	-	5,806	-	(186,249)
Interest on long-term debt	92,388	-	-	-	(92,388)
Capital outlay	-	-	100,578	-	100,578
Total governmental activities	<u>\$ 8,596,619</u>	<u>\$ 70,616</u>	<u>\$ 970,985</u>	<u>\$ -</u>	<u>(7,555,018)</u>

General revenues	
Property tax	
Levied for general purposes	39,865
Levied for debt service	588,786
Levied for capital projects	163,396
Payment in lieu of taxes	362,000
Local	
Interest	21,827
Insurance recoveries	16,597
Royalties	154
Equalization guarantee	5,153,922
Gain (loss) disposal of assets	(46,165)
Reimbursements / refunds	1,605
Total general revenues	<u>6,301,987</u>
Change in net position	(1,253,031)
Net position, beginning	(3,416,735)
Prior period adjustment	2
Net position, beginning restated	<u>(3,416,733)</u>
Net position, ending	<u>\$ (4,669,764)</u>

The accompanying notes are an integral part of these financial statements

## Fund Financial Statements

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

Balance Sheet  
 Governmental Funds  
 June 30, 2019

	General			Title I 24101
	Operational 11000	Transportation 13000	Instructional Materials 14000	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 298,636	\$ -	\$ 8,410	\$ -
NMFA cash - debt servicing	-	-	-	-
NMFA program funds	-	-	-	-
Accounts receivable				
Taxes	475	-	-	-
Other	-	-	-	-
Due from grantor	-	-	1,376	99,799
Due from other funds	160,928	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 460,039</u>	<u>\$ -</u>	<u>\$ 9,786</u>	<u>\$ 99,799</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 4,412	\$ -	\$ -	\$ -
NMFA - GRT	-	-	-	-
Due to other funds	-	-	-	99,796
Total liabilities	<u>4,412</u>	<u>-</u>	<u>-</u>	<u>99,796</u>
<u>DEFERRED INFLOWS</u>				
Unavailable revenue - state grants	-	-	-	-
<u>FUND BALANCE</u>				
Non-spendable	-	-	-	-
Restricted for				
General funds	-	-	9,786	-
Special revenue funds	-	-	-	3
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Unassigned				
General funds	455,627	-	-	-
Special revenue funds	-	-	-	-
Total fund balance	<u>455,627</u>	<u>-</u>	<u>9,786</u>	<u>3</u>
Total liabilities and fund balances	<u>\$ 460,039</u>	<u>\$ -</u>	<u>\$ 9,786</u>	<u>\$ 99,799</u>

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



Special Revenue		Capital Projects		Debt Service	Other Governmental Funds	Total Governmental Funds
Entitlement 24106	Wind Farm Projects 29134	Bond Building 31100	Renewable Energy Act 31800	Debt Service 41000		
\$ 15,090	\$ 389,364	\$ -	\$ 110,000	\$ 612,897	\$ 230,404	\$ 1,664,801
-	-	1	13,828	-	-	13,829
-	-	1,059,480	313,748	-	-	1,373,228
-	-	-	-	7,414	1,994	9,883
-	-	-	-	-	-	-
29,136	-	-	-	-	117,483	247,794
-	-	-	-	-	-	160,928
-	-	-	-	-	2,936	2,936
<u>\$ 44,226</u>	<u>\$ 389,364</u>	<u>\$ 1,059,481</u>	<u>\$ 437,576</u>	<u>\$ 620,311</u>	<u>\$ 352,817</u>	<u>\$ 3,473,399</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,590	\$ 7,002
-	-	-	13,822	-	-	13,822
44,227	-	-	-	-	16,905	160,928
<u>44,227</u>	<u>-</u>	<u>-</u>	<u>13,822</u>	<u>-</u>	<u>19,495</u>	<u>181,752</u>
29,136	-	-	-	-	100,578	129,714
-	-	-	-	-	2,936	2,936
-	-	-	-	-	-	9,786
-	389,364	-	-	-	17,979	407,346
-	-	1,059,481	423,754	-	211,829	1,695,064
-	-	-	-	620,311	-	620,311
-	-	-	-	-	-	455,627
(29,137)	-	-	-	-	-	(29,137)
<u>(29,137)</u>	<u>389,364</u>	<u>1,059,481</u>	<u>423,754</u>	<u>620,311</u>	<u>232,744</u>	<u>3,161,933</u>
<u>\$ 44,226</u>	<u>\$ 389,364</u>	<u>\$ 1,059,481</u>	<u>\$ 437,576</u>	<u>\$ 620,311</u>	<u>\$ 352,817</u>	<u>\$ 3,473,399</u>

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STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Reconciliation of the Balance Sheet  
 All Governmental Funds to the  
 Statement of Net Position  
 June 30, 2019

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

Fund balance - total governmental funds		\$ 3,161,933
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Capital assets	\$ 21,071,350	
Accumulated depreciation	<u>(7,929,429)</u>	13,141,921
<p>Unavailable deferred revenues from grant funds not reimbursed within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the statement of activities</p>		
Change in deferred inflows of resources related to grants		129,714
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds</p>		
Deferred outflows of resources related to pension	3,498,670	
Deferred outflows of resources related to OPEB	71,100	
Deferred inflows of resources related to pension	(662,503)	
Deferred inflows of resources related to OPEB	<u>(1,080,253)</u>	1,827,014
<p>Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds</p>		
Accrued interest payable		(39,778)
<p>Certain liabilities, including accrued compensated absences, bonds payable, lease purchase notes and net pension liability, are not due and payable in the current period and therefore are not reported in the funds</p>		
Accrued compensated absences	(16,065)	
General obligation bonds	(5,061,468)	
Net pension liability Pension	(14,373,052)	
Net OPEB liability	<u>(3,439,983)</u>	<u>(22,890,568)</u>
Net position of governmental activities in the statement of net position		<u>\$ (4,669,764)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Governmental Funds  
 For the year ended June 30, 2019

	General			
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I 24101
<b>Revenues</b>				
Taxes levied / assessed	\$ 39,865	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees	2,790	-	-	-
Insurance recoveries	7,114	-	-	-
Interest	1,086	-	-	-
Access board (e-rate)	27,165	-	-	-
Royalties	154	-	-	-
Reimbursements / refunds	1,605	-	-	-
Prior year balances	-	-	-	-
State equalization guarantee	5,153,922	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	283,909	-	-
Instructional materials - credit and cash	-	-	20,030	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	178,949
<b>Total revenues</b>	<b>5,233,701</b>	<b>283,909</b>	<b>20,030</b>	<b>178,949</b>
<b>Expenditures</b>				
Current				
Instruction	3,225,506	-	10,303	178,946
Support services				
Students	426,195	-	-	-
Instruction	56,730	-	-	-
General administration	217,388	-	-	-
School administration	330,509	-	-	-
Central services	252,790	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Operation & maintenance of plant	632,600	-	-	-
Facilities acquisition/construction	-	-	-	-
Student transportation	-	283,909	-	-
Food services operations	27,667	-	-	-
Capital outlay	81,714	-	-	-
PSFA capital outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>5,251,099</b>	<b>283,909</b>	<b>10,303</b>	<b>178,946</b>
Excess (deficiency) of revenues over expenditures	(17,398)	-	9,727	3
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Sale of scrap	2,166	-	-	-
Operating transfers in (out)	(110,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(107,834)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(125,232)</b>	<b>-</b>	<b>9,727</b>	<b>3</b>
Fund balance, beginning	580,859	-	59	-
Prior period adjustment	-	-	-	-
<b>Fund balance, beginning restated</b>	<b>580,859</b>	<b>-</b>	<b>59</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 455,627</b>	<b>\$ -</b>	<b>\$ 9,786</b>	<b>\$ 3</b>

The accompanying notes are an integral part of these financial statements

Special Revenue		Capital Projects		Debt Service	Other	Total
Entitlement 24106	Wind Farm Projects 29134	Bond Building 31100	Renewable Energy Act 31800	Debt Service 41000	Governmental Funds	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 588,786	\$ 163,396	\$ 792,047
-	362,822	-	-	-	-	362,822
-	-	-	-	-	-	-
-	-	-	-	-	67,826	70,616
-	-	-	-	-	16,597	23,711
-	-	15,338	3,384	751	446	21,005
-	-	-	-	-	-	27,165
-	-	-	-	-	-	154
-	-	-	-	-	-	1,605
-	-	-	-	-	-	-
-	-	-	-	-	5,806	5,159,728
-	-	-	-	-	75,359	75,359
-	-	-	-	-	-	283,909
-	-	-	-	-	-	20,030
-	-	-	-	-	97,782	97,782
-	-	-	-	-	26,823	26,823
78,058	-	-	-	-	40,276	297,283
<u>78,058</u>	<u>362,822</u>	<u>15,338</u>	<u>3,384</u>	<u>589,537</u>	<u>494,311</u>	<u>7,260,039</u>
107,195	-	-	-	-	178,781	3,700,731
-	-	-	-	-	-	426,195
-	-	-	-	-	-	56,730
-	-	-	-	5,940	-	223,328
-	-	-	-	-	-	330,509
-	-	-	-	-	-	252,790
-	-	7,500	3,162	-	-	10,662
-	984	-	-	-	-	633,584
-	-	32,087	-	-	159,968	192,055
-	-	-	-	-	-	283,909
-	-	-	-	-	135,336	163,003
-	329,996	894,751	107,936	-	9,489	1,423,886
-	-	-	-	-	-	-
-	-	-	-	555,000	-	555,000
-	-	-	-	94,925	-	94,925
<u>107,195</u>	<u>330,980</u>	<u>934,338</u>	<u>111,098</u>	<u>655,865</u>	<u>483,574</u>	<u>8,347,307</u>
(29,137)	31,842	(919,000)	(107,714)	(66,328)	10,737	(1,087,268)
-	-	1,000,000	421,468	-	-	1,421,468
-	-	-	-	-	-	2,166
-	-	-	110,000	-	-	-
-	-	1,000,000	531,468	-	-	1,423,634
(29,137)	31,842	81,000	423,754	(66,328)	10,737	336,366
-	357,522	978,479	-	686,639	222,007	2,825,565
-	-	2	-	-	-	2
-	357,522	978,481	-	686,639	222,007	2,825,567
<u>\$ (29,137)</u>	<u>\$ 389,364</u>	<u>\$ 1,059,481</u>	<u>\$ 423,754</u>	<u>\$ 620,311</u>	<u>\$ 232,744</u>	<u>\$ 3,161,933</u>

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

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

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

Net change in fund balances - total governmental funds	\$ 336,366
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Capital outlays to purchase or build capital assets are reported in the 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.

Current year capital expenditures capitalized	1,423,886
Depreciation expense	(668,956)
Gain (loss) on disposal of capital assets	(48,331)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred inflows of resources related to grants	129,714
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond proceeds	(1,421,468)
Bond payment	555,000
Change in accrued interest payable	2,537

Compensated absences are expensed as paid in governmental fund statements and as increases to noncurrent liabilities on the statement of net position

Compensated absences	1,649
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Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.

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

Change in outflows and inflows pension	(1,747,217)
Change in outflows and inflows OPEB	183,789

Change in Net Position of Governmental Activities	<u>\$ (1,253,031)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 General Fund - Operational - 11000  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ 38,847	\$ 38,847	\$ 40,166	\$ 1,319
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees	-	-	2,790	2,790
Insurance recoveries	-	-	7,114	7,114
Interest	500	500	1,086	586
Access board (e-rate)	-	-	27,165	27,165
Royalties	-	-	154	154
Reimbursements / refunds	-	-	1,605	1,605
State equalization guarantee	5,112,393	5,151,476	5,153,922	2,446
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>5,151,740</b>	<b>5,190,823</b>	<b>5,234,002</b>	<b>43,179</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	3,374,798	3,379,931	3,228,020	151,911
Support services				
Students	462,117	458,917	426,195	32,722
Instruction	104,019	104,019	56,730	47,289
General administration	202,483	219,483	214,199	5,284
School administration	336,801	338,801	330,509	8,292
Central services	264,372	264,372	254,010	10,362
Other support services	57,695	57,695	-	57,695
Operation of non-instructional services				
Operation & maintenance of plant	751,282	751,282	649,594	101,688
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services operations	14,294	28,244	27,667	577
Capital outlay	96,700	97,700	70,900	26,800
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>5,664,561</b>	<b>5,700,444</b>	<b>5,257,824</b>	<b>442,620</b>
Excess (deficiency) of revenues over(under) expenditures	(512,821)	(509,621)	(23,822)	485,799
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	(79,391)	(79,391)
Sale of personal property	-	-	2,166	2,166
Designated cash	512,821	509,621	-	(509,621)
<b>Total other financing sources (uses)</b>	<b>512,821</b>	<b>509,621</b>	<b>(77,225)</b>	<b>(586,846)</b>
Net change in cash balances	-	-	(101,047)	(101,047)
Cash balance, beginning	-	-	399,683	399,683
Cash balance, ending	\$ -	\$ -	\$ 298,636	\$ 298,636
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (101,047)	
Adjustment to revenues for accruals & other deferrals			(30,910)	
Adjustment to expenditures for payables, prepaids & other accruals			6,725	
Net change in fund balance (GAAP Basis)			\$ (125,232)	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 General Fund - Transportation - 13000  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	-	-
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	260,996	283,909	283,909	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>260,996</u>	<u>283,909</u>	<u>283,909</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student Transportation	260,996	283,909	283,909	-
Food Services operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>260,996</u>	<u>283,909</u>	<u>283,909</u>	<u>-</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses)				
Operating transfers in (out)	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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



STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 General Fund - Instructional Materials - 14000  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	-	-
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	18,654	20,031	18,654	(1,377)
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>18,654</b>	<b>20,031</b>	<b>18,654</b>	<b>(1,377)</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	18,654	20,031	10,303	9,728
<b>Support Services</b>				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	-	-
<b>Operation of non-instructional services</b>				
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service</b>				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>18,654</b>	<b>20,031</b>	<b>10,303</b>	<b>9,728</b>
Excess (deficiency) of revenues over(under) expenditures	-	-	8,351	8,351
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in cash balances	-	-	8,351	8,351
Cash balance, beginning	-	-	59	59
Cash balance, ending	\$ -	\$ -	\$ 8,410	\$ 8,410
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 8,351	
Adjustment to revenues for accruals & other deferrals			1,376	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 9,727	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Special Revenue Fund - Title I - 24101  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	-	-
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	156,899	156,899	175,681	18,782
Total revenues	156,899	156,899	175,681	18,782
Expenditures				
Current				
Instruction	181,161	211,392	178,946	32,446
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	181,161	211,392	178,946	32,446
Excess (deficiency) of revenues over(under) expenditures	(24,262)	(54,493)	(3,265)	51,228
Other financing sources (uses)				
Operating transfers in (out)	-	-	3,190	3,190
Interfund receivable	-	-	-	-
Designated cash	75	75	-	(75)
Total other financing sources (uses)	75	75	3,190	3,115
Net change in cash balances	(24,187)	(54,418)	(75)	54,343
Cash balance, beginning	-	-	75	75
Cash balance, ending	\$ (24,187)	\$ (54,418)	\$ -	\$ 54,418
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (75)	
Adjustment to revenues for accruals & other deferrals			78	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 3	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Special Revenue Fund - Entitlement - 24106  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	-	-
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	126,962	116,650	(10,312)
<b>Total revenues</b>	<b>-</b>	<b>126,962</b>	<b>116,650</b>	<b>(10,312)</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	164,066	107,195	56,871
Support services	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student Transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>164,066</b>	<b>107,195</b>	<b>56,871</b>
Excess (deficiency) of revenues over(under) expenditures	-	(37,104)	9,455	46,559
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	(5,183)	(5,183)
Interfund receivable	-	-	-	-
Designated cash	-	10,818	-	(10,818)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>10,818</b>	<b>(5,183)</b>	<b>(16,001)</b>
Net change in cash balances	-	(26,286)	4,272	30,558
Cash balance, beginning	-	-	10,818	10,818
Cash balance, ending	\$ -	\$ (26,286)	\$ 15,090	\$ 41,376
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 4,272	
Adjustment to revenues for accruals & other deferrals			(33,409)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (29,137)	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Special Revenue Fund - Wind Farm - 29134  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	400,600	400,600	362,822	(37,778)
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	-	-
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>400,600</b>	<b>400,600</b>	<b>362,822</b>	<b>(37,778)</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	1,000	1,000	984	16
Facilities acquisition / construction	-	-	-	-
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	799,990	799,990	329,996	469,994
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>800,990</b>	<b>800,990</b>	<b>330,980</b>	<b>470,010</b>
Excess (deficiency) of revenues over(under) expenditures	(400,390)	(400,390)	31,842	432,232
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	357,522	357,522	-	(357,522)
<b>Total other financing sources (uses)</b>	<b>357,522</b>	<b>357,522</b>	<b>-</b>	<b>(357,522)</b>
Net change in cash balances	(42,868)	(42,868)	31,842	74,710
Cash balance, beginning	-	-	357,522	357,522
Cash balance, ending	<u>\$ (42,868)</u>	<u>\$ (42,868)</u>	<u>\$ 389,364</u>	<u>\$ 432,232</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 31,842	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
<b>Net change in fund balance (GAAP Basis)</b>			<u>\$ 31,842</u>	

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

STATE OF NEW MEXICO  
TEXICO MUNICIPAL SCHOOLS

Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 194,896</u>
Total assets	<u><u>\$ 194,896</u></u>
<u>LIABILITIES</u>	
Deposits held for others	<u>\$ 194,896</u>
Total liabilities	<u><u>\$ 194,896</u></u>

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

Notes to Financial Statements

## NOTE 1 Summary of Significant Accounting Policies

Texico Municipal Schools (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public-school education of the District. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

### A. Reporting Entity

The Districts 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 for terms of four years.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no *component units* as defined by GASB Statement No. 14 as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

### B. Basis of Presentation

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

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

#### Governmental Funds

Under the requirements of GASB 34, 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 following:

General Fund 11000, 12000, 13000, 14000

The General Fund consists of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation fund includes a state

grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide textbooks for students in the District

**Title I – Special Revenue Fund 24101**

To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

**IDEA-B Entitlement – Special Revenue Fund 24106**

The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**Wind Farm – Special Revenue Fund 29134**

This fund is used to account for wind farm payment in lieu of property taxes revenue. The fund was created by definition.

**Bond Building - Capital Projects Fund 31100**

To account for resources received from the sale of general obligation bonds for the purpose of constructing and renovating school buildings.

**Renewable Energy Act – Capital Projects Fund 31800**

Authorizes by the 2005 Legislature as a tool for public schools and state agencies to implement energy conservation measures to existing facilities.

**Debt Service Fund - 41000**

The fund is used to account for the resources for, and the payment of, principal, interest, and related cost.

The District also reports additional Governmental funds as non-major. They include:

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Project Funds**

These funds are used to account for the acquisition of capital assets or construction of major capital projects.

**Fiduciary Funds**

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

**C Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements (GWFS)**

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange- like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.



#### Program Revenues

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

#### Allocation of Indirect Expenses

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 general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

#### Fund Financial Statements (FFS) Governmental Funds

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

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

#### Revenues

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

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

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

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

#### Expenditures

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

#### Other Financing Sources (Uses)

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

#### Fiduciary Funds

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

#### D. Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with accounting principles generally accepted in the United States of America (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on this non-GAAP budgetary basis.

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

- 1 Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Department of Education an estimated budget for the district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State Department of Education (SDE) by the district shall contain headings and details as prescribed by law.
- 2 Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the district for the ensuing fiscal year.
- 3 The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget 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.
- 4 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 SBPU.
- 5 No school board or officer or employee of a district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
- 6 Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the district and approved by the SBPU.
- 7 Legal budget control for expenditures is by function.
- 8 Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflects the approved budget and amendments thereto.

E Encumbrances

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

F Assets, Liabilities and Fund Equity

1 Cash & Cash Equivalents

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

The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

2 Investments

All money not immediately necessary for the public uses of the District may be invested in:

a Bonds or negotiable securities of the United States, the state or any county, municipality or district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or

b Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

c In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investments.

If the District is unable to receive payment on public money at the rate of interest set forth by the State Board of Finance (which is no less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit) from financial institutions within the geographic boundaries of the governmental unit, the District may invest its money with the New Mexico State Treasurer's short-term investment pool.

3 Accounts Receivable

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year.

Accounts receivable consist of the following:

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 June 30, 2019

	General Fund	SB-9 Local Fund	Debt Service Fund	IASA Title 1 Funds	IDEA-B Entitlement Fund	Other Governmental Funds	Total
Taxes receivable							
Property taxes	\$ 475	\$ 1,994	\$ 7,414	\$ -	\$ -	\$ -	\$ 9,883
Acct Receivable Grantor							
General							
Instructional Material	-	-	-	-	-	1,376	-
Special Revenue Funds							
Title 1	-	-	-	99,799	-	-	-
IDEA-B Preschool	-	-	-	-	-	4,454	-
Dual Credit	-	-	-	-	-	1,137	-
NM Reads to Lead	-	-	-	-	-	11,314	-
IDEA-BH Entitlement	-	-	-	-	29,136	-	-
Senate Bill 9 State	-	-	-	-	-	100,578	-
Total Acct Receivable Grantor						-	247,794
Totals	<u>\$ 475</u>	<u>\$ 1,994</u>	<u>\$ 7,414</u>	<u>\$ 99,799</u>	<u>\$ 29,136</u>	<u>\$ 118,859</u>	<u>\$ 257,677</u>

4 Accounts Payable and Accrued Expenses

Accounts payable are recorded in the various funds. There was \$7,002 payable to suppliers at the end of the year.

Accounts payable

Major Funds

11000 Operational	\$ 4,412
21000 Food service	55
31700 Senate Bill 9 Local	2,535
Total	<u>\$ 7,002</u>

5 Inventories

Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported 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. The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received and reported in the Cafeteria Fund totaled \$11,850.

6 Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Building and Improvements	20 - 15 years
Vehicles	2 - 15 years
Equipment	2 - 15 years

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

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

#### 7 Compensated Absences

Sick pay does not vest and is recorded as an expenditure when it is paid.

All vacation pay is accrued when incurred in the government-wide financial statements. A current liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of resignations and retirement.

#### 8 Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

##### Non spendable

The non spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

##### Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District ordinances).

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

##### Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the School District Board. Those committed amounts cannot be used for any other purpose unless the School District Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

##### Assigned

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or

committed. In the General Fund, assigned amounts represent intended uses established by the School District Board or a School District official delegated that authority by the School District Board or ordinance.

#### Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### 9 Restricted Net Position

The governmental activities financial statements utilize a net assets presentation. Net positions are categorized as follows:

#### Net Investment in Capital Assets

This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

#### Restricted net Position

This category reflects the portion of net position that have third party limitations on their use.

#### Unrestricted Net Position

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

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

### 10 Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. The School District has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### 11 Deferred Outflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The School District has two types of items that qualify for reporting in this category. Accordingly, the items, change in proportion and employer contributions subsequent to measurement date, are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

## 12 Interfund Transactions

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

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

## 13 Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## 14 Pensions

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

## 15 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.

## **Note 2**   **Depository Collateral**

### Deposits

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

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 TEXICO MUNICIPAL SCHOOLS  
 Notes to the Financial Statements  
 June 30, 2019

	Citizens Bank Clovis, NM	Type
Total amount on deposit on June 30, 2019		
Texico Municipal Schools Operational	\$ 371,682	Checking
Texico Municipal Schools Lunch	1,062	Checking
Texico Municipal Schools Activity	76,222	Checking
Texico Municipal Schools Federal	33,322	Checking
Texico Municipal School Building	104,735	Checking
Texico Municipal School Debt Service	204,916	Checking
Texico Municipal Schools Investment	1,041,786	MMA
Texico Municipal Schools Payroll	225,884	Checking
Texico Municipal Schools Payroll Tax	2,959	Checking
Total deposited	<u>2,062,568</u>	
Less FDIC coverage	<u>(250,000)</u>	
Total uninsured public funds	<u>1,812,568</u>	
50% collateral requirement as per Section 6-10-17, NMSA 1978	<u>906,284</u>	
Pledged securities Schedule below	<u>4,509,836</u>	
Over (under)	<u>\$ 3,603,552</u>	

The collateral segregated on the District's behalf on June 30, 2019 is as follows:

Description	CUSIP #	Market Value	Maturity Date	Location
GNMA II Pool MA1004	36179NDH8	727,012	05/20/43	TIB, Dallas Texas
GNMA II Pool MA82798	36225FDC0	226,692	04/20/41	TIB, Dallas Texas
GNMA II POOL MA3320	36179RVM8	1,277,915	12/20/45	TIB, Dallas Texas
GNR 2013-70 JA	38378TLH1	561,667	05/20/43	TIB, Dallas Texas
SBAP 2012-20B 1	83162CUP6	804,127	02/01/32	TIB, Dallas Texas
SBAP 2012-20E 1	83162CUU5	<u>912,423</u>	05/01/32	TIB, Dallas Texas
		<u>4,509,836</u>		

At June 30, 2019 the District had \$1,387,057 held at the New Mexico Finance Authority, which is collateralized within NMFA guidelines. This information is not available by individual entity. NMFA financial statements are available at 207 Shelby Street, Santa Fe, NM 87501.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the District's bank balance of \$2,062,568 was exposed to custodial credit risk.

**Custodial Credit Risk Deposits**

Account Balance	\$ 2,062,568
FDIC Insurance	250,000
Collateral:	
Collateral held by the pledging bank, not in the District's name	4,509,835
Uninsured and uncollateralized	<u>(2,697,267)</u>
Total Deposits	<u>\$ 2,062,568</u>

**Custodial Credit Risk- Investments**

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



At June 30, 2019, the District had no investment balances therefore there was no custodial credit risk for investments.

**Note 3 Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2018, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 127,182	\$ -	\$ -	\$ 127,182
Construction in Progress	-	1,332,683	-	1,332,683
Capital assets being depreciated				
Land Improvements	1,383,854	-	(33,146)	1,350,708
Buildings	9,983,388	-	-	9,983,388
Buildings Improvements	7,228,492	-	(83,396)	7,145,096
Vehicles	384,539	72,100	(30,486)	426,153
Machinery and Equipment	807,489	19,103	(120,452)	706,140
Total assets being depreciated	<u>19,914,944</u>	<u>1,423,886</u>	<u>(267,480)</u>	<u>21,071,350</u>
Less accumulated depreciation				
Land Improvements	(754,056)	(61,393)	31,975	(783,474)
Buildings	(4,295,549)	(261,420)	-	(4,556,969)
Buildings Improvements	(1,538,824)	(303,057)	42,462	(1,799,419)
Vehicles	(338,651)	(13,807)	30,484	(321,974)
Machinery and Equipment	(552,542)	(29,279)	114,228	(467,593)
Total accumulated depreciation	<u>(7,479,622)</u>	<u>(668,956)</u>	<u>219,149</u>	<u>(7,929,429)</u>
Governmental activity capital assets, net	<u>\$ 12,435,322</u>	<u>\$ 754,930</u>	<u>\$ (48,331)</u>	<u>\$ 13,141,921</u>

The District has no infrastructure as of June 30. Depreciation expense was charged to governmental activities as follows:

Direct instruction	\$ 3,705
Support services - students	831
Central Services	9,691
Operation and maintenance	5,205
Facility acquisition	649,524
Total Depreciation	<u>\$ 668,956</u>

**Note 4 Long-Term Liabilities**

A Change in Long-Term Liabilities

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
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 June 30, 2019

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2009 GO Bonds	\$ 1,160,000	\$ -	\$ (230,000)	930,000	\$ 250,000
2010 GO Bonds	370,000	-	(90,000)	280,000	90,000
2015 GO Bonds	1,665,000	-	(65,000)	1,600,000	65,000
2017 GO Bonds	1,000,000	-	(170,000)	830,000	105,000
2019 GO Bonds	-	1,000,000	-	1,000,000	-
2019 Renewable Energy	-	421,468	-	421,468	16,921
	<u>4,195,000</u>	<u>1,421,468</u>	<u>(555,000)</u>	<u>5,061,468</u>	<u>526,921</u>
Compensated absences	\$ 17,714	\$ 17,106	\$ (18,755)	\$ 16,065	-

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2018 are for governmental activities.

General obligation bonds outstanding at June 30, 2019, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance	Due in One Year
2009	1/1/2009	1,900,000	3.55% to 5.40%	\$ 930,000	\$ 250,000
2010	12/4/2009	900,000	.81% to 3.18%	280,000	90,000
2015	9/11/2015	2,000,000	3.6% to 2.92%	1,600,000	65,000
2017	9/22/2017	1,000,000	.1% to 1.889%	830,000	105,000
2019	3/1/2019	1,000,000	.1% to 3.1%	1,000,000	16,921
2019	3/1/2019	421,468	.1% to 2.27895%	421,468	-
				<u>\$ 5,061,468</u>	<u>\$ 526,921</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2018, including interest payments are as follows.

Year Ended June 30,	Principal	Interest	Total
2020	\$ 526,921	\$ 99,991	\$ 626,912
2021	517,694	90,428	608,122
2022	563,947	72,116	636,063
2023	430,268	57,961	488,229
2024	381,663	49,396	431,059
2025-2029	1,882,246	135,365	2,017,611
2030-2034	677,408	28,009	705,417
2035-2036	81,321	670	81,991
	<u>\$ 5,061,468</u>	<u>\$ 533,936</u>	<u>\$ 5,595,404</u>

B Short-Term Liabilities

The District did not have any short-term liabilities during the fiscal year.

**Note 5 Revenue**

A Property Tax Levies

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

**B State Equalization Guarantee**

Each school district in the State of New Mexico receives a "state equalization guarantee distribution" which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined" (in Chapter 22, Section 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-multi cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$5,153,922 state equalization guarantee distributions during the year ended June 30, 2018.

**C Transportation Distribution**

Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each district for the to-and-from school transportation costs of students in the grades K through twelve attending public school within the district. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one way.

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

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

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

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

The District received \$283,909 in transportation distribution during the year ended June 30, 2019.

**D SB-9 State Match**

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

The District received \$0 in state SB-9 matching during the year ended June 30, 2019.

**E Public School Capital Outlay**

Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

- 1 A critical need exists requiring action;

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

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

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

During the year ended June 30, the District received \$0 in special capital outlay funds.

#### F Instructional Materials

The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2011, Districts received their total allocation at the beginning of the fiscal year, instead of being reimbursed for purchases as was done in the prior year. During the year ended June 30, the District received \$20,030 in instructional materials allocation.

#### G 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 Department of Education.

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

#### **Note 6 Cash Overdrafts**

The cash overdrafts shown in some federal, state and local projects in the special revenue fund represent expenditures made by the District which will be reimbursed by the grantor. Receivables from the grantor are presented to off-set these overdrafts.

#### **Note 7 Region 6 Education Cooperative**

Certain special revenue (federal) funds of the District were administered by the Region 6 Education Cooperative in Portales, New Mexico. The purpose of the REC is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education.

There are ten schools that participate in the REC, they include Dora, Elida, Fort Sumner, Grady, House, Logan,

Melrose, San Jon and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

These funds are audited separately by another IPA. That report may be obtained by writing to: Regional Education Cooperative No. 6, 1500 South Avenue K, Station 9, Portales, NM 88130.

**Note 8 Reconciliation of Budgetary Basis to GAAP Basis Statements**

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

**Note 9 Insurance Coverage**

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

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

**Note 10 Risk Management**

The school is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The school carries insurance for all risks listed above.

**Note 11 Pension-Plan – Education Retirement Board**

**General Information about the Pension Plan**

**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 Website at: [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

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

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of 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 sixty-five years of age and has five or more years of earned service credit; or
- the member has service credit totaling 25 years or more.

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

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

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

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

**Form 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 of 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 to their benefit each July 1 following the later of 1) the year a member retires, or 2) the year the member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

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

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%.

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 year ended June 30, 2019 and 2018 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employee Rate	Combined Rate	Change Over Prior Year
2019	7-1-18 TO 6-30-19	Over \$20K	10.70%	13.90%	24.60%	0.00%
2019	7-1-18 TO 6-30-19	\$20K or less	7.90%	13.90%	21.80%	0.00%
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%

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, 2019 and 2018, the District paid employer contributions of \$494,144 and \$469,538 which equal the amount of the required contributions for each fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2019, the District reported a liability of \$14,373,052 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no other significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating education institutions at June 30, 2018 actuarially determined. At June 30, 2018, the District's proportion was 0.12087% which was a decrease of 0.00467% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$2,241,362. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actuarial experience	\$ 10,490	\$ 273,542
Change in assumptions	2,962,218	-
Net difference between projected and actual earnings on plan investments	31,818	-
Change in proportion and difference between District contribution and proportionate share of contributions	-	388,961
District's contribution subsequent to the measurement date	494,144	-
Totals	<u>\$ 3,498,670</u>	<u>\$ 662,503</u>

\$494,144 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2019	1,493,741
2020	926,587
2021	(78,724)
2022	419
2023	-

**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:

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

**Active members:** Based on 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 pre-retirement mortality.

**Retirement Age**

Experience-based table rates based on age and service, adopted by the Board on April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.



Cost-of-living increases

1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.

Payroll growth

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

Contribution accumulation

The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in the past as well as the future.

Disability Incidence

Approved rates applied to eligible members with at least 10 years of service.

The 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 assumption changes, which included a decrease in the annual wage inflation assumption from 3.00% to 2.50%. The 0.50% decrease in 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 which includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in place (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.

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

**Discount rate** - A single discount rate of 5.69% was used to measure the total pension liability as of June 30. This rate is .21% less than the 5.90% discount rate used for June 30, 2017.

The June 30, 2018 single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.62%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The projections of cash flows used to determine the June 30, 2018 single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.** The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.69%, as well as what the School District's proportionate share of the net

pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.69%) or one percentage point higher (6.69%) than the current rate:

	1% Decrease 4.69%	Current Discount Rate 5.69	1% Increase 6.69%
District's proportionate share of the net pension liability	\$ 18,679,462	\$ 14,373,052	\$ 10,859,289

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB's financial reports. The reports can be found on NMERB's website at: [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

## Note 12 Post-Employment Benefits - State Retiree Health Care Plan

General Information about the OPEB

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

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

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

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

**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 was \$67,559 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$3,439,983 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The District's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30. At June 30, 2018, the District's proportion was 0.07911%.

For the year ended June 30, 2019, the District recognized OPEB expense of \$45,128. At June 30, 2019 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	\$ -	\$ 203,669
Change in assumptions	-	642,230
Difference between projected and actual and projected earnings on OPEB investments	-	42,930
Change in proportion	-	191,424
District's contribution made after the measurement date	71,100	-
<b>Totals</b>	<b>\$ 71,100</b>	<b>\$ 1,080,253</b>

Deferred outflows of resources totaling \$71,100 represent District's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	
2019	\$ (266,388)
2020	(266,388)
2021	(266,388)
2022	(214,955)
2023	(66,134)

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation using the following 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	3.5% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
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 cost
Mortality	ERB members: PR-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Health Mortality

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

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%	2.10%
U.S. equity - large cap	20%	7.10%
Non U.S. - emerging markets	15%	10.20%
Non U.S. - developed equities	12%	7.80%
Private equity	10%	11.80%
Credit and structured finance	10%	5.30%
Real estate	5%	4.90%
Absolute return	5%	4.10%
U.S. equity - small/mid cap	3%	7.10%

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

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

	1% Decrease 3.08%	Current Discount 4.08%	1% Increase 5.08%
District's proportionate share of the net pension liability	\$ 4,163,190	\$ 3,439,983	\$ 2,869,936

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
\$ 2,907,992	\$ 3,439,983	\$ 3,857,077

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

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

**Note 13 Concentrations**

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

**Note 14 Subsequent Events**

A review of subsequent events through the October 15, 2019 date the financial statements were available to be issued, indicated nothing of audit significance.

**NOTE 15 Inter-Fund Receivables and Payables**

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

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

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

	Interfund Receivable	Interfund Payable
Operational	\$ 160,928	\$ -
Title 1	-	(99,796)
IDEA-B Entitlement	-	(44,227)
IDEA-B Preschool	-	(4,454)
Dual Credit	-	(1,137)
NM Reads to Lead	-	(11,314)
Totals	<u>\$ 160,928</u>	<u>\$ (160,928)</u>

These funds are part of pooled cash, so the General Fund is deemed to have loaned it money until reimbursements are received. All inter-fund balances are to be paid within one year.

**NOTE 16 Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance  
24106 IDEA-B Entitlement \$29,137
- B. Excess Expenditures over budget.  
None
- C. Designated cash appropriations more than available balance:  
None

**NOTE 17 Contingent Liabilities**

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

**NOTE 18 Related Party Transactions**

The District paid \$1,135 for landscape repairs and maintenance to Traci's Greenhouse & Landscape, which is owned by the spouse of a school board member.

**NOTE 19 Cash Flows**

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

**NOTE 20 Net Position Restatement**

The beginning cash for fund 31100 Bond Building was increased \$2.

**NOTE 21 Memorandum of Understanding**

District

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Texico Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school gives notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed:

Eastern New Mexico University - Dual Enrollment Agreement

Purpose: Eastern New Mexico University will provide higher education to qualified Texico High School junior and senior students in both technical and arts and science courses.

Participants: Eastern New Mexico University and Texico Municipal Schools.

Responsibility: Texico Municipal Schools will be responsible for tuition and enrollment fees for the enrolled students.

Beginning and ending dates of agreement: Extended indefinitely until terminated by either party.

Estimated costs: Total costs are dependent on the number of enrolled students and is the sole responsibility of Texico Municipal Schools.

**Note 21 GASB 77 Disclosures**

The District entered into certain agreements during the year that involve tax abatements; the following tables outline the key information regarding the entities involved and the type and amounts of taxes abated during the year ending June 30, 2019.

**Other Entities Disclosure - Texico  
 Municipal Schools - Fiscal Year Ended  
 June 30, 2019**

Agency number for Agency making the disclosure (Disclosing Agency)	6078	6078	6078
Abating Agency Name	Village of Grady	Village of Grady	Village of Grady
Abating Agency Type	Municipality	Municipality	Municipality
Tax Abatement Agreement Name	Broadview Energy KW LLC Project Series 2016 KW	Broadview Energy JN LLC Project Series 2016 JN	Grady Wind Energy Center LLC Project Series 2018 GW
Name of agency affected by abatement agreement (Affected Agency)	Texico Municipal Schools	Texico Municipal Schools	Texico Municipal Schools
Agency number of Affected Agency	7083	7083	7083
Agency type of Affected Agency	Public Education Institution	Public Education Institution	Public Education Institution
Recipient(s) of tax abatement	Broadview Energy KW LLC	Broadview Energy JN LLC	Grady Wind Energy Center LLC
Tax abatement program (name and brief description)	Village of Grady, New Mexico Taxable Industrial Revenue Bonds	Village of Grady, New Mexico Taxable Industrial Revenue Bonds	Village of Grady, New Mexico Taxable Industrial Revenue Bonds
Specific Tax(es) Being Abated	100% Gross Receipts tax on tangible personal property used in construction and Curry County Property taxes	100% Gross Receipts tax on tangible personal property used in construction and Curry County Property taxes	100% Gross Receipts tax on tangible personal property used in construction and Curry County Property taxes
Authority under which abated tax would have been paid to Affected Agency	Section 7-36-3 NMSA	Section 7-36-3 NMSA	Section 7-36-3 NMSA
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	No effect on tax revenue received by the School District.	No effect on tax revenue received by the School District.	No effect on tax revenue received by the School District.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	The District received \$52,400 in PILOT payments for this project in the current fiscal year.	The District received \$66,600 in PILOT payments for this project in the current fiscal year.	The District received \$81,000 in PILOT payments for this project in the current fiscal year.
If the Disclosing Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A

Supplementary Information Related to  
Major Governmental Funds



STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Capital Project Fund - Bond Building - 31100  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	4,000	4,000	16,713	12,713
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>16,713</b>	<b>12,713</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	7,500	(7,500)
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition/construction	1,000	36,000	32,087	3,913
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	978,697	1,943,697	894,751	1,048,946
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>979,697</b>	<b>1,979,697</b>	<b>934,338</b>	<b>1,045,359</b>
Excess (deficiency) of revenues over(under) expenditures	(975,697)	(1,975,697)	(917,625)	1,058,072
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	1,000,000	1,000,000	-
Designated cash	975,697	975,697	-	(975,697)
<b>Total other financing sources (uses)</b>	<b>975,697</b>	<b>1,975,697</b>	<b>1,000,000</b>	<b>(975,697)</b>
Net change in cash balances	-	-	82,375	82,375
Cash balance, beginning	-	-	977,104	977,104
Cash restated	-	-	2	2
Cash balance, beginning restated	-	-	977,106	977,106
Cash balance, ending	\$ -	\$ -	\$ 1,059,481	\$ 1,059,481
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 82,375	
Adjustment to revenues for accruals & other deferrals			(1,375)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 81,000	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Capital Project Fund - Energy Efficiency Act - 31800  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	-	-	3,384	3,384
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,384</b>	<b>3,384</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	3,162	(3,162)
Operation of non-instructional services				
Operation & maintenance of plant	-	-	-	-
Facilities acquisition/construction	-	-	-	-
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	-	210,734	107,936	102,798
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>210,734</b>	<b>111,098</b>	<b>99,636</b>
Excess (deficiency) of revenues over(under) expenditures	-	(210,734)	(107,714)	103,020
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	110,000	110,000
Bond proceeds	-	210,734	421,468	210,734
Change in liabilities	-	-	13,822	13,822
Designated cash	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>210,734</b>	<b>545,290</b>	<b>334,556</b>
Net change in cash balances	-	-	437,576	437,576
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ 437,576	\$ 437,576
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 437,576	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			(13,822)	
Net change in fund balance (GAAP Basis)			\$ 423,754	

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

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Major Debt Service Fund - Debt Service - 41000  
 Statement of Revenues, Expenditures, and Changes in Cash  
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)  
 For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Taxes levied / assessed	\$ 650,926	\$ 650,926	\$ 594,011	\$ (56,915)
In lieu of taxes	-	-	-	-
Contributions	-	-	-	-
Fees - activities	-	-	-	-
Insurance recoveries	-	-	-	-
Interest	1,000	1,000	751	(249)
Access board (e-rate)	-	-	-	-
Royalties	-	-	-	-
Reimbursements / refunds	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
PSFA revenue	-	-	-	-
Food Service	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
<b>Total revenues</b>	<b>651,926</b>	<b>651,926</b>	<b>594,762</b>	<b>(57,164)</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support Services	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	6,510	6,510	5,940	570
School administration	-	-	-	-
Central Services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / constructor	-	-	-	-
Student Transportation	-	-	-	-
Food Services operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	555,000	555,000	555,000	-
Interest	95,926	95,926	94,925	1,001
<b>Total expenditures</b>	<b>657,436</b>	<b>657,436</b>	<b>655,865</b>	<b>1,571</b>
Excess (deficiency) of revenues over/(under) expenditures	(5,510)	(5,510)	(61,103)	(55,593)
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	5,510	5,510	-	(5,510)
<b>Total other financing sources (uses)</b>	<b>5,510</b>	<b>5,510</b>	<b>-</b>	<b>(5,510)</b>
<b>Net change in cash balances</b>	<b>-</b>	<b>-</b>	<b>(61,103)</b>	<b>(61,103)</b>
Cash balance, beginning	-	-	674,000	674,000
Cash balance, ending	\$ -	\$ -	\$ 612,897	\$ 612,897
<b>Net change in fund balance (Non-GAAP Budgetary Basis)</b>			\$ (61,103)	
Adjustment to revenues for accruals & other deferrals			(5,225)	
Adjustment to expenditures for payables, prepaids & other accruals			-	
<b>Net change in fund balance (GAAP Basis)</b>			<b>\$ (66,328)</b>	

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

Required Supplementary Information

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Required Supplementary Information  
 Education Retirement Board (ERB) Pension Plan  
 Last 10 Fiscal Years\*

Schedule of Proportionate Share of the Net Pension Liability

	2015	2016	2017	2018	2019
The District's proportion of the net pension liability (asset)	0.12924%	0.13002%	0.12911%	0.12554%	0.12087%
The District's proportionate share of the net pension liability (asset)	\$ 7,374,080	\$ 8,421,729	\$ 9,291,315	\$ 13,951,848	\$ 14,373,052
The District's covered-employee payroll	\$ 5,362,374	\$ 3,549,963	\$ 3,575,117	\$ 3,377,975	\$ 3,554,991
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	137.52%	237.23%	259.89%	413.02%	404.31%
Plan fiduciary net position as a percentage of the total pension liability	66.54%	63.97%	61.58%	52.95%	52.17%

Share of Pension Contributions

	2015	2016	2017	2018	2019
Contractually required contribution	\$ 509,762	\$ 512,571	\$ 496,941	\$ 469,538	\$ 494,144
Contributions in relation to the contractually required contribution	509,762	512,571	496,941	469,538	494,144
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered-employee payroll	\$ 3,696,124	\$ 3,687,560	\$ 3,575,177	\$ 3,377,975	\$ 3,554,991
Contributions as a percentage of covered-employee payroll	13.79%	13.90%	13.90%	13.90%	13.90%

Note: Employee contributions are not included in these schedules.

Notes to Required Supplementary Information  
 Year Ended June 30, 2019

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

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

\*Governmental Standards Accounting Board No. 68 requires ten years of historical information be presented: however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to 2015, the year the statement's requirements became effective.

**Schedule of Employer's Proportionate Share of the Net OPEB Liability**

	<u>2018*</u>	<u>2019</u>
The District's proportion of the net OPEB liability	0.08328%	0.07911%
The District's proportionate share of the net OPEB liability	\$ 3,773,977	\$ 3,439,983
The District's covered-employee payroll	\$ 3,377,975	\$ 3,554,991
The District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.72%	96.76%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%	13.14%

**Schedule of Employer's Contributions**

	<u>2018*</u>	<u>2019</u>
Contractually required contribution	\$ 71,502	\$ 71,100
Contributions in relation to the contractually required contribution	<u>71,502</u>	<u>71,100</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
The District's covered-employee payroll	\$ 3,377,975	\$ 3,554,991
Contributions as a percentage of covered-employee payroll	2.12%	2.00%

*Note: Employee contributions are not included in these schedules.*

Notes to Required Supplementary Information  
 Year Ended June 30, 2019

Changes of assumptions: RHCA conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 30, 2017, RHCA implemented the following changes in assumptions for fiscal year 2017 and 2016.

- 1 Fiscal year 2017 valuation assumptions that changed based on this study:
  - a Lower Investment return from 7.75% to 7.25%
  - b Lower Inflation rate from 3.00% to 2.50%
  - c Minor changes to demographic assumptions
- 2 Assumptions that were not changed:
  - a Population growth per year at 0.00%
  - b Health care cost trend rate 8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs.

See also the Actuarial Assumptions of the financial statement note disclosure on the OPEB Plan.

\*Governmental Standards Accounting Board No. 68 requires ten years of historical information be presented: however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to 2015, the year the statement's requirements became effective.

Supplementary Information Related to  
Nonmajor Governmental Funds

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## NONMAJOR GOVERNMENTAL FUNDS-

### Special Revenue Funds

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

#### Food Service 21000

To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

#### Athletics 22000

To account for revenue and expenditures associated with the District's budgeted athletic activities. NMAC 6.20.2.

#### IDEA-B Preschool 24109

The objective of the Assistance to State 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

#### Title II Part A 24154

The purpose of this fund is to improve the skills of teachers and the quality of instruction in mathematics and science and to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

#### Student Success TIV 24189

To account for monies received to support well-rounded educational opportunities, safe and healthy students and effective use of technology. Financing and Authority is the Elementary and Secondary Education Act of 1965 as amended, Title IV, Part A.

#### Rural Education Achievement Program 25233

The objective is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

#### Dual Credit Instructional Materials 27103

The objective is to account for the monies received from ENMU-Roswell for dual credit college enrollment for qualified high school seniors.

#### 2012 G.O. Bond Student Library 27107

This award allows schools to acquire library books, equipment and library resources for public school library resources for public school libraries statewide. The funding was made available through Senate Bill 66, Laws of 2012, 2nd Session, 2012 Senate and House Bill.

#### New Mexico Reads to Lead 27114

The purpose of this grant is to assist the District to purchase informational text materials for grades K-3 in alignment with Common Core State Standards (CCSS).

#### Excellence In Teaching 27125

To account for monies received from the State of New Mexico used solely for Excellence in Teaching salary supplements for outstanding teachers. Financing and Authority is through the Public Education Department.

### Capital Projects

#### Capital Improvement SB-9 State 31700

Pursuant to Chapter 338 of Laws of 2001, a portion of the proceeds from supplemental severance tax bonds are dedicated for the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) as it pertains to the State Match.

#### Capital Improvement SB-9 Local 31701

Financing is provided by 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  
 TEXICO MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2019

	Food Service 21000	Athletics 22000	IDEA-B Preschool 24109	Title II Part A 24154	Student Success TIV 24189
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,063	\$ 16,971	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Other	-	-	-	-	-
Due from grantor	-	-	4,454	-	-
Due from other funds	-	-	-	-	-
Inventory	2,936	-	-	-	-
Total assets	<u>\$ 3,999</u>	<u>\$ 16,971</u>	<u>\$ 4,454</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 55	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	4,454	-	-
Total liabilities	<u>55</u>	<u>-</u>	<u>4,454</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS</b>					
Unavailable revenue - state grants	-	-	-	-	-
<b>FUND BALANCE</b>					
Non-spendable	2,936	-	-	-	-
Restricted for					
General fund	-	-	-	-	-
Special revenue funds	1,008	16,971	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned					
General fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Total fund balance	<u>3,944</u>	<u>16,971</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 3,999</u>	<u>\$ 16,971</u>	<u>\$ 4,454</u>	<u>\$ -</u>	<u>\$ -</u>

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

Rural Education Achievement Program 25233	Dual Credit Instructional Materials 27103	2012 GOB Public School Library 27107	NM Reads to Lead 27114	Excellence Teaching 27125	Capital Outlay Senate Bill Nine State 31700	Senate Bill Nine Local 31701	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,370	\$ 230,404
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,994	1,994
-	1,137	-	11,314	-	100,578	-	117,483
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,936
<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 11,314</u>	<u>\$ -</u>	<u>\$ 100,578</u>	<u>\$ 214,364</u>	<u>\$ 352,817</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,535	\$ 2,590
-	1,137	-	11,314	-	-	-	16,905
-	1,137	-	11,314	-	-	2,535	19,495
-	-	-	-	-	100,578	-	100,578
-	-	-	-	-	-	-	2,936
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	17,979
-	-	-	-	-	-	211,829	211,829
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	211,829	232,744
<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 11,314</u>	<u>\$ -</u>	<u>\$ 100,578</u>	<u>\$ 214,364</u>	<u>\$ 352,817</u>

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the year ended June 30, 2019

	Food Service 21000	Athletics 22000	IDEA-B Preschool 24109	Title II Part A 24154	Student Success TIV 24189
<b>Revenues</b>					
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-	-
Contributions	-	-	-	-	-
Fees	26,086	41,740	-	-	-
Insurance recoveries	-	-	-	-	-
Interest	-	13	-	-	-
Access board (e-rate)	-	-	-	-	-
Royalties	-	-	-	-	-
Reimbursements / refunds / prior years	-	-	-	-	-
State equalization guarantee	-	-	-	-	-
State flowthrough grants	-	-	-	-	-
Transportation	-	-	-	-	-
Instructional materials - credit and cash	-	-	-	-	-
PSFA revenue	-	-	-	-	-
Food service	97,782	-	-	-	-
Federal flowthrough grants	-	-	-	-	-
Federal restricted grants-in-aid	-	-	11,541	21,140	7,595
<b>Total revenues</b>	<b>123,868</b>	<b>41,753</b>	<b>11,541</b>	<b>21,140</b>	<b>7,595</b>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	-	36,323	11,541	21,140	7,595
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central Services	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services					
Operation & maintenance of plant	-	-	-	-	-
Facilities acquisition / construction	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	135,336	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>135,336</b>	<b>36,323</b>	<b>11,541</b>	<b>21,140</b>	<b>7,595</b>
Excess (deficiency) revenues over expenditures	(11,468)	5,430	-	-	-
Other financing sources (uses)					
Operating transfers in (out)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(11,468)</b>	<b>5,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning	15,412	11,541	-	-	-
Fund balance, ending	\$ 3,944	\$ 16,971	\$ -	\$ -	\$ -

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

Rural Education Achievement Program 25233	Dual Credit Instructional Materials 27103	2012 GOB Public School Library 27107	NM Reads to Lead 27114	Excellence Teaching 27125	Capital Outlay Senate Bill Nine State 31700	Senate Bill Nine Local 31701	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,396	\$ 163,396
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	67,826
-	-	-	-	-	-	16,597	16,597
-	-	-	-	-	-	433	446
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,806	5,806
-	5,523	-	37,541	32,295	-	-	75,359
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,823	-	-	-	-	-	-	97,782
-	-	-	-	-	-	-	26,823
-	-	-	-	-	-	-	40,276
<u>26,823</u>	<u>5,523</u>	<u>-</u>	<u>37,541</u>	<u>32,295</u>	<u>-</u>	<u>186,232</u>	<u>494,311</u>
26,823	5,523	-	37,541	32,295	-	-	178,781
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	159,968	159,968
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	135,336
-	-	-	-	-	-	9,489	9,489
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>26,823</u>	<u>5,523</u>	<u>-</u>	<u>37,541</u>	<u>32,295</u>	<u>-</u>	<u>169,457</u>	<u>483,574</u>
-	-	-	-	-	-	16,775	10,737
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	16,775	10,737
-	-	-	-	-	-	195,054	222,007
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,829</u>	<u>\$ 232,744</u>

Supplementary Information Related to Agency Funds

## **AGENCY FUNDS**

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

The District has the following funds classified as Agency Funds:

Activity - To account for assets held by the District until distributed to various organizations at the schools.

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Agency Funds - Activity  
 Statement of Changes in Assets and Liabilities  
 June 30, 2019

Schedule I

	Beginning Balance	Additions	Deductions	Ending Balance
<u>ASSETS</u>				
Activity	\$ 1,880	\$ 2,173	\$ 2,440	\$ 1,613
Ag projects	5,139	6,554	6,484	5,209
Annual	7,348	6,227	13,575	-
Applied math	85	-	-	85
Art	-	677	30	647
Booster club	27,094	68,757	74,138	21,713
Citizens Bank tournament	8,708	7,862	7,199	9,371
Class of 2020	-	8,766	5,177	3,589
Class of 2019	2,444	-	2,016	428
Class of 2018	1,012	-	-	1,012
Class of 2017	520	-	520	-
Class of 2015	80	-	80	-
Class of 2012	182	-	182	-
Elementary	16,173	30,948	36,806	10,315
Elementary library	1,254	3,576	3,410	1,420
EPAC	3,228	1,189	2,703	1,714
FCA	1,967	1,137	848	2,256
FCCLA	14,794	6,052	11,995	8,851
FFA	22,831	95,881	92,279	26,433
FFA District IV	2,216	670	377	2,509
FFA Livestock assist	1,059	-	-	1,059
Francis scholarship	12,483	43	2,000	10,526
James Harding Mem	1,510	-	1,510	-
HS Activities	3,612	437	3,974	75
HS Cheerleaders	4,202	11,284	8,863	6,623
HS Concession	29	-	-	29
Library MS/HS	2,643	70	894	1,819
Lost textbooks	2,788	161	170	2,779
Emma McDermid Mem	1,589	-	500	1,089
MS activities	7,364	10,679	7,737	10,306
MS cheerleaders	596	-	-	596
NHS	1,028	1,943	1,244	1,727
Penny Schlorship	1,000	-	1,000	-
Senior class carryover	232	-	118	114
Spanish	293	-	-	293
Special Projects	1,753	-	833	920
Speech / drama	2,299	1,667	921	3,045
Student supplies	23	-	23	-
Younger scholarship	21,966	79	300	21,745
District 7AA	-	8,081	2,939	5,142
Baseball f/r	7,242	18,529	21,985	3,786
Boys basketball f/r	1,322	15,170	13,553	2,939
Girls athletics f/r	8,868	15,649	14,316	10,201
Football f/r	2,983	7,458	8,856	1,585
Football uniforms	3	-	-	3
Golf	2,003	2,411	2,236	2,178
Track	2,954	541	108	3,387
Volleyball f/r	6,262	20,422	20,919	5,765
Total assets	<u>\$ 215,061</u>	<u>\$ 355,093</u>	<u>\$ 375,258</u>	<u>\$ 194,896</u>
<u>LIABILITIES</u>				
Due to student groups	<u>\$ 215,061</u>	<u>\$ 355,093</u>	<u>\$ 375,258</u>	<u>\$ 194,896</u>
Total liabilities	<u>\$ 215,061</u>	<u>\$ 355,093</u>	<u>\$ 375,258</u>	<u>\$ 194,896</u>

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



## Other Supplemental Information

Cash Reconciliation - All Funds  
 For the year ended June 30, 2019

	Beginning Cash	Receipts	Distributions	Other	Total Cash
Texico Municipal Schools					
Operational	\$ 399,683	\$ 5,236,168	\$ (5,257,824)	\$ (79,391)	\$ 298,636
Transportation	-	283,909	(283,909)	-	-
Instructional materials	59	18,654	(10,303)	-	8,410
Food services	10,104	114,222	(123,263)	-	1,063
Athletics	11,541	41,753	(36,323)	-	16,971
Federal direct	10,893	346,358	(326,417)	(15,744)	15,090
Federal flowthrough	-	26,823	(26,823)	-	-
State flowthrough	-	90,224	(75,359)	(14,865)	-
State direct	357,522	362,822	(330,980)	-	389,364
Bond building	977,104	1,009,213	(926,838)	2	1,059,481
Capital improvement SB-9 state	-	-	-	-	-
Capital improvement SB-9 local	191,791	187,501	(166,922)	-	212,370
Capital improvement Energy Efficiency Act	-	421,690	(107,936)	123,822	437,576
Debt service	674,000	594,762	(655,865)	-	612,897
<b>Total governmental funds</b>	<b>2,632,697</b>	<b>8,734,099</b>	<b>(8,328,762)</b>	<b>13,824</b>	<b>3,051,858</b>
Student activities	215,061	355,093	(375,258)	-	194,896
<b>Total Texico Municipal Schools</b>	<b>\$ 2,847,758</b>	<b>\$ 9,089,192</b>	<b>\$ (8,704,020)</b>	<b>\$ 13,824</b>	<b>\$ 3,246,754</b>

Deposit or investment Account Type

The Citizens Bank of Clovis balances at year end

Operational fund - checking	\$ 371,682
Lunch fund - checking	1,062
Activity fund - checking	76,222
Federal fund - checking	33,322
Building fund - checking	104,735
Debt service fund - checking	204,916
Investment fund - money market	1,041,786
Payroll account - checking	225,884
Payroll tax clearing account - checking	2,959
	<u>2,062,568</u>

Reconciling items - outstanding checks

(202,871)

Reconciled bank balance at year end

1,859,697

New Mexico Finance Authority balances at year end

Building fund - finance authority	<u>1,387,057</u>
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Reconciled balance at year end

\$ 3,246,754

Reconciliation to financial statements

Cash and cash equivalents:

Total cash and cash equivalents per statement of net position	\$ 1,664,801
Total NMFA cash per statement of net position	13,829
Total NMFA cash program funds per statement of net position	1,373,228
Total cash and cash equivalents per statement of fiduciary assets and liabilities - agency funds	<u>194,896</u>

Total cash and cash equivalents

\$ 3,246,754

## Compliance Section

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mr. Brian Colon  
New Mexico State Auditor  
Board of Education  
Texico Municipal Schools  
Texico, New Mexico

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and major Special Revenue funds, of Texico Municipal Schools (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual fund statements of the District, presented as supplemental information, and have issued my report thereon dated October 15, 2019.

### Internal Control Over Financial Reporting

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

My 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 have not identified. However, as described in the accompany Schedule of Findings and Responses, I did identify certain deficiencies in internal control that I consider to be 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. The results of my tests disclosed no instances to be material weaknesses that are required to be reported under *Government Auditing Standards*.

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. I consider the deficiencies described in the accompanying Schedule of Findings and Responses as item 2019-001 to be a significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. I consider the noncompliance described in the accompanying Schedule of Findings and Responses as items 2019-001 to be other noncompliance matters.

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

The District's response to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

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

*Sandra Rush CPA PC*

Sandra Rush CPA PC

Clovis New Mexico

October 15, 2019

STATE OF NEW MEXICO  
 TEXICO MUNICIPAL SCHOOLS  
 Schedule of Findings and Responses  
 June 30, 2019

Prior Year Findings:

None

Current Year Findings:

2019-001 Cash

Significant Deficiency / Other Non-compliance

Condition

The District has five accounts at the New Mexico Finance Authority (NMFA). The June 2019 activity on these accounts were not recorded on the June 30 general ledger, therefore the general ledger cash was understated \$8,818.22. Also, the District's cash reported to the New Mexico Public Education Department (PED) was understated \$8,812.22. The following items were not recorded on the district's general ledger or reported to PED.

Fund	Amount	Desc.	Loan
31100 Bond Building	\$ 0.26	Cash Debt Service 1020	2410
31100 Bond Building	1.12	Cash Debt Service 1020	3373
31100 Bond Building	185.49	Interest Income	3760
31100 Bond Building	0.20	Cash Debt Service 1020	3760
31100 Bond Building	(7,500.00)	Set Up Fee	4949
31100 Bond Building	1,484.61	Interest Income	4949
31800 Renewable Energy	13,828.51	Cash Debt Service 1020	4803
31800 Renewable Energy	818.49	Interest Income	4803
	<u>\$ 8,818.68</u>		

Criteria

Bank statements should be reconciled to the balance in the general ledger and subsidiary ledgers as required by 6-10-2 NMSA 1978. All bank and investment accounts should be included on the PED report.

As the oversight agency PED requires the District maintain accurate accounting records and file accurate and timely reports to PED pursuant to 6-6-3 NMSA 1978.

Cause

The Business Manager feels the NMFA statements arrive to late in July to allow the recording of the June activity and preparation on the PED report timely.

Effect

The District is not in compliance with by 6-10-2 NMSA and 6-6-3 NMSA 1978.

Recommendation

The District should try to obtain the June NMFA statement information in time to record it on the general ledger.

Agency response

Texico Schools will make every effort to obtain the June NMFA statement information in time to record it on the general ledger. The district will not close the books on the bond building funds (31100) until the interest statement is received.

The Renewable Energy Bonds (31800) are new to the District. The cash debt service \$13,828.51 shown on the statement is a result of NM Tax and Revenue making the first payments on the bonds. Texico Schools will begin paying off those bonds in the 2020-2021 fiscal year when the Public Education Department will deduct payment amounts from the District's State Equalization Guarantee and send those funds to NM Tax & Revenue on our behalf. We do not understand why the District should book these payments made by NM Tax and Revenue before deductions have been made from the SEG. This appears to the District that the funds will be double booked. We would like clarification on this finding. The District will do whatever is required to be in compliance with 6-10-2 NMSA and 6-6-3 NMSA 1978.

Responsible Position Business Manager  
 Timeframe June 30, 2020

Summary of Audit Results

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified No
- Significant deficiency(ies) identified Yes  
that are not considered to be  
material weaknesses
- Noncompliance material to financial No  
statements noted

Financial Statement Preparation

Although it would be preferred and desirable for the District to prepare its own GAAP-basis financial statements, it is felt that the District's personnel did not have the time to prepare them. Therefore, the outside auditor prepared the GAAP basis financial statements and footnotes for inclusion in the annual audit report from the original books and records provided to them by the management of the District. Management of the District has reviewed and approved these financial statements and related notes and believes they are adequately supported by the books and records of the government.

Exit Conference

The contents of this report were discussed with, Robert Brown, Superintendent, Chad Davis, Board Member, Cheryl Whitener, Business Manager, and Sandra Rush, CPA, in an exit conference on October 12, 2019.