

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

**Financial Statements and  
Supplementary Information**

**For the Year Ended June 30, 2020**



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RIGGS &  
INGRAM

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
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**June 30, 2020**

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Official Roster**  
**June 30, 2020**

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Alan Gedde		Board President
Hope Morales		Board Vice President
Hilda Sanchez		Secretary
Mona Kirk		Board Member
James Edwards		Board Member

**Administrative Officials**

Mike Gottlieb		Superintendent
Chad Cole		Asst. Superintendent for Finance and Operations
Linda Purcella		Director of Business Services

**Sidney Gutierrez Middle School Governing Council**

Bill Wolf		President
Yasine Armstrong		Vice President
Shawna Perry		Secretary
Michael Taylor		Board Member
Kelley Smith		Board Member

**Sidney Gutierrez Middle School Administrative Officials**

Joe Andreis		Principal
Maria Hernandez		Business Manager

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## **Financial Section**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of Roswell Independent School District No. 4 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the component unit's major funds, aggregate remaining fund information, and budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget 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, 2020, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of Roswell Independent School District No. 4, as of June 30, 2020, 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. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the component unit's major funds, aggregate remaining fund information, and budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles general accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13 through 23 and the GASB required pension and OPEB schedules, and the notes to the required supplementary information on pages 98 through 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and

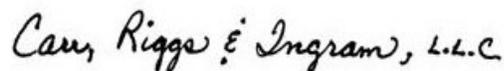
individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), supporting schedules as listed in the table of contents, and other disclosures are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
November 13, 2020

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

**Introduction**

The discussion and analysis of Roswell Independent School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Furthermore, readers of the discussion and analysis should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights for the District**

Key financial highlights for fiscal year 2020 are as follows:

- + The District has successfully maintained the financial reporting processes as required by the Governmental Accounting Standards Board Statement No. 34.
- + Total assets of governmental activities increased \$7,526,431 or 3.87%.
- + Total liabilities of governmental activities decreased \$79,461,129 or 26.31%.
- + The District generated expenses of \$70,825,842 relating to its governmental activities, with \$34,022,885 of these expenses being offset by program specific charges for services, grants, and contribution revenues. General revenues, primarily generated from the State Equalization Guarantee and Property taxes, of \$100,270,417, alone, were sufficient to provide for the current year's programs.
- + The District's net position increased by \$63,467,460 within the current fiscal year.

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

Key financial highlights for fiscal year 2020 are as follows:

- + The Charter School has successfully maintained the financial reporting processes as required by the Governmental Accounting Standards Board Statement No. 34.
- + Total assets of governmental activities increased \$43,403 or 7.78%. Total liabilities of governmental activities decreased \$632,751 or 33.66%.
- + The Charter School generated \$446,428 of expenses relating to its governmental activities; \$135,457 of these expenses were offset by program grants and contributions to revenue. General revenues, primarily generated from the State Equalization Guarantee and investment income, of \$742,816, alone, were sufficient to provide for the current year's programs.
- + The Charter School's net position increased by \$431,845.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

**Using the Basic Financial Statements**

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

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

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

While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The statement of activities (pages 28-29), for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements. The dependence upon revenues from the State of New Mexico for governmental activities is apparent. During the fiscal year, 50.25% of total General revenues were expended on the functions of direct Student Instruction and Support Services.

**Statement of Net Position**

June 30,	2020	2019	Variance
<b>Assets</b>			
Current and other assets	\$ 55,340,570	\$ 51,293,512	\$ 4,047,058
Capital assets, net of accumulated depreciation	146,417,703	142,938,330	3,479,373
<b>Total assets</b>	<b>201,758,273</b>	<b>194,231,842</b>	<b>7,526,431</b>
<b>Deferred outflows of resources</b>			
Deferred outflows related to pension plan and OPEB	41,572,973	53,451,698	(11,878,725)
<b>Total deferred outflows of resources</b>	<b>41,572,973</b>	<b>53,451,698</b>	<b>(11,878,725)</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 243,331,246</b>	<b>\$ 247,683,540</b>	<b>\$ (4,352,294)</b>
<b>Liabilities</b>			
Total current liabilities	\$ 13,416,050	\$ 12,098,110	\$ 1,317,940
Net pension and net OPEB liability	178,575,307	254,087,764	(75,512,457)
Long-term liabilities, net of current portion	30,493,042	35,759,654	(5,266,612)
<b>Total liabilities</b>	<b>222,484,399</b>	<b>301,945,528</b>	<b>(79,461,129)</b>
<b>Deferred inflows of resources</b>			
Deferred inflows related to pension plan, OPEB, and debt refunding	31,607,804	19,966,429	11,641,375
<b>Net position</b>			
Net investment in capital assets	119,386,666	113,976,281	5,410,385
Restricted	20,047,628	16,155,649	3,891,979
Unrestricted	(150,195,251)	(204,360,347)	54,165,096
<b>Total net position</b>	<b>(10,760,957)</b>	<b>(74,228,417)</b>	<b>63,467,460</b>
<b>Total liabilities, deferred inflows of resources, and net position of resources</b>	<b>\$ 243,331,246</b>	<b>\$ 247,683,540</b>	<b>\$ (4,352,294)</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

**Statement of Activities**

<b>For the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>
<b>Program revenues</b>			
Charges for services	\$ 538,389	\$ 633,903	\$ (95,514)
Operating grants and contributions	25,466,972	26,044,911	(577,939)
Capital grants and contributions	8,017,524	1,856,769	6,160,755
<b>General revenues</b>			
Property taxes	8,476,639	8,516,650	(40,011)
Oil and gas taxes	61,722	73,787	(12,065)
State equalization guarantee	90,951,535	72,659,572	18,291,963
Investment income	476,763	680,831	(204,068)
Miscellaneous	303,758	542,749	(238,991)
<b>Total revenues</b>	<b>134,293,302</b>	<b>111,009,172</b>	<b>23,284,130</b>
<b>Program expenses</b>			
Instruction	35,975,940	76,095,727	(40,119,787)
Support services	14,406,618	30,940,113	(16,533,495)
Central services	3,365,484	4,828,980	(1,463,496)
Operation and maintenance of plant	7,088,162	11,297,323	(4,209,161)
Student transportation	3,446,465	3,330,895	115,570
Food services	5,737,227	8,140,743	(2,403,516)
Interest and other charges	805,946	969,303	(163,357)
<b>Total expenses</b>	<b>70,825,842</b>	<b>135,603,084</b>	<b>(64,777,242)</b>
<b>Increase (decrease) in net position</b>	<b>\$ 63,467,460</b>	<b>\$ (24,593,912)</b>	<b>\$ 88,061,372</b>

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

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows were exceeded by liabilities and deferred inflows by \$10,760,957 at the close of the most recent fiscal year. The largest portion of the District's net position reflects its investment in capital assets, less any outstanding debt used to acquire those assets. The District uses these assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

During the current fiscal year, the District's net position increased by \$63,467,460, over that of the prior year. The resulting increase to net position is, in part, a reflection of the District's reported cost share relating to its identified Net Pension and Net Other Post-Employment Benefit (OPEB) liabilities, in accordance with applicable standards.

**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. Governmental funds generated total revenues of \$134,282,945, other financing sources of \$157 and total expenditures of \$131,376,472. The net change in fund balances for the year was an increase of \$2,906,630, resulting in total end of year fund balances of \$47,408,272. Approximately 97.43% of the total fund balances of the governmental funds constitute spendable—restricted, committed and unassigned, fund balances, which are available for spending at the government's discretion. The remainder of the reported fund balances is the non-spendable portion.

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

**Fund Financial Statements**

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

**Governmental Funds**

Most of the District's activities are reported in its governmental funds, which focus on how monies flow into and out of those funds, as well as their remaining balances at fiscal yearend, which are typically available for spending in future periods. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations, and the basic services that it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future. The relationship, or differences, between governmental activities reported in the statement of net position, the statement of activities and of the governmental funds is reconciled within the financial statements. The general fund is the primary operating fund of the District. As of June 30, 2020, the spendable fund balance of the District's general fund was \$18,160,488. The non-spendable fund balance of the District's general fund was \$509,879. As a measure of the general fund's liquidity, it may also be useful to compare the spendable fund balance to total fund expenditures. The spendable fund balance of the general fund represents 19.71% of the District's total current year general fund expenditures generated. The total spendable and non-spendable fund balance of the District's general fund increased by \$3,442,966 during the current fiscal year due to the District receiving additional revenue in the current year.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management’s Discussion and Analysis**

The Entitlement IDEA-B fund has total spendable fund balance of \$95,964, all of which is restricted for education. The total fund balance of the Entitlement IDEA-B fund increased by \$74, over that of the previous year.

The Bond Building Capital Projects fund has total spendable fund balance of \$7,961,056, all of which is restricted for capital acquisitions and improvements. The total fund balance of the bond building fund decreased by \$3,528,159 in the current fiscal year due to the expenditure of ongoing construction at Del Norte Elementary School.

The Debt Service fund has a total spendable fund balance of \$6,413,795, all of which is restricted for debt service. The net increase of \$27,429 to the current year’s fund balance is the result of increased debt service revenue, offset by the resulting debt service expenditures, relating to the issuance of general obligation bonds for school building renovation and construction.

**General Fund Budgeting Highlights**

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

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2020. Detailed budget performance is examined through the expenditures on the statement of revenues, expenditures and changes in fund balance – budget (non-GAAP budgetary basis) and actual for each fund (in thousands of dollars).

	<b>Final Budget</b>		<b>Actual</b>		<b>Variance</b>
General Fund	\$ 96,727	\$	91,366	\$	5,361
Entitlement IDEA-B Fund	3,352		3,138		214
Bond Building Capital Projects Fund	6,034		3,236		2,798
Public School Capital Outlay Fund	6,669		6,613		56
Debt Service Fund	14,312		5,991		8,321

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

During the course of fiscal 2020, the District amended its budget as needed.

General Fund revenues, including beginning cash balance, were budgeted at \$95,203,376, while actual expenditures were \$91,366,197. The difference between budget and actual expenditures was the result of less than planned spending for general supplies, instructional materials, substitutes, overtime wages and other budgetary expense items throughout the year.

Actual revenues of the general fund were \$95,938,524, which constitutes more than 100% of the total budgeted revenue and cash balance of the fund. Actual expenditures were 95.23% of actual revenues.

The primary increase in general fund revenue over that of the prior year is due to the increase to appropriated State Flowthrough payments of the State Equalization Guarantee, equaling approximately \$17.98 million in total increased revenue of this type. State Equalization Guarantee revenues increased due to an increase in State General Fund revenues appropriated by annual state legislation for public education operations throughout the State of New Mexico.

All of the cash in the Bond Building Capital Projects Fund was budgeted, however, not all of the District's school construction projects were completed as of June 30, 2020. There is one elementary school facility, which was undergoing design for new facility construction, and, which started project construction in January of 2019. 28% of the total cost to complete Del Norte Elementary School project construction is being funded by District General Obligation Bond funds, and the remaining 72% the total estimated cost to complete this project has been appropriated and awarded for this project by the State's Public Schools Capital Outlay Council.

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

**Sidney Gutierrez Charter School Financials**

**Statement of Net Position**

<b>June 30,</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>
<b>Assets</b>			
Current and other assets	\$ 553,519	\$ 505,741	\$ 47,778
Capital assets, net of accumulated depreciation	47,895	52,270	(4,375)
<b>Total assets</b>	<b>601,414</b>	<b>558,011</b>	<b>43,403</b>
<b>Deferred outflows of resources</b>			
Deferred outflows related to pension plan and OPEB	248,829	420,324	(171,495)
<b>Total deferred outflows of resources</b>	<b>248,829</b>	<b>420,324</b>	<b>(171,495)</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 850,243</b>	<b>\$ 978,335</b>	<b>\$ (128,092)</b>
<b>Liabilities</b>			
Current liabilities	\$ 45,085	\$ 39,563	\$ 5,522
Net pension and net OPEB liability	1,202,215	1,840,488	(638,273)
<b>Total liabilities</b>	<b>1,247,300</b>	<b>1,880,051</b>	<b>(632,751)</b>
<b>Deferred inflows of resources</b>			
Deferred inflows related to pension plan and OPEB	330,604	257,790	72,814
<b>Net position</b>			
Net investment in capital assets	47,895	52,270	(4,375)
Restricted	49,984	48,312	1,672
Unrestricted	(825,540)	(1,260,088)	434,548
<b>Total net position</b>	<b>(727,661)</b>	<b>(1,159,506)</b>	<b>431,845</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 850,243</b>	<b>\$ 978,335</b>	<b>\$ (128,092)</b>

**State of New Mexico  
Roswell Independent School District No. 4  
Management's Discussion and Analysis**

**Statement of Activities**

<b>For the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>
Program revenues			
Operating grants and contributions	\$ 81,085	\$ 40,765	\$ 40,320
Capital grants and contributions	54,372	33,811	20,561
General revenues			
Property taxes	13,825	13,647	178
Oil and gas taxes	94	136	(42)
State equalization guarantee	720,211	695,218	24,993
Investment income	5,286	7,149	(1,863)
Miscellaneous	3,400	-	3,400
<b>Total revenues</b>	<b>878,273</b>	<b>790,726</b>	<b>87,547</b>
<b>Program expenses</b>	<b>446,428</b>	<b>920,640</b>	<b>114,213</b>
<b>Increase (decrease) in net position</b>	<b>\$ 431,845</b>	<b>\$ (129,914)</b>	<b>\$ (26,666)</b>

**Financial Analysis of the Charter School**

Total assets and deferred outflows of the Charter School were exceeded by total liabilities and deferred inflows in the amount of \$727,661, during current fiscal year. The Charter School's net position reflects, in large part, its reported cost share of its identified Net Pension and Other Post-Employment Benefit (OPEB) liability, in accordance with the implementation of GASB 75 reporting requirements.

**Capital Assets**

As of June 30, 2020, after addition and deletion of capital assets, the District maintained a total capitalized asset balance of \$146,417,703 and the Charter School maintained a total capitalized asset balance of \$47,895. Activity in the capital asset accounts is reported in note 6 to the financial statements. As part of the District's adoption of the GASB Statement 34 reporting model, the value of District and Charter owned land and buildings were adjusted to correspond to historical cost or to appraised value (if historical cost was not available) of the assets.

**Debt**

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

Series 2018 Bonds represent the remaining unissued balance of the February 3, 2015 local voter authorization, and have been used for ongoing school facility construction. On February 5, 2019, the voters of Chaves County passed and authorized the continuation of the local Debt Service tax levy required in support of an additional \$14 million of available General Obligation Bonds to be issued and used for the cost school facility construction, renovation and improvement of the district's aging facilities, while continuing to leverage historically favorable market conditions, the district's Aa2 bond rating and the availability and appropriation of the State's Public Schools Capital Outlay Council project matching funds. As of June 30, 2020, the District had outstanding bonds payable of \$34,375,000. Details of the activity in the long-term debt accounts of the District can be found in note 7 to the financial statements.

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

The Roswell Independent School District No. 4 is located in Chaves County. Chaves County continues to build upon and maintain a balanced economy, as observed by the increases to the assessed value of real property located within Chaves County during 2020. Existing residential and commercial real estate continues to turnover, within the county, and new and diverse retail, aviation and oil and nature gas support services businesses continue to locate and maintain operations within Roswell and the surrounding Chaves County area.

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

The Roswell Independent School District receives approximately 97.2% of its total annual Operational fund budgeted revenue from legislatively appropriated State Equalization Guarantee (SEG) formula funding. The SEG funding formula and State declared unit values are applied to the School District's Operational funding source, based on total appropriated funds, divided across total statewide student membership units. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services, i.e., special education and bilingual education services as well as other factors based on the training and experience of the teaching staff and the district's at-risk population.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Management's Discussion and Analysis**

**Contacting the District's Financial Management**

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

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

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## **Basic Financial Statements**

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Net Position**

<b>June 30, 2020</b>	<b>Primary Governmental Activities</b>	<b>Component Unit Sidney Gutierrez Charter School</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 43,287,103	\$ 528,620
Investments	2,759	-
Receivables		
Property taxes	481,364	780
Intergovernmental	3,749,181	23,824
Other	228,717	-
Inventory	678,749	-
Prepaid expense	540,520	295
<b>Total current assets</b>	<b>48,968,393</b>	<b>553,519</b>
Noncurrent assets		
Restricted cash and cash equivalents	6,372,177	-
Capital assets not being depreciated	15,218,389	-
Capital assets being depreciated	225,674,179	83,853
Less accumulated depreciation	(94,474,865)	(35,958)
<b>Total noncurrent assets</b>	<b>152,789,880</b>	<b>47,895</b>
<b>Total assets</b>	<b>201,758,273</b>	<b>601,414</b>
Deferred outflows of resources		
Deferred outflows - pension	36,516,673	240,798
Deferred outflows - OPEB	5,056,300	8,031
<b>Total deferred outflows of resources</b>	<b>41,572,973</b>	<b>248,829</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 243,331,246</b>	<b>\$ 850,243</b>

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

<b>June 30, 2020</b>	<b>Primary Governmental Activities</b>	<b>Component Unit Sidney Gutierrez Charter School</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 1,410,219	\$ 745
Accrued payroll	6,135,674	44,340
Accrued interest	429,640	-
Long-term liabilities, current	5,440,517	-
<b>Total current liabilities</b>	<b>13,416,050</b>	<b>45,085</b>
Noncurrent liabilities		
Long-term liabilities, net of current portion	30,493,042	-
Net pension liability	139,223,083	937,312
Net OPEB liability	39,352,224	264,903
<b>Total noncurrent liabilities</b>	<b>209,068,349</b>	<b>1,202,215</b>
<b>Total liabilities</b>	<b>222,484,399</b>	<b>1,247,300</b>
Deferred inflows of resources		
Deferred inflows - pension	7,429,554	136,181
Deferred inflows - OPEB	24,079,878	194,423
Other deferred inflows related to debt refunding	98,372	-
<b>Total deferred inflows of resources</b>	<b>31,607,804</b>	<b>330,604</b>
<b>Net position</b>		
Net investment in capital assets	119,386,666	47,895
Restricted for		
Debt service	6,500,840	-
Capital projects	3,073,319	44,715
Special revenue	10,473,469	5,269
Unrestricted (deficit)	(150,195,251)	(825,540)
<b>Total net position</b>	<b>(10,760,957)</b>	<b>(727,661)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 243,331,246</b>	<b>\$ 850,243</b>

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Activities**

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary government</b>			
<b>Governmental activities</b>			
Instruction	\$ 35,975,940	\$ 282,469	\$ 8,239,845
Support services - students	6,655,300	-	3,583,936
Support services - instruction	860,968	-	197,194
Support services - general administration	3,536,497	-	809,991
Support services - school administration	3,353,853	-	768,159
Central services	3,365,484	-	770,823
Operation and maintenance of plant	7,088,162	-	1,623,456
Student transportation	3,446,465	-	3,033,685
Other support services	21,472	-	4,918
Food services operations	5,737,227	255,920	6,434,965
Interest and other charges	784,474	-	-
<b>Total governmental activities</b>	<b>70,825,842</b>	<b>538,389</b>	<b>25,466,972</b>
<b>Total primary government</b>	<b>\$ 70,825,842</b>	<b>\$ 538,389</b>	<b>\$ 25,466,972</b>
<b>Component unit</b>			
Sidney Gutierrez Charter School	\$ 446,428	\$ -	\$ 81,085

**General revenues**

Taxes

Property taxes, levied for operating programs

Property taxes, levied for debt services

Property taxes, levied for capital projects

Oil and gas taxes

State equalization guarantee

Investment income

Miscellaneous

**Total general revenues**

Change in net position

Net position - beginning

**Net position - ending**

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

<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
\$ 7,517,569	\$ (19,936,057)	\$ -
-	(3,071,364)	-
-	(663,774)	-
499,955	(2,226,551)	-
-	(2,585,694)	-
-	(2,594,661)	-
-	(5,464,706)	-
-	(412,780)	-
-	(16,554)	-
-	953,658	-
-	(784,474)	-
8,017,524	(36,802,957)	-
\$ 8,017,524	(36,802,957)	-
\$ 54,372		(310,971)
	380,754	-
	5,984,613	-
	2,111,272	13,825
	61,722	94
	90,951,535	720,211
	476,763	5,286
	303,758	3,400
	100,270,417	742,816
	63,467,460	431,845
	(74,228,417)	(1,159,506)
	\$ (10,760,957)	\$ (727,661)

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Balance Sheet - Governmental Funds**

<b>June 30, 2020</b>	<b>General Fund 11000, 13000, 14000</b>	<b>Entitlement IDEA-B 24106</b>	<b>Bond Building Capital Projects Fund 31100</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 11,836,043	\$ 1,922,439	\$ 8,366,922
Investments	1,122	-	89
Receivables			
Property taxes	20,292	-	-
Intergovernmental	-	502,044	-
Other	228,137	-	-
Inventory	347,048	-	-
Prepaid expense	162,831	1,637	-
Due from other funds	12,307,087	-	-
<b>Total assets</b>	<b>\$ 24,902,560</b>	<b>\$ 2,426,120</b>	<b>\$ 8,367,011</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 855,949	\$ 666	\$ 405,955
Accrued payroll	5,363,655	141,516	-
Due to other funds	-	2,186,337	-
<b>Total liabilities</b>	<b>6,219,604</b>	<b>2,328,519</b>	<b>405,955</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	12,589	-	-
<b>Total deferred inflows of resources</b>	<b>12,589</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	509,879	1,637	-
Spendable			
Restricted	22,508	95,964	7,961,056
Committed	5,459,717	-	-
Unassigned (deficit)	12,678,263	-	-
<b>Total fund balances</b>	<b>18,670,367</b>	<b>97,601</b>	<b>7,961,056</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 24,902,560</b>	<b>\$ 2,426,120</b>	<b>\$ 8,367,011</b>

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

<b>Public School Capital Outlay 31200</b>	<b>Debt Service Fund 41000</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 6,000,000	\$ 6,372,177	\$ 15,161,699	\$ 49,659,280
-	1,548	-	2,759
-	341,558	119,514	481,364
-	-	3,247,137	3,749,181
-	-	580	228,717
-	-	331,701	678,749
-	-	376,052	540,520
-	-	-	12,307,087
<b>\$ 6,000,000</b>	<b>\$ 6,715,283</b>	<b>\$ 19,236,683</b>	<b>\$ 67,647,657</b>
\$ -	\$ -	\$ 147,649	\$ 1,410,219
-	-	630,503	6,135,674
6,000,000	-	4,120,750	12,307,087
6,000,000	-	4,898,902	19,852,980
-	301,488	72,328	386,405
-	301,488	72,328	386,405
-	-	707,753	1,219,269
-	6,413,795	14,142,779	28,636,102
-	-	-	5,459,717
-	-	(585,079)	12,093,184
-	6,413,795	14,265,453	47,408,272
<b>\$ 6,000,000</b>	<b>\$ 6,715,283</b>	<b>\$ 19,236,683</b>	<b>\$ 67,647,657</b>

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

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**

**June 30, 2020**

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

Fund balances - total governmental funds	\$ 47,408,272
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	146,417,703
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds	
Bond discounts	77,423
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities	386,405
Deferred outflows and inflows of resources related to debt extinguishment, pension, and OPEB are applicable to future periods and, therefore, are not reported in funds	
Deferred inflows - extinguishment of debt	(98,372)
Deferred outflows - pension (note 10)	36,516,673
Deferred inflows - pension (note 10)	(7,429,554)
Deferred outflows - OPEB (note 11)	5,056,300
Deferred inflows - OPEB (note 11)	(24,079,878)
Certain liabilities, including bonds payable, current and long-term portions of accrued compensated absences, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds	
Bond premiums	(1,002,099)
Accrued interest payable	(429,640)
Accrued compensated absences not due and payable	(633,883)
Bonds payable	(34,375,000)
Net pension liability	(139,223,083)
Net OPEB liability	(39,352,224)
<b>Total net position - governmental funds</b>	<b>\$ (10,760,957)</b>

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**

<b>For the Year Ended June 30, 2020</b>	<b>General Fund 11000, 13000, 14000</b>	<b>Entitlement IDEA-B 24106</b>	<b>Bond Building Capital Projects Fund 31100</b>
<b>Revenues</b>			
Property taxes	\$ 384,314	\$ -	\$ -
Oil and gas taxes	3,797	-	-
Intergovernmental			
Federal flowthrough	-	3,097,711	-
Federal direct	609,192	-	-
Local sources	34,060	-	-
State flowthrough	90,951,535	-	-
State direct	48,795	-	-
Transportation distribution	3,010,458	-	-
Charges for services	13,758	-	-
Investment income	244,931	-	106,482
Miscellaneous	299,678	-	-
<b>Total revenues</b>	<b>95,600,518</b>	<b>3,097,711</b>	<b>106,482</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	56,300,242	1,265,956	-
Support services - students	8,773,491	1,682,683	-
Support services - instruction	1,488,016	-	-
Support services - general administration	1,824,169	139,813	-
Support services - school administration	7,164,274	-	-
Central services	3,915,246	9,185	-
Operation and maintenance of plant	9,438,285	-	12,841
Student transportation	3,133,407	-	-
Other support services	20,303	-	-
Food services operations	-	-	-
Capital outlay	100,276	-	3,621,800
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>92,157,709</b>	<b>3,097,637</b>	<b>3,634,641</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,442,809</b>	<b>74</b>	<b>(3,528,159)</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	157	-	-
<b>Total other financing sources (uses)</b>	<b>157</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,442,966</b>	<b>74</b>	<b>(3,528,159)</b>
<b>Fund balances - beginning</b>	<b>15,227,401</b>	<b>97,527</b>	<b>11,489,215</b>
<b>Fund balances - end of year</b>	<b>\$ 18,670,367</b>	<b>\$ 97,601</b>	<b>\$ 7,961,056</b>

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

<b>Public School Capital Outlay 31200</b>	<b>Debt Service Fund 41000</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ -	\$ 5,951,033	\$ 2,130,935	\$ 8,466,282
-	42,830	15,095	61,722
-	-	12,268,299	15,366,010
-	-	2,054,764	2,663,956
-	-	494,346	528,406
-	-	5,210,417	96,161,952
6,612,868	-	43,586	6,705,249
-	-	-	3,010,458
-	-	524,631	538,389
-	25,016	100,334	476,763
-	-	4,080	303,758
<b>6,612,868</b>	<b>6,018,879</b>	<b>22,846,487</b>	<b>134,282,945</b>
-	-	6,531,149	64,097,347
-	-	2,143,436	12,599,610
-	-	875	1,488,891
-	60,240	2,272,228	4,296,450
-	-	425,886	7,590,160
-	-	70,910	3,995,341
-	-	453	9,451,579
-	-	87,900	3,221,307
-	-	-	20,303
-	-	6,320,145	6,320,145
6,612,868	-	2,029,185	12,364,129
-	4,760,000	-	4,760,000
-	1,171,210	-	1,171,210
<b>6,612,868</b>	<b>5,991,450</b>	<b>19,882,167</b>	<b>131,376,472</b>
-	27,429	2,964,320	2,906,473
-	-	-	157
-	-	-	157
-	27,429	2,964,320	2,906,630
-	6,386,366	11,301,133	44,501,642
<b>\$ -</b>	<b>\$ 6,413,795</b>	<b>\$ 14,265,453</b>	<b>\$ 47,408,272</b>

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

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**

**For the Year Ended June 30, 2020**

Amounts reported for governmental activities in the statement of activities are different because	
Net change in fund balances - total governmental funds	\$ 2,906,630
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense:	
Capital expenditures	12,364,129
Depreciation expense	(8,139,185)
Amortization expense of intangible assets	(11,099)
Loss on disposal of capital assets	(737,496)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Change in unavailable revenue related to property taxes receivable	10,357
Governmental funds report district pension and opeb contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense	
Pension contributions subsequent to the measurement date	8,432,017
Pension benefit	39,762,524
OPEB contributions subsequent to the measurement date	1,218,604
OPEB benefit	2,539,966
Expenses in the statement of activities that do not consume current financial resources are not reported as expenditures in the funds	
Increase in accrued compensated absences not due and payable	(25,723)
Decrease in accrued interest payable	86,291
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Amortization of bond discount	(12,651)
Amortization of bond premiums	313,096
Principal payments on bonds	4,760,000
<b>Change in net position of governmental activities</b>	<b>\$ 63,467,460</b>

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**General Fund (11000, 13000, 14000)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ 387,603	\$ 387,603	\$ 383,240	\$ (4,363)
Oil and gas taxes	6,110	6,110	3,797	(2,313)
Intergovernmental				
Federal direct	200,000	200,000	609,192	409,192
Local sources	-	-	9,454	9,454
State flowthrough	87,312,605	90,617,181	90,976,201	359,020
State direct	24,234	24,234	48,795	24,561
Transportation distribution	2,948,049	3,010,458	3,010,458	-
Charges for services	12,000	12,000	14,258	2,258
Investment income	200,000	200,000	244,931	44,931
Miscellaneous	745,790	745,790	638,198	(107,592)
<b>Total revenues</b>	<b>91,836,391</b>	<b>95,203,376</b>	<b>95,938,524</b>	<b>735,148</b>
<b>Expenditures</b>				
Current				
Instruction	55,355,601	58,365,827	55,575,895	2,789,932
Support services - students	9,746,503	9,532,317	8,772,283	760,034
Support services - instruction	1,759,241	1,766,076	1,496,762	269,314
Support services - general administration	1,613,772	2,247,957	1,818,630	429,327
Support services - school administration	6,281,678	7,249,078	7,163,441	85,637
Central services	3,501,629	4,091,467	3,920,694	170,773
Operation and maintenance of plant	10,820,132	9,993,531	9,369,333	624,198
Student transportation	2,948,049	3,147,958	3,128,787	19,171
Other support services	59,542	79,971	20,096	59,875
Capital outlay	759,191	252,532	100,276	152,256
<b>Total expenditures</b>	<b>92,845,338</b>	<b>96,726,714</b>	<b>91,366,197</b>	<b>5,360,517</b>
Excess (deficiency) of revenues over expenditures	(1,008,947)	(1,523,338)	4,572,327	6,095,665
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	1,008,947	1,523,338	-	(1,523,338)
Proceeds from sale of capital assets	-	-	157	157
<b>Total other financing sources (uses)</b>	<b>1,008,947</b>	<b>1,523,338</b>	<b>157</b>	<b>(1,523,181)</b>
Net change in fund balances	-	-	4,572,484	4,572,484
Fund balances - beginning of year	-	-	14,208,113	14,208,113
Fund balances - end of year	\$ -	\$ -	\$ 18,780,597	\$ 18,780,597
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 4,572,484
Adjustments to revenues for changes in insurance recoveries, access board e-rate, other revenues				(338,006)
Adjustments to expenditures for supplies, software, compensation, other charges				(791,512)
Net change in fund balances (GAAP Basis)				\$ 3,442,966

*The accompany notes are an integral part of these financial statements.*

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Entitlement IDEA-B (24106)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	3,352,179	3,352,179	5,045,395	1,693,216
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>3,352,179</b>	<b>3,352,179</b>	<b>5,045,395</b>	<b>1,693,216</b>
<b>Expenditures</b>				
Current				
Instruction	1,212,488	1,347,358	1,307,214	40,144
Support services - students	1,488,143	1,844,680	1,682,304	162,376
Support services - instruction	-	-	-	-
Support services - general administration	134,976	150,927	139,235	11,692
Support services - school administration	505,658	-	-	-
Central services	9,714	9,214	9,185	29
Operation and maintenance of plant	1,200	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>3,352,179</b>	<b>3,352,179</b>	<b>3,137,938</b>	<b>214,241</b>
Excess (deficiency) of revenues over expenditures	-	-	1,907,457	1,907,457
Net change in fund balance	-	-	1,907,457	1,907,457
Fund balance - beginning of year	-	-	(2,312,871)	(2,312,871)
Fund balance - end of year	\$ -	\$ -	\$ (405,414)	\$ (405,414)
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1,907,457	
Adjustments to revenues for PED Federal flowthrough grants				(1,947,684)
Adjustments to expenditures for software				40,301
Net change in fund balance (GAAP Basis)			\$	74

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

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**

<b>June 30, 2020</b>	<b>Primary Government</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,095,454
Investments	52,946
Receivables	1,142
Total assets	\$ 1,149,542
<b>Liabilities</b>	
Accounts payable	\$ 4,702
Deposits held in trust for others	1,144,840
Total liabilities	\$ 1,149,542

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

Roswell Independent School District No. 4 (the "District") is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of Roswell, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

***Reporting Entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, 61 and 80.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

***Reporting Entity (Continued)***

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

***Government-wide and Fund Financial Statements***

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

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

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

***Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

*Fund Financial Statements*

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major funds presented in the fund financial statements include the following:

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

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

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

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

The *Debt Service Fund* (41000) is used to accumulate resources for payment of principal and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the county and assessed by the Chaves County Assessor and collected and remitted to the District by the Chaves County Treasurer.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

In addition to the general fund, the major funds presented in the Charter's fund financial statements include the following:

The *Charter Schools* (24146) – The program supports startup of new charter schools and the replication and expansion of high-quality charter schools. Charter schools increase educational options for parents and students and, in exchange for stricter academic accountability, are exempt from many statutory and regulatory requirements. Funds also support State efforts to improve charter schools' access to facilities.

*Fiduciary funds* are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Agency funds* are purely custodial and do not involve measurement of results of operations. The District's fiduciary funds are used to account for the collection and payment of student activities.

The government reports the following agency funds:

The *Agency 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.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity***

***Deposits and Investments***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in accordance with appropriate state laws and regulations. Certain of the District's investments are reported at fair value.

***Receivables and Payables***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

The District receives monthly income from a tax levy in Chaves County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2020 is considered “measurable and available” and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2020. Period of availability is deemed to be sixty days subsequent to year end.

*Prepaid Items*

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

*Interfund Activities and Transactions*

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement.

All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for 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.

*Inventory*

The District’s method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of expendable supplies held for consumption, USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

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

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

Inventory in the General Fund consist of expendable supplies held for consumption. Inventory in the special revenue funds consists of USDA commodities and other purchased food and non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

*Restricted Assets*

Certain assets of the District are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

*Bond debt service accounts* – Includes certain proceeds from issuance of bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

*Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District’s policies as assets with an initial, individual cost of more than \$5,000 (amount not rounded) per Section 12-6-10 NMSA 1978 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District was a Phase II government for purposes of implementing GASB Statement No. 34; however, the District does not have any infrastructure assets to report. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation. There were no donated assets during the year ended June 30, 2020.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction projects paid for by the Public School Capital Outlay Council are included in the District’s capital assets. No interest was included as part of the cost of capital assets under construction.

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

*Deferred Outflows of Resources*

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a use of net position that applies to a future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The District and the Charter each have three types of items present on the statement of net position which is related to net pension liability which total \$36,516,673 and \$240,798, respectively. The District and the Charter have two types and one type of items, respectively, present on the statement of net position which is related to net OPEB liability which total \$5,056,300 and \$8,031, respectively. The amounts are further detailed in note 10 and note 11. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

*Deferred Inflows of Resources*

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has one type of items, which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District and the Charter has recorded \$386,405 and \$477, respectively, related to property taxes considered "unavailable."

In addition, the District and Charter each have three types of items present on the statement of net position which are related to pension totaling \$7,429,554 and \$136,181, respectively. These items are detailed in note 10. The District also has one item reported for this category related to the advance refunding of bonds totaling \$98,372. Lastly, the District and Charter each have four types of items present on the statement of net position which are related to OPEB liability totaling \$24,079,878 and \$194,423, respectively. These items are detailed in note 11. The debt extinguishment, pension and OPEB related items are deferred and recognized as an inflow of resources in the period that the amounts become available.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

*Accrued Payroll*

The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll, including the applicable ERB, RHC, Social Security Taxes and Medicare payable.

*Compensated Absences*

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

The liability for compensated absences increased by \$25,723 for a total of \$633,883 as of June 30, 2020.

*Long-term Obligations*

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

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

*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.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

*Postemployment Benefits Other Than Pension (OPEB)*

For purposes of measuring the post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and post-employment expense, information about the fiduciary net position of the Retiree Health Care Act (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, 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.

*Fund Balance Classification Policies and Procedures*

*Fund Balances*

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

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

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

*Nonspendable Fund Balance* - At June 30, 2020, the District had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$1,219,269 as detailed on in note 15.

*Restricted and Committed Fund Balance* - At June 30, 2020, the District has presented restricted fund balance on the governmental funds balance sheet in the amount of \$28,636,102 for various District operations as restricted by enabling legislation. The District has also presented committed fund balance on the governmental funds balance sheet in the amount of \$5,459,717. The details of these fund balance items are located on the governmental funds balance sheet as detailed on note 15.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

*Net Position*

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

*Net investment in capital assets* - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District includes unspent debt proceeds in the amount of \$8,367,011 in the calculation of net investment in capital assets in the governmental activities.

*Restricted Net Position* - Net position is reported as restricted when constraints are placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, capital projects, and debt service” are described on pages 45-46 and 116-123.

*Unrestricted Net Position* - Net position that does not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

*Revenues and Expenditures/Expenses*

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of District facilities, etc., (b) program-specific operating grants, which include revenues received from state and federal sources, such as the grants, to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state and federal sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and state equalization guarantee.

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 included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the availability criterion have been met.

*State Equalization Guarantee* - School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs."

Payment is made from the public school fund under the authority of the Director of Public School Finance. The District and the Charter received \$90,951,535 and \$720,211, respectively, in state equalization guarantee distributions during the year ended June 30, 2020.

*Property Tax Revenues* - The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District and the Charter recognized \$8,476,639 and \$13,825 in property tax revenues, respectively, in the government-wide financial statements during the year ended June 30, 2020. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

*Transportation Distribution* - School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district. The District received \$3,010,458 in transportation distributions during the year ended June 30, 2020.

*Instructional Materials* - The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. There were no allocations received from the State by the District and the Charter for the year ended June 30, 2020.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

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

However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District and the Charter received \$499,955 and \$11,786, respectively, in state SB-9 matching during the year ended June 30, 2020.

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

The District and the Charter received \$6,612,868 and \$36,660, respectively, in Public School Capital Outlay matching during the year ended June 30, 2020.

*Federal Grants* - The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local School Board and the New Mexico Public Education Department.

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 13, 2020 and determined there were no events that occurred that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

The District has implemented GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which became effective immediately upon issuance by GASB in May 2020. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of Statements No. 84, 89, 90, 91, 92, and 93 by twelve months and Statement No. 87 by eighteen months.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

The District is evaluating the requirements of the above statements and the impact on reporting.

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

***Budgetary Information***

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

*Budgetary Information (Continued)*

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

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed “operating” budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

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

*Budgetary Information (Continued)*

8. Legal budget control for expenditures is by function
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

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

The appropriated budget for the year ended June 30, 2020, was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

	<b>Excess (deficiency) of Revenues over Expenditures</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted funds		
General Fund - 11000, 13000, 14000	\$ (1,008,947)	\$ (1,523,338)
Entitlement IDEA-B - 24106	-	-
Bond Building Capital Projects - 31100	(12,582,448)	(12,582,448)
Public School Capital Outlay - 31200	-	-
Debt Service - 41000	(5,136,638)	(5,136,638)
Nonmajor governmental funds	(5,110,500)	(6,703,382)
	\$ (23,838,533)	\$ (25,945,806)

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

The accompanying statements of revenues, expenditures and changes in fund balance – budget (non-GAAP budgetary basis) and actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

*Budgetary Information (Continued)*

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2020 is presented. Reconciliations between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**NOTE 3: DEPOSITS AND INVESTMENTS**

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2020.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2020, \$3,208,630 of the District's bank balances of \$3,596,725 was exposed to custodial credit risk; \$3,208,630 was uninsured and collateralized by collateral held by the pledging bank's trust department, but not in the District's name. None of the District's deposits were uninsured and uncollateralized at June 30, 2020.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

	Pioneer Bank	Wells Fargo Bank	Total
Amount of deposits	\$ 3,510,471	\$ 86,254	\$ 3,596,725
FDIC coverage	(301,841)	(86,254)	(388,095)
Total uninsured public funds	3,208,630	-	3,208,630
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	3,208,630	-	3,208,630
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Collateral requirement (50%)	\$ 1,604,315	\$ -	\$ 1,604,315
Pledged securities	3,208,630	-	3,208,630
Over (under) collateralized	\$ 1,604,315	\$ -	\$ 1,604,315

The collateral pledged is listed on page 173 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the State of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

*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 securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the District for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

At June 30, 2020, the District's investment balances were exposed to custodial credit risk as follows:

<b>Overnight Repurchase Agreements</b>	<b>Pioneer Bank</b>	<b>Total</b>
Amount of deposits	\$ 49,595,455	\$ 49,595,455
Total uninsured public funds	49,595,455	49,595,455
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	49,595,455	49,595,455
Uninsured and uncollateralized	\$ -	\$ -
Collateral requirement (102% of uninsured-repurchase)	\$ 50,587,364	\$ 50,587,364
Pledged securities	56,641,293	56,641,293
Over (under) collateralized	\$ 6,053,929	\$ 6,053,929

**Reconciliation of Cash, Cash Equivalents, and Investments**

Cash and cash equivalents per statement of net position	\$ 43,287,103
Restricted cash and cash equivalents per statement of net position	6,372,177
Investments per statement of net position	2,759
Cash and cash equivalents per statement of fiduciary net position	1,095,454
Investments per statement of fiduciary net position	52,946
Total cash, cash equivalents, and investments	50,810,439
Add outstanding checks	2,386,195
Less petty cash	(590)
Less investments in LGIP	(3,864)
Bank balance of deposits and investments	\$ 53,192,180

**The Charter**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Charter's deposits may not be returned to it. The Charter does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2020, \$296,370 of the Charter's bank balances of \$546,370 was exposed to custodial credit risk; \$296,370 was uninsured and collateralized by collateral held by the pledging bank's trust department, but not in the Charter's name. None of the Charter's deposits were uninsured and uncollateralized at June 30, 2020.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

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

**The Charter (continued)**

	<b>Pioneer Bank</b>	<b>Total</b>
Amount of deposits	\$ 546,370	\$ 546,370
FDIC coverage	(250,000)	(250,000)
Total uninsured public funds	296,370	296,370
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Charter's name	296,370	296,370
Uninsured and uncollateralized	\$ -	\$ -
Collateral requirement (50%)	\$ 148,185	\$ 148,185
Pledged securities	500,000	500,000
Over (under) collateralized	\$ 351,815	\$ 351,815

The collateral pledged is listed on page 173 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the State of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

**Reconciliation of Cash, Cash Equivalents, and Investments**

Cash and cash equivalents per statement of net position	\$ 528,620
Cash and cash equivalents per the statement of fiduciary assets and	6,678
Total cash, cash equivalents, and investments	535,298
Add outstanding checks	11,072
Bank balance of deposits	\$ 546,370

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

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

**Investments**

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

As of June 30, 2020, the District had the following investments and maturities:

<b>Investment Type</b>	<b>Weighted Average Maturities (F)</b>	<b>Fair Value</b>	<b>Rating</b>
New MexiGROW LGIP	77 days (WAM(F))	\$ 3,864 *	AAAm **
Investments per schedule of deposits and investment accounts		\$ 3,864	

\* \$1,105 of this balance is agency funds

\*\* Based on Standard & Poor's rating

The investments are listed on Schedule of Deposits and Investment Accounts on pages 174-175 of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

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

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

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2020, are as follows:

	<b>General Fund</b>	<b>Entitlement IDEA-B</b>	<b>Debt Service Fund</b>
Property taxes	\$ 20,292	\$ -	\$ 341,558
Intergovernmental			
State	-	-	-
Federal	-	502,044	-
Other			
Miscellaneous	228,137	-	-
<b>Totals by fund</b>	<b>\$ 248,429</b>	<b>\$ 502,044</b>	<b>\$ 341,558</b>

	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Property taxes	\$ 119,514	\$ 481,364
Intergovernmental		
State	2,195,865	2,195,865
Federal	1,051,272	1,553,316
Other		
Miscellaneous	580	228,717
<b>Totals by fund</b>	<b>\$ 3,367,231</b>	<b>\$ 4,459,262</b>

The above receivables are deemed 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$386,405 that was not collected within the period of availability have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 4: ACCOUNTS RECEIVABLE (continued)**

**The Charter**

Accounts receivable as of June 30, 2020, are as follows:

	<b>Total</b>
Property taxes	\$ 780
Intergovernmental	-
Federal	23,824
<b>Totals by fund</b>	<b>\$ 24,604</b>

The above receivables are deemed 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$477 that was not collected within the period of availability have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The District records temporary interfund receivables and payables to enable the fund to operate until grant monies are received. The composition of interfund balances during the year ended June 30, 2020 is as follows:

<b>Governmental activities</b>	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
<b>General Fund</b>	\$ 12,307,087	\$ -
<b>Special Revenue Fund</b>		
Entitlement Idea-B	-	2,186,337
<b>Capital Projects Fund</b>		
Public School Capital Outlay		6,000,000
<b>Nonmajor Funds</b>		
Title I - ESEA	-	1,368,996
Migrant Children Education	-	9,000
Preschool IDEA-B	-	40,000
Education of Homeless	-	13,500
IDEA - Private Schools Share	-	14,025
CDC Healthy Schools	-	864
Title I - Striving Readers	-	179,500
Charter Schools	-	26,773
English Language Acquisition	-	89,955
Teacher/Principal Training & Recruiting	-	331,333
Immigrant Funding - Title III	-	67,910
Carl D Perkins Special Projects - Current	-	17,048
Carl Perkins Secondary - Current	-	85,018
Student Support Academic Achievement Title IV	-	124,300
Title I - Comprehensive Support and Improvement (CSI)	-	15,896
GO Library	-	21,051
Community Schools Planning Grant	-	19,940
Feminine Hygiene Products	-	4,858
Pre-K Initiative	-	1,185,126
Schools in Need of Improvement	-	30,757
Career Technical Education Program (Pilot)	-	47,484
Critical Thinking and Problem Solving	-	15,405
Capital Improvements SB-9 State	-	412,011
<b>Total</b>	<b>\$ 12,307,087</b>	<b>\$ 12,307,087</b>

The Charter's general fund also had an interfund receivable in the amount of \$21,031 due from the charter school special revenue fund. All interfund balances are intended to be repaid within one year. At June 30, 2020, there were no operating transfers made to close out funds.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 6: CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2020, follows. Land and construction in progress are not subject to depreciation.

<b>Governmental activities</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
Capital assets not being depreciated				
Land	\$ 2,477,313	\$ -	\$ -	\$ 2,477,313
Construction in progress	4,290,253	10,107,245	(1,656,422)	12,741,076
<b>Total capital assets not being depreciated</b>	<b>6,767,566</b>	<b>10,107,245</b>	<b>(1,656,422)</b>	<b>15,218,389</b>
Capital assets being depreciated				
Land improvements	18,033,498	1,172,996	(1,182,783)	18,023,711
Buildings and improvements	197,776,326	2,611,599	(1,656,422)	198,731,503
Furniture, fixtures and equipment	8,458,025	128,711	(122,193)	8,464,543
Intangibles	451,398	3,024	-	454,422
<b>Total capital assets being depreciated</b>	<b>224,719,247</b>	<b>3,916,330</b>	<b>(2,961,398)</b>	<b>225,674,179</b>
<b>Total capital assets</b>	<b>231,486,813</b>	<b>14,023,575</b>	<b>(4,617,820)</b>	<b>240,892,568</b>
Less accumulated depreciation				
Land improvements	11,707,185	776,069	(849,726)	11,633,528
Buildings and improvements	71,198,597	6,793,126	(1,274,711)	76,717,012
Furniture, fixtures and equipment	5,200,502	569,990	(99,465)	5,671,027
Intangibles	442,199	11,099	-	453,298
<b>Total accumulated depreciation</b>	<b>88,548,483</b>	<b>8,150,284</b>	<b>(2,223,902)</b>	<b>94,474,865</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 142,938,330</b>	<b>\$ 5,873,291</b>	<b>\$ (2,393,918)</b>	<b>\$ 146,417,703</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

Depreciation and amortization expense for the year ended June 30, 2020 was charged to the following functions:

Instruction	\$ 4,512,194
Support services - students	891,334
Support services - instruction	116,380
Support services - general administration	140,087
Support services - school administration	397,299
Central services	734,350
Operation and maintenance of plant	225,158
Student transportation	1,169
Other support services	702,706
Food service operations	429,607
<b>Total</b>	<b>\$ 8,150,284</b>

**Charter**

<b>Governmental activities</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
Capital assets being depreciated				
Land improvements	\$ 68,126	\$ -	\$ -	\$ 68,126
Furniture, fixtures and equipment	15,727	-	-	15,727
<b>Total capital assets being depreciated</b>	<b>83,853</b>	<b>-</b>	<b>-</b>	<b>83,853</b>
Less accumulated depreciation				
Land improvements	14,536	3,365	-	17,901
Furniture, fixtures and equipment	17,047	1,010	-	18,057
<b>Total accumulated depreciation</b>	<b>31,583</b>	<b>4,375</b>	<b>-</b>	<b>35,958</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 52,270</b>	<b>\$ (4,375)</b>	<b>\$ -</b>	<b>\$ 47,895</b>

Depreciation expense in the amount of \$4,375 was charged to Instruction in the statement of activities.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 7: LONG-TERM LIABILITIES**

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

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2020 are for governmental activities.

Bonds outstanding at June 30, 2020 are comprised of the following:

	<b>Series 2010</b>	<b>Series 2011</b>	<b>Series 2013</b>	<b>Series 2015 A</b>
Original issue	\$ 8,000,000	\$ 9,500,000	\$ 6,500,000	\$ 8,000,000
Principal	1-Aug	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb	1-Feb
	1-Aug	1-Aug	1-Aug	1-Aug
Interest rates	2.00% - 3.00%	2.00% - 3.00%	2.00% - 3.50%	2.00% - 4.00%
Maturity date	8/1/2022	8/1/2023	8/1/2028	8/1/2029

	<b>Series 2015 B</b>	<b>Series 2017 A</b>	<b>Series 2017 B</b>	<b>Series 2018</b>
Original issue	\$ 5,675,000	\$ 3,730,000	\$ 5,670,000	\$ 4,210,000
Principal	1-Aug	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb	1-Feb
	1-Aug	1-Aug	1-Aug	1-Aug
Interest rates	4.00%	3.00%	4.00%	3.00%-3.150%
Maturity date	8/1/2020	8/1/2032	8/1/2024	8/1/2033

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2020</b>	<b>Due Within One Year</b>	<b>Long-Term</b>
General Obligation Bonds	\$ 39,135,000	\$ -	\$ 4,760,000	\$ 34,375,000	\$ 4,735,000	\$ 29,640,000
Bond premium	1,272,925		270,826	1,002,099	181,687	820,412
Bond discount	(90,074)		(12,651)	(77,423)	(9,178)	(68,245)
Compensated absences	608,160	520,856	495,133	633,883	533,008	100,875
<b>Total long-term debt</b>	<b>\$ 40,926,011</b>	<b>\$ 520,856</b>	<b>\$ 5,513,308</b>	<b>\$ 35,933,559</b>	<b>\$ 5,440,517</b>	<b>\$ 30,493,042</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM LIABILITIES (Continued)**

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2020, including interest payments, are as follows:

**GO Bond Series 2010**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 1,300,000	\$ 105,000	\$ 1,405,000
2022	1,400,000	64,500	1,464,500
2023	1,450,000	21,750	1,471,750
	\$ 4,150,000	\$ 191,250	\$ 4,341,250

**GO Bond Series 2011**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 1,500,000	\$ 172,500	\$ 1,672,500
2022	1,500,000	127,500	1,627,500
2023	1,625,000	80,625	1,705,625
2024	1,875,000	28,175	1,903,175
	\$ 6,500,000	\$ 408,800	\$ 6,908,800

**GO Bond Series 2013**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ -	\$ 172,250	\$ 172,250
2022	575,000	163,625	738,625
2023	600,000	146,000	746,000
2024	600,000	128,000	728,000
2025	700,000	108,500	808,500
2026-2029	2,800,000	196,000	2,996,000
	\$ 5,275,000	\$ 914,375	\$ 6,189,375

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM LIABILITIES (Continued)**

**GO Bond Series 2015A**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 200,000	\$ 234,500	\$ 434,500
2022	200,000	230,500	430,500
2023	400,000	226,500	626,500
2024	875,000	210,500	1,085,500
2025	900,000	175,500	1,075,500
2026-2030	4,500,000	405,000	4,905,000
	\$ 7,075,000	\$ 1,482,500	\$ 8,557,500

**GO Bond Series 2015B**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 750,000	\$ 30,000	\$ 780,000
	\$ 750,000	\$ 30,000	\$ 780,000

**GO Bond Series 2017A**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 80,000	\$ 93,813	\$ 173,813
2022	20,000	92,313	112,313
2023	45,000	91,338	136,338
2024	165,000	88,188	253,188
2025	355,000	80,388	435,388
2026-2030	1,420,000	219,728	1,639,728
2031-2033	1,440,000	75,150	1,515,150
	\$ 3,525,000	\$ 740,918	\$ 4,265,918

**GO Bond Series 2017B**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 855,000	\$ 99,700	\$ 954,700
2022	1,185,000	58,900	1,243,900
2023	60,000	34,000	94,000
2024	820,000	16,400	836,400
	\$ 2,920,000	\$ 209,000	\$ 3,129,000

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM LIABILITIES (Continued)**

**GO Bond Series 2018**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 50,000	\$ 123,373	\$ 173,373
2022	60,000	121,723	181,723
2023	270,000	116,773	386,773
2024	150,000	110,473	260,473
2025	365,000	102,748	467,748
2026-2030	1,460,000	303,498	1,763,498
2031-2034	1,825,000	140,799	1,965,799
	<u>\$ 4,180,000</u>	<u>\$ 1,019,387</u>	<u>\$ 5,199,387</u>

*Compensated Absences* – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, compensated absences increased \$25,723 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

**NOTE 8: RISK MANAGEMENT**

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

In case the NMPSIA’s assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2020, there have been no claims that have exceeded insurance coverage.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

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

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

- A. Deficit fund balance of individual funds. The District had the following funds that maintained a deficit fund balance at June 30, 2020:

<b>District</b>	
<b>General Fund</b>	
Transportation	\$ (6,256)
<hr/>	
<b>Nonmajor Funds</b>	
Migrant Children Education	\$ (740)
Schools in Need of Improvement	(30,757)
Capital Improvements SB-9 State	(416,559)
<hr/>	
Total governmental funds	\$ (448,056)
<hr/>	

The Charter maintained no deficit fund balance at June 30, 2020.

- B. Excess of expenditures over appropriations. The District and Charter had no funds with excess of expenditures over appropriations for the year ended June 30, 2020.
- C. Designated cash appropriations in excess of available balance. The District and Charter had no designated cash appropriations in excess of available balances for the year ended June 30, 2020.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN—EDUCATIONAL 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 Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

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

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

*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. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member’s age and earned service credit add up to the sum or 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 that date was refunded all member contributions and then became, or becomes, reemployed 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.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

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 NMERB 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; the member's age and earned service credit add up to the sum of 80 or more; or the member's age is 67 and has earned five or more years of service credit.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

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 10.00% COLA reduction; their average COLA will be 1.50%. 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 5.00% COLA reduction; their average COLA will be 1.70%.

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

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

*Contributions* - The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2019 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2018 employers contributed 13.90%, and employees earning 20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 continued contributing at an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District and the Charter were \$8,432,017 and \$56,815, respectively, for the year ended June 30, 2020.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2018. At June 30, 2019, the District and the Charter reported a liability of \$139,223,083 and \$937,312, respectively, for its proportionate share of the net pension liability. The District’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2019. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2019, the District’s proportion was 1.83737 percent, which was an increase of 0.09627 percent from its proportion measured as of June 30, 2018. At June 30, 2019, the Charter’s proportion was .01237 percent, which was a decrease of .00012 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District and the Charter recognized pension benefit of (39,762,524) and (\$298,123), respectively.

At the June 30, 2020, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ -	\$ 3,648,850
Net difference between projected and actual earnings on pension plan investments	-	2,964,985
Changes in proportion and differences between District contributions and proportionate share of contribution	8,467,789	815,719
Changes in assumptions	19,616,867	-
District's contributions subsequent to the measurement date	8,432,017	-
<b>Total</b>	<b>\$ 36,516,673</b>	<b>\$ 7,429,554</b>

\$8,432,017 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2019, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

**The Charter**

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ -	\$ 24,566
Net difference between projected and actual earnings on pension plan investments	-	19,962
Changes in proportion and differences between District contributions and proportionate share of contribution	51,913	91,653
Changes in assumptions	132,070	-
Charter's contributions subsequent to the measurement date	56,815	-
<b>Total</b>	<b>\$ 240,798</b>	<b>\$ 136,181</b>

\$56,815 reported as deferred outflows of resources related to pensions resulting from Charter contributions subsequent to the measurement date of June 30, 2019, 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:

**Primary Government**

<b>Year ended June 30</b>		
2019	\$	18,543,337
2020		1,509,485
2021		988,785
2022		(386,505)
<b>Total</b>	<b>\$</b>	<b>20,655,102</b>

**The Charter**

<b>Year ended June 30</b>		
2019	\$	87,412
2020		(30,496)
2021		(6,512)
2022		(2,602)
<b>Total</b>	<b>\$</b>	<b>47,802</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

*Actuarial assumptions* - The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2018. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2019 using generally accepted actuarial principles. The roll forward incorporated the recent legislation changes that were not available for the actuarial valuation performed as of June 30, 2018 but were made during the fiscal year. Specifically, the total pension liability measured as of June 30, 2019 incorporates the following changes to the Plan's provisions:

1. Employers contribute 0.25% more per employees,
2. Short-term substitute teachers working over quarter time and their employers make contributions,
3. Members beginning employment on or after July 1, 2019 have a new tiered retirement calculation increasing the credited service requirement to receive a full benefit,
4. Members who are New Mexico Public Employees Retirement Association are required to make non-refundable contributions,
5. Return to work members are required to make non-refundable contributions, and
6. Reduction of pay spiking in the final average salary calculation.

**State of New Mexico  
Roswell Independent School District No. 4  
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**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market
Inflation	2.5%
Salary Increase	Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.25%
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.
Mortality	<p>Healthy males: RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB from the table’s base year of 2000.</p> <p>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.</p>
Other Information	House Bill 360 enacted several changes effective July 1, 2019. The changes included benefit provision for new hires and employer contributions.

The target long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

**State of New Mexico  
Roswell Independent School District No. 4  
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**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted on August 26, 2016.

<b>Asset Class</b>	<b>Allocation</b>	<b>Policy Target</b>
<b>Equities</b>		
<i>Domestic Equities</i>		
Large cap equities	15.10%	16.00%
Small- mid cap equities	2.20%	3.00%
<i>Total domestic</i>	17.30%	19.00%
<i>International Equities</i>		
Developed	4.80%	5.00%
Emerging markets	9.20%	9.00%
<i>Total international</i>	14.00%	14.00%
<b>Total equities</b>	31.30%	33.00%
<b>Fixed Income</b>		
Opportunistic credit	17.80%	18.00%
Core bonds	6.40%	6.00%
Emerging market debt	1.70%	2.00%
<b>Total fixed income</b>	25.90%	26.00%
<b>Alternatives</b>		
Real estate - REITS	6.80%	7.00%
Real assets	7.80%	8.00%
Private equity	15.20%	13.00%
Global asset allocation	4.10%	4.00%
Risk parity	5.40%	3.00%
Other	2.50%	5.00%
<b>Total alternatives</b>	41.80%	40.00%
<b>Cash</b>	1.00%	1.00%
<b>Total</b>	100.00%	100.00%

**State of New Mexico**  
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**NOTE 10: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)**

For the years ended June 30, 2019 the annual money-weighted rates of return on pension plan investments was 7.29%.

*Discount rate* - A single discount rate of 7.25% was used to measure the total ERB pension liability as of June 30, 2019. This single discount rate was based on an expected rate of return on pension plan investments of 7.25%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2050 and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2019. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

<b>Primary Government</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District's proportionate share of the net pension liability	\$ 187,940,500	\$ 139,223,083	\$ 98,929,148

<b>Component Unit</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Charter's proportionate share of the net pension liability	\$ 1,265,300	\$ 937,312	\$ 666,035

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued audited financial statements as of and for the year ended June 30, 2019, which is publicly available at [www.nmerb.org](http://www.nmerb.org).

*Payables to the pension plan* - The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15<sup>th</sup> day of the month following the month for which contributions are withheld. At June 30, 2020, the District and the Charter owed the ERB \$1,517,320 and \$9,724, respectively, for the contributions withheld in the month of June 2020.

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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND**

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

*Plan Description* - Substantially all of the District's full-time employees are provided with other post-employment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-16, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

The purpose is to provide 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 consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of eligible retirees.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during the period of time made contributions as a participant in plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the NMRHCA at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

*Benefits provided* - The Act authorizes the NMRHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars (\$5) if the eligible participant retired prior to the employer's effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the NMRHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

*Contributions* - The employer, employee and retiree contributions are required to be remitted to the NMRHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the fund in the amount determined to be appropriate by the Board.

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**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND  
(Continued)**

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2019, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C- 5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Act.

The District's and the Charter's contributions to the plan for the year ended June 30, 2019 totaled \$1,218,604 and \$8,031, respectively, which equals the required contributions for the year.

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

At June 30, 2019, the District and the Charter reported a liability of \$39,352,224 and \$264,903, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 1.21368 percent which was an increase of .08525 percent from June 30, 2018. At June 30, 2019, the Charter's proportion was .00817 percent which was the same percent as June 30, 2018.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND**  
**(Continued)**

For the year ended June 30, 2020, the District recognized OPEB benefit of (\$2,539,966). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 12,700,997
Net difference between projected and actual earnings on OPEB plan investments	-	365,879
Changes in proportion and differences between contributions and proportionate share of contributions	3,837,696	1,109,984
District's contributions subsequent to the measurement date	1,218,604	-
Differences between expected and actual experience	-	9,903,018
<b>Total</b>	<b>\$ 5,056,300</b>	<b>\$ 24,079,878</b>

\$1,218,604 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2020	\$	(5,691,505)
2021		(5,691,505)
2022		(4,902,441)
2023		(2,709,921)
2024		(1,246,810)
<hr/>		
<b>Total</b>	<b>\$</b>	<b>(20,242,182)</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND**  
**(Continued)**

For the year ended June 30, 2020, the Charter recognized OPEB benefit of \$30,995. At June 30, 2020, the Charter reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ -	\$ 85,500
Net difference between projected and actual earnings on OPEB plan investments	-	2,462
Changes in proportion and differences between contributions and proportionate share of contributions	-	39,798
Charter's contributions subsequent to the measurement date	8,031	-
Differences between expected and actual experience	-	66,663
<b>Total</b>	<b>\$ 8,031</b>	<b>\$ 194,423</b>

\$8,031 reported as deferred outflows of resources related to OPEB resulting from the Charter's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ (52,570)
2021	(52,570)
2022	(47,258)
2023	(30,068)
2024	(11,957)
<b>Total</b>	<b>\$ (194,423)</b>

**State of New Mexico  
Roswell Independent School District No. 4  
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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND  
(Continued)**

*Actuarial assumptions* - The total OPEB liability in the June 30, 2019 actuarial valuation was determined by an actuarial valuation as of June 30, 2019. The mortality, retirement, disability, turnover and salary increase assumptions are based on the PERA annual valuation as of June 30, 2018 and the ERB actuarial experience study as of June 30, 2018. The following actuarial assumptions were applied to the actuary's measurement:

Valuation Date	June 30, 2019
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 member, 2.25% for PERA members
Projected payroll increase	3.25% to 13.50% 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 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Mortality Tables with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females)
	PERA members: RP-2000 Combined Healthy Mortality

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

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND  
(Continued)**

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

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

*Discount rate* - The discount rate used to measure the total OPEB liability is 4.16% as of June 30, 2019. 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, 2039. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2039. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2039, resulting in a blended discount rate of 4.16%.

*Basis for Allocation* - The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2019.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND**  
**(Continued)**

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate -*  
The following presents the District's proportionate share of the net OPEB liability, calculated using the discount rate of 4.16%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

<b>1% Decrease (3.16%)</b>	<b>Current Discount Rate (4.16%)</b>	<b>1% Increase (5.16%)</b>
\$ 48,137,254	\$ 39,352,224	\$ 32,446,363

The following presents the net OPEB liability of the Charter, as well as what the Charter's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

<b>1% Decrease (3.16%)</b>	<b>Current Discount Rate (4.16%)</b>	<b>1% Increase (5.16%)</b>
\$ 324,040	\$ 264,903	\$ 218,416

The following presents the Net OPEB Liability of NMRHCA as of June 30, 2019, as well as what the Fund's Net OPEB Liability would be if it were calculated using a health cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the health cost trend rates used:

<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
\$ 32,763,263	\$ 39,352,224	\$ 44,627,620

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

<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
\$ 220,549	\$ 264,903	\$ 300,415

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**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND  
(Continued)**

*OPEB plan fiduciary net position* - Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2019. Additional financial information is available at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us) or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

*Payables to the Pension Plan* - The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2020, the District recorded a payable to NMRHCA in the amount of \$214,957 and \$1,374, respectively, for the contributions withheld in the month of June 2020, which is included in the Accrued Payroll on the Statement of Net Position.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

During the ordinary course of its operation, the District is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the District, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the District or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts not recorded, if any, to be immaterial.

The District had a construction project ongoing for the Del Norte project as of the year ended June 30, 2020 that is to continue into the following fiscal year. The balance to complete the project is \$2,218,418.

**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.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 14: RESTRICTED NET POSITION**

The government-wide statement of net position reports \$20,047,628 and \$49,984, respectively, of restricted net position for the District and the Charter, all of which is restricted by enabling legislation. For descriptions of the related restrictions for net position restricted for special revenue, debt service and capital projects, see pages 45-46 and 116-123.

**NOTE 15: FUND BALANCES**

	Nonspendable	Restricted	Committed	Unassigned
<b>General Fund -11000, 13000, 14000</b>				
Subsequent year's expenditures	\$ -	\$ -	\$ 5,459,717	\$ -
Investments	-	-	-	-
Inventory	347,048	-	-	-
Prepaid expense	162,831	-	-	-
Unassigned	-	22,508	-	12,678,263
<b>Total General Fund</b>	<b>509,879</b>	<b>22,508</b>	<b>5,459,717</b>	<b>12,678,263</b>
<b>Entitlement IDEA-B - 24106</b>				
Prepaid expense	1,637	-	-	-
Educational services	-	95,964	-	-
<b>Total Food Service Fund</b>	<b>1,637</b>	<b>95,964</b>	<b>-</b>	<b>-</b>
<b>Bond Building Capital Projects - 31100</b>				
Capital acquisitions and improvements	-	7,961,056	-	-
<b>Debt Service - 41000</b>				
Debt Service	-	6,413,795	-	-
<b>Nonmajor Funds</b>				
Inventory	331,701	-	-	-
Prepaid expense	376,052	-	-	-
Capital acquisitions and improvements	-	3,334,529	-	-
Extracurricular	-	5,878,679	-	-
Education	-	4,929,571	-	-
Unassigned (deficit)	-	-	-	(585,079)
<b>Total Nonmajor Funds</b>	<b>707,753</b>	<b>14,142,779</b>	<b>-</b>	<b>(585,079)</b>
<b>Total fund balances</b>	<b>\$ 1,219,269</b>	<b>\$ 28,636,102</b>	<b>\$ 5,459,717</b>	<b>\$ 12,093,184</b>

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 16: TAX ABATEMENTS**

The District has the following tax abatement agreements:

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Financial Statements**

**NOTE 16: TAX ABATEMENTS (Continued)**

Agency number for Agency making the disclosure (Disclosing Agency)	6148	6148
Disclosing Agency Name	City of Roswell	City of Roswell
Disclosing Agency Type	Municipality	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Roswell Independent School District	Roswell Independent School District
Agency number of Affected Agency	7072	7072
Agency type of Affected Agency	Public Schools	Public Schools
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Recipient(s) of tax abatement	Christmas by Krebs, Inc.	Leprino Foods Company
Tax abatement program (name and brief description)	Industrial Revenue Bonds	Industrial Revenue Bonds
Specific Tax Being Abated	Property Tax	Property Tax
Authority under which abated tax is paid to Affected Agency	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$15,564	\$112,656
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

**State of New Mexico  
Roswell Independent School District No. 4  
Notes to Financial Statements**

**NOTE 16: TAX ABATEMENTS (Continued)**

Agency number for Agency making the disclosure (Disclosing Agency)	6148	6148
Disclosing Agency Name	City of Roswell	City of Roswell
Disclosing Agency Type	Municipality	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	7072	Roswell Independent School District
Agency number of Affected Agency	Roswell Independent School District	7072
Agency type of Affected Agency	Public Schools	Public Schools
Tax Abatement Agreement Name	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Recipient(s) of tax abatement	Altus Power America	Sunrise Energy Ventures
Tax abatement program (name and brief description)	Industrial Revenue Bonds	Industrial Revenue Bonds
Specific Tax Being Abated	Property Tax	Property Tax
Authority under which abated tax is paid to Affected Agency	City Industrial Revenue Bond Act, Section 3-32-1 to 3-32-16, NMSA 1978	City Industrial Revenue Bond Act, Sections 3-32-1 to 3-32-16, NMSA 1978
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$43,305	0 (Have not received property list to add value)
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

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## **Required Supplementary Information**

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

	June 30,	
Fiscal Year	2020	2019
Measurement Date	2019	2018
Proportion of the net pension liability (asset)	1.83737%	1.74110%
Proportionate share of the net pension liability (asset)	\$ 139,223,083	\$ 205,019,624
Covered payroll	53,716,889	48,187,766
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	259.18%	425.46%
Plan fiduciary net position as a percentage of the total pension liability	64.13%	52.17%

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

*See notes to required supplementary information.*

June 30,			
2018	2017	2016	2015
2017	2016	2015	2014
1.74726%	1.69377%	1.69413%	1.69934%
\$ 194,181,183	\$ 121,891,033	\$ 109,733,312	\$ 96,959,771
49,706,365	46,255,176	48,088,200	46,835,547
390.66%	263.52%	228.19%	207.02%
52.95%	61.58%	63.97%	66.54%

*See notes to required supplementary information.*

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of the Contributions**  
**Educational Retirement Board (ERB) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 8,432,017	\$ 7,450,410
Contributions in relation to the contractually required contribution	8,432,017	7,450,410
Contribution deficiency (excess)	-	-
Covered payroll	59,471,460	53,716,889
Contributions as a percentage of covered payroll	14.18%	13.87%

\* This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10) year trend is compiled, the District will present information for those years for which information is available.

*See notes to required supplementary information.*

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	6,695,714	\$ 6,908,542	\$ 6,429,469	\$ 6,684,260
	6,695,714	6,908,542	6,429,469	6,684,260
	-	-	-	-
	48,187,766	49,706,365	46,255,176	48,088,200
	13.90%	13.90%	13.90%	13.90%

*See notes to required supplementary information.*

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

	June 30,	
Fiscal Year	2020	2019
Measurement Date	2019	2018
The Charter's Proportion of the net pension liability (asset)	0.01237%	0.01249%
The Charter's Proportionate share of the net pension liability (asset)	\$ 937,312	\$ 1,485,227
The Charter's Covered payroll	361,513	349,037
The Charter's proportionate share of the net pension liability (asset) as a percentage of covered payroll	259.27%	425.52%
Plan fiduciary net position as a percentage of the total pension liability	64.13%	52.17%

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

*See notes to required supplementary information.*

June 30,			
2018	2017	2016	2015
2017	2016	2015	2014
0.01397%	0.01223%	0.01237%	0.01126%
\$ 1,552,552	\$ 880,124	\$ 801,238	\$ 642,457
397,882	337,741	351,514	310,302
390.20%	260.59%	227.94%	207.04%
52.95%	61.58%	63.97%	66.54%

*See notes to required supplementary information.*

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of the Contributions**  
**Educational Retirement Board (ERB) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>
The Charter's contractually required contribution	\$ 56,815	\$ 50,251
The Charter's contributions in relation to the contractually required contribution	56,815	50,251
The Charter's contribution deficiency (excess)	-	-
The Charter's covered payroll	400,478	361,513
The Charter's contributions as a percentage of covered payroll	14.19%	13.90%

\* This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10) year trend is compiled, the Charter will present information for those years for which information is available.

*See notes to required supplementary information.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 48,517	\$ 55,306	\$ 46,946	\$ 48,861
48,517	55,306	46,946	48,861
-	-	-	-
349,037	397,882	337,741	351,514
13.90%	13.90%	13.90%	13.90%

*See notes to required supplementary information.*

**State of New Mexico**  
**Roswell Independent School District**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**New Mexico Retiree Health Care Authority (NMRHCA) Plan**  
**Last 10 Fiscal Years\***

<b>Fiscal Year</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Measurement Date</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
The District's proportion of the net OPEB liability	1.21368%	1.12843%	1.15911%
The Districts's proportionate share of the net OPEB liability	\$ 39,352,224	\$ 49,068,140	\$ 52,527,075
The Districts's covered-employee payroll	\$ 53,713,135	\$ 48,184,274	\$ 49,811,566
The Districts's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	73.26%	101.83%	105.45%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

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

*See notes to required supplementary information .*

**State of New Mexico**  
**Roswell Independent School District**  
**Schedule of Contributions**  
**New Mexico Retiree Health Care Authority (NMRHCA) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contributions	\$ 1,218,604	\$ 1,040,451	\$ 962,487
Contributions in relation to the contractually required contribution	(1,218,604)	(1,040,451)	(962,487)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
The District's covered-employee payroll	\$ 59,471,460	\$ 53,713,135	\$ 48,184,274
Contributions as a percentage of covered-employee payroll	2.05%	1.94%	2.00%

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

*See notes to required supplementary information.*

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

<b>Fiscal Year</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Measurement Date</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
The Charter's proportion of the net OPEB liability	0.00817%	0.00817%	0.00927%
The Charters's proportionate share of the net OPEB liability	\$ 264,903	\$ 355,261	\$ 420,086
The Charters's covered-employee payroll	\$ 361,513	\$ 349,037	\$ 397,882
The Charters's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	73.28%	101.78%	105.58%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

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

*See notes to required supplementary information .*

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

<b>As of and for the Year Ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
The Charter's contractually required contributions	\$ 8,031	\$ 7,231	\$ 6,981
The Charter's contributions in relation to the contractually required contribution	(8,031)	(7,231)	(6,981)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
The District's covered-employee payroll	\$ 400,478	\$ 361,513	\$ 349,037
Contributions as a percentage of covered-employee payroll	2.01%	2.00%	2.00%

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

*See notes to required supplementary information.*

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Required Supplementary Information**

**Education Retirement Board (ERB) Plan**

*Changes of benefit terms.* The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

*Changes of assumptions.* There were no assumption changes since the last actuary valuation.

**New Mexico Retiree Health Care Authority (NMRHCA) Plan**

*Changes of benefit terms.* The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY19 audit available at

[https://www.nmrhca.org/wpcontent/uploads/2020/08/FY19\\_Financial\\_Audit.pdf](https://www.nmrhca.org/wpcontent/uploads/2020/08/FY19_Financial_Audit.pdf).

*Changes of assumptions.* The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2019 report is available at

[https://www.nmrhca.org/wpcontent/uploads/2020/08/NMRHCA\\_GASB74\\_Report\\_as\\_of\\_June\\_30\\_2019\\_FINAL.pdf](https://www.nmrhca.org/wpcontent/uploads/2020/08/NMRHCA_GASB74_Report_as_of_June_30_2019_FINAL.pdf). See the notes to the financial statements beginning on page 25 which summarizes actuarial assumptions and methods effective with the June 30, 2019 valuation.

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## **Supplementary Information**

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## **Nonmajor Governmental Funds**

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (continued)**

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

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

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

**Charter Schools (24146)** – The program supports startup of new charter schools and the replication and expansion of high-quality charter schools. Charter schools increase educational options for parents and students and, in exchange for stricter academic accountability, are exempt from many statutory and regulatory requirements. Funds also support State efforts to improve charter schools' access to facilities.

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (continued)**

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

**Carl Perkins Special Projects - Current (24171) and Carl D Perkins Special Projects - PY Unliq. Obligations (24172)** – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning

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

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

**Title I - Comprehensive Support and Improvement (CSI) (24190)** – – To provide targeted, planned intervention in state identified schools, in order to promote school wide positive results. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

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

**Title XIX Medicaid 3/21 Years (25153)** – This fund is used to account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for the creation of this fund is the Social Security Act, Title XIX.

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (continued)**

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

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

**2009 Dual Credit Instructional Materials/HB2 (27103)** – SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. The authority for creation of this fund is the New Mexico Public Education Department.

**G.O. 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, 2<sup>nd</sup> Session, 2012 Senate and House Bill.

**Instructional Materials - Special Appropriations (27109)** – The purpose of this grant award is provide high-quality, culturally and linguistically relevant instructions materials. The funding was made available through special and supplemental appropriations passed during the 2019 legislative session.

**Community Schools Planning Grant (27126)** – The New Mexico Public Education Department (PED) made funding available for the Community Schools Act. The General Appropriation Act of 2020 provides PED with State funding for community school initiatives in New Mexico. Funds for community school initiatives shall be used to establish, operate, and sustain the community school framework pursuant to Section 22-32-4, NMSA 1978.

**Feminine Hygiene Products (27130)** – To provide free “female sanitary products” in the school restrooms. The funding was made available through the 2019 legislative appropriations HB21.

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (continued)**

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

**K-5 Plus Transportation (27152)** – The purpose of this grant award is to provide transportation for the K-5 plus program. The funding was made available through the 2019 legislative appropriations HB5.

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

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

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

**K-3 Plus 4&5 PILOT (27198)** – The purpose of this grant award is to provide for the summer 2018 4&5 pilot program. The funding was made available through legislative appropriations.

**Career Technical Education Program (Pilot) (27502)** – The purposes of the Next Gen CTE Pilot are to support Local Educational Agencies with the cost of Career Technical Education (“CTE”) programs of study, to provide relevant career exploration, and to provide other CTE-related supports. This funding was made available through New Mexico State Legislation appropriations NM Laws of 2019, Section IV, Item (b); Section V, Item (103).

**Critical Thinking and Problem Solving (27517)** – The purpose of this program is support STEM programs promoting critical thinking, problem solving and teamwork skills.

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (continued)**

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

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

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

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

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

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

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

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**CAPITAL PROJECTS FUNDS**

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

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

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

**SB-9 State Match Cash (31703)** – To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

**Charter School Funds**

**Challenge Foundation (26138)** – To provide opportunities for academic enrichment and to encourage positive change in New Mexico classrooms. The authority for creation of this fund in the New Mexico Public Education Department.

**Walter Family Foundation (26148)** – This fund initiative is focused on education, workforce development, economic opportunity, environmental sustainability, and health and wellness. The authority for creation of this fund is in the State of New Mexico PED Policies and Procedures Manual.

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

**Instructional Materials GAA of 2019 (27109)** – The purpose of this grant award is provide high-quality, culturally and linguistically relevant instructions materials. The funding was made available through special and supplemental appropriations passed during the 2019 legislative session.

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

**Public Schools Capital Outlay (31200)** – To account for the state resources to provide reimbursement for rent facilities. Funding authority is the New Mexico Public Education Department.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Nonmajor Governmental Fund Descriptions**

**Charter School Funds (continued)**

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

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

**SB-9 Capital Improvement (31703)** – To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	Special Revenue			
	Food Services Fund 21000	Athletics 22000	Title I - ESEA 24101	Migrant Children Education 24103
<b>June 30, 2020</b>	<b>21000</b>	<b>22000</b>	<b>24101</b>	<b>24103</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,048,971	\$ 479,342	\$ 175,362	\$ 1,403
Receivables				
Property taxes	-	-	-	-
Intergovernmental	290,500	-	1,188,585	6,857
Other	-	580	-	-
Inventory	331,701	-	-	-
Prepaid expenses	713	-	358,460	-
Total assets	\$ 5,671,885	\$ 479,922	\$ 1,722,407	\$ 8,260
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 21,586	\$ -	\$ 6,980	\$ -
Accrued payroll	251,542	-	111,877	-
Due to other funds	-	-	1,368,996	9,000
Total liabilities	273,128	-	1,487,853	9,000
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund balances</b>				
Nonspendable	332,414	-	358,460	-
Spendable				
Restricted	5,066,343	479,922	-	-
Unassigned (deficit)	-	-	(123,906)	(740)
Total fund balances	5,398,757	479,922	234,554	(740)
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,671,885	\$ 479,922	\$ 1,722,407	\$ 8,260

Special Revenue

Preschool IDEA-B 24109	Education of Homeless 24113	IDEA - Private Schools Share 24115	CDC Healthy Schools 24130	Title I - Striving Readers 24145	Charter Schools 24146
\$ 37,317	\$ 11,018	\$ 14,025	\$ -	\$ 80,665	\$ -
-	-	-	-	-	-
15,099	2,482	-	864	93,890	26,773
-	-	-	-	-	-
-	-	-	-	9,410	-
<u>\$ 52,416</u>	<u>\$ 13,500</u>	<u>\$ 14,025</u>	<u>\$ 864</u>	<u>\$ 183,965</u>	<u>\$ 26,773</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,512	-	-	-	4,465	-
40,000	13,500	14,025	864	179,500	26,773
<u>43,512</u>	<u>13,500</u>	<u>14,025</u>	<u>864</u>	<u>183,965</u>	<u>26,773</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,410	-
8,904	-	-	-	-	-
-	-	-	-	(9,410)	-
<u>8,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 52,416</u>	<u>\$ 13,500</u>	<u>\$ 14,025</u>	<u>\$ 864</u>	<u>\$ 183,965</u>	<u>\$ 26,773</u>

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	Special Revenue			
	English Language Acquisition <b>24153</b>	Teacher/ Principal Training & Recruiting <b>24154</b>	Immigrant Funding - Title III <b>24163</b>	Carl Perkins Special Projects - Current <b>24171</b>
<b>June 30, 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 66,606	\$ 195,245	\$ 44,400	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	23,349	158,424	23,510	18,503
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	3,942	-	-
<b>Total assets</b>	<b>\$ 89,955</b>	<b>\$ 357,611</b>	<b>\$ 67,910</b>	<b>\$ 18,503</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 150	\$ -	\$ -
Accrued payroll	-	25,893	-	1,455
Due to other funds	89,955	331,333	67,910	17,048
<b>Total liabilities</b>	<b>89,955</b>	<b>357,376</b>	<b>67,910</b>	<b>18,503</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	-	3,942	-	-
Spendable				
Restricted				
Unassigned (deficit)	-	(3,707)	-	-
<b>Total fund balances</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 89,955</b>	<b>\$ 357,611</b>	<b>\$ 67,910</b>	<b>\$ 18,503</b>

Special Revenue

Carl D Perkins Special Projects - PY Unliq. Obligations 24172	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175	Carl D Perkins Secondary - Redistribution 24176	Student Support Academic Achievement Title IV 24189	Title I - Comprehensive Support and Improvement (CSI) 24190
\$ -	\$ 65,134	\$ -	\$ -	\$ 107,147	\$ -
-	-	-	-	-	-
-	19,884	-	-	21,737	15,896
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 85,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,884</u>	<u>\$ 15,896</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	4,584	-
-	85,018	-	-	124,300	15,896
-	85,018	-	-	128,884	15,896
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 85,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,884</u>	<u>\$ 15,896</u>

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	Special Revenue			
	Title I - Direct Student Services 24193	Title XIX Medicaid 3/21 Years 25153	PNM Foundation, Inc. 26123	Daniels Fund 26141
<b>June 30, 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 3,172,975	\$ 505	\$ 50,528
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	289,512	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	3,527	-	-
Total assets	\$ -	\$ 3,466,014	\$ 505	\$ 50,528
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,629	\$ -	\$ -
Accrued payroll	-	60,780	-	-
Due to other funds	-	-	-	-
Total liabilities	-	62,409	-	-
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	3,527	-	-
Spendable				
Restricted	-	3,400,078	505	50,528
Unassigned (deficit)	-	-	-	-
Total fund balances	-	3,403,605	505	50,528
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 3,466,014	\$ 505	\$ 50,528

Special Revenue

A+ for Energy 26179	2009 Dual Credit Instructional Materials/HB2 27103	GO Library 27107	Instructional Materials - Special Appropriations 27109	Excellence in Teaching Awards 27125	Community Schools Planning Grant 27126
\$ 2,181	\$ -	\$ 21,051	\$ 786,569	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	23,277
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,181</u>	<u>\$ -</u>	<u>\$ 21,051</u>	<u>\$ 786,569</u>	<u>\$ -</u>	<u>\$ 23,277</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	3,337
-	-	21,051	-	-	19,940
-	-	21,051	-	-	23,277
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,181	-	-	786,569	-	-
-	-	-	-	-	-
<u>2,181</u>	<u>-</u>	<u>-</u>	<u>786,569</u>	<u>-</u>	<u>-</u>
<u>\$ 2,181</u>	<u>\$ -</u>	<u>\$ 21,051</u>	<u>\$ 786,569</u>	<u>\$ -</u>	<u>\$ 23,277</u>

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	Special Revenue			
	Feminine Hygiene Products 27130	Truancy Initiative PED 27141	Pre-K Initiative 27149	K-5 Plus Transportation 27152
<b>June 30, 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 961	\$ 386,609	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	4,858	-	960,219	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total assets</b>	<b>\$ 4,858</b>	<b>\$ 961</b>	<b>\$ 1,346,828</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	161,702	-
Due to other funds	4,858	-	1,185,126	-
<b>Total liabilities</b>	<b>4,858</b>	<b>-</b>	<b>1,346,828</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Spendable				
Restricted	-	961	-	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>961</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,858</b>	<b>\$ 961</b>	<b>\$ 1,346,828</b>	<b>\$ -</b>

Special Revenue

Breakfast for Elementary Students 27155	Schools in Need of Improvement 27163	NM Grown FFV 27183	K3 Plus 4&5 Pilot 27198	Career Technical Education Program (Pilot) 27502	Critical Thinking and Problem Solving 27517
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	47,484	15,405
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,484</u>	<u>\$ 15,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	30,757	-	-	47,484	15,405
-	30,757	-	-	47,484	15,405
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(30,757)	-	-	-	-
-	(30,757)	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,484</u>	<u>\$ 15,405</u>

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	<b>Special Revenue</b>			
<b>June 30, 2020</b>	<b>Early Intervention CYFD 28108</b>	<b>ASSIST Tobacco DOH 28122</b>	<b>Coordinated Approach to Child Health 28140</b>	<b>Medicaid HSD 28144</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 11,673	\$ 578	\$ 1,542	\$ 1,573
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total assets</b>	<b>\$ 11,673</b>	<b>\$ 578</b>	<b>\$ 1,542</b>	<b>\$ 1,573</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	1,356	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>1,356</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Spendable				
Restricted	10,317	578	1,542	1,573
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>10,317</b>	<b>578</b>	<b>1,542</b>	<b>1,573</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,673</b>	<b>\$ 578</b>	<b>\$ 1,542</b>	<b>\$ 1,573</b>

Special Revenue

GRADS - Childcare 28189	GRADS - Instruction 28190	GRADS Plus 28203	Private Direct Grants 29102	School Based Health Center 29130	Bonds/TIF Payments in Lieu of Taxes 29135
\$ -	\$ -	\$ -	\$ 58,433	\$ 66,454	\$ 456,774
-	-	-	-	-	-
-	-	-	29	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,462</u>	<u>\$ 66,454</u>	<u>\$ 456,774</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	58,462	66,454	456,774
-	-	-	-	-	-
-	-	-	58,462	66,454	456,774
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,462</u>	<u>\$ 66,454</u>	<u>\$ 456,774</u>

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State of New Mexico  
Roswell Independent School District No. 4  
Combining Balance Sheet  
Nonmajor Governmental Funds

	Capital Projects			
	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local 31701	SB-9 State Match Cash 31703	Total Nonmajor Governmental Funds
<b>June 30, 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 2,911,957	\$ 904,701	\$ 15,161,699
Receivables				
Property taxes	-	119,514	-	119,514
Intergovernmental	-	-	-	3,247,137
Other	-	-	-	580
Inventory	-	-	-	331,701
Prepaid expenses	-	-	-	376,052
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,031,471</b>	<b>\$ 904,701</b>	<b>\$ 19,236,683</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,548	\$ 112,756	\$ -	\$ 147,649
Accrued payroll	-	-	-	630,503
Due to other funds	412,011	-	-	4,120,750
<b>Total liabilities</b>	<b>416,559</b>	<b>112,756</b>	<b>-</b>	<b>4,898,902</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	72,328	-	72,328
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>72,328</b>	<b>-</b>	<b>72,328</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	707,753
Spendable				
Restricted	-	2,846,387	904,701	14,142,779
Unassigned (deficit)	(416,559)	-	-	(585,079)
<b>Total fund balances</b>	<b>(416,559)</b>	<b>2,846,387</b>	<b>904,701</b>	<b>14,265,453</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 3,031,471</b>	<b>\$ 904,701</b>	<b>\$ 19,236,683</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Special Revenue

<b>For the Year Ended June 30, 2020</b>	<b>Food Services Fund 21000</b>	<b>Athletics 22000</b>	<b>Title I - ESEA 24101</b>	<b>Migrant Children Education 24103</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	6,756,974	-	3,606,591	8,804
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	255,920	268,711	-	-
Investment income	43,396	6,914	-	-
Miscellaneous	4,080	-	-	-
<b>Total revenues</b>	<b>7,060,370</b>	<b>275,625</b>	<b>3,606,591</b>	<b>8,804</b>
<b>Expenditures</b>				
Current				
Instruction	-	33,230	2,808,436	7,897
Support services - students	-	-	320,970	891
Support services - instruction	-	-	-	-
Support services - general administration	260,507	-	162,953	366
Support services - school administration	-	-	295,134	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	203	-
Student transportation	-	-	-	-
Food services operations	6,163,219	-	-	-
Capital outlay	101,670	881,087	18,895	-
<b>Total expenditures</b>	<b>6,525,396</b>	<b>914,317</b>	<b>3,606,591</b>	<b>9,154</b>
Excess (deficiency) of revenues over expenditures	534,974	(638,692)	-	(350)
Net change in fund balances	534,974	(638,692)	-	(350)
Fund balances - beginning of year	4,863,783	1,118,614	234,554	(390)
Fund balances - end of year	\$ 5,398,757	\$ 479,922	\$ 234,554	\$ (740)

Special Revenue

Preschool IDEA-B 24109	Education of Homeless 24113	IDEA - Private Schools Share 24115	CDC Healthy Schools 24130	Title I - Striving Readers 24145	Charter Schools 24146
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
85,129	14,551	14,160	9,999	428,408	73,860
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,129	14,551	14,160	9,999	428,408	73,860
64,657	7,998	-	9,578	274,415	-
17,072	5,972	14,160	421	137,077	-
-	-	-	-	-	-
3,400	581	-	-	4,203	2,950
-	-	-	-	12,713	-
-	-	-	-	-	70,910
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,129	14,551	14,160	9,999	428,408	73,860
-	-	-	-	-	-
-	-	-	-	-	-
8,904	-	-	-	-	-
\$ 8,904	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Special Revenue

<b>For the Year Ended June 30, 2020</b>	<b>English Language Acquisition 24153</b>	<b>Teacher/ Principal Training &amp; Recruiting 24154</b>	<b>Immigrant Funding - Title III 24163</b>	<b>Carl Perkins Special Projects - Current 24171</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	82,803	691,985	-	47,600
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>82,803</b>	<b>691,985</b>	<b>-</b>	<b>47,600</b>
<b>Expenditures</b>				
Current				
Instruction	79,496	596,203	-	-
Support services - students	-	23,715	-	45,699
Support services - instruction	-	-	-	-
Support services - general administration	3,307	27,322	-	1,901
Support services - school administration	-	44,745	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>82,803</b>	<b>691,985</b>	<b>-</b>	<b>47,600</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	235	-	-
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ 235</b>	<b>\$ -</b>	<b>\$ -</b>

Special Revenue

Carl D Perkins Special Projects - PY Unliq. Obligations 24172	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175	Carl D Perkins Secondary - Redistribution 24176	Student Support Academic Achievement Title IV 24189	Title I - Comprehensive Support and Improvement (CSI) 24190
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
43,666	112,698	3,450	8,924	229,830	15,896
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
43,666	112,698	3,450	8,924	229,830	15,896
-	89,699	3,450	6,618	-	14,196
43,666	4,756	-	-	211,241	850
-	-	-	-	-	-
-	4,133	-	-	9,179	-
-	4,895	-	2,306	9,410	850
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,215	-	-	-	-
43,666	112,698	3,450	8,924	229,830	15,896
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Special Revenue

<b>For the Year Ended June 30, 2020</b>	<b>Title I - Direct Student Services 24193</b>	<b>Title XIX Medicaid 3/21 Years 25153</b>	<b>PNM Foundation, Inc. 26123</b>	<b>Daniels Fund 26141</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	32,971	-	-	-
Federal direct	-	2,054,764	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	24,397	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>32,971</b>	<b>2,079,161</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	32,122	77,408	-	149,472
Support services - students	247	1,004,033	-	-
Support services - instruction	-	-	-	-
Support services - general administration	602	-	-	-
Support services - school administration	-	49,275	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>32,971</b>	<b>1,130,716</b>	<b>-</b>	<b>149,472</b>
Excess (deficiency) of revenues over expenditures	-	948,445	-	(149,472)
Net change in fund balances	-	948,445	-	(149,472)
Fund balances - beginning of year	-	2,455,160	505	200,000
Fund balances - end of year	\$ -	\$ 3,403,605	\$ 505	\$ 50,528

Special Revenue

A+ for Energy 26179	2009 Dual Credit Instructional Materials/HB2 27103	GO Library 27107	Instructional Materials - Special Appropriations 27109	Excellence in Teaching Awards 27125	Community Schools Planning Grant 27126
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	875	-	-	-
-	60,702	-	805,445	-	23,796
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	60,702	875	805,445	-	23,796
-	60,702	-	18,876	1	7,155
-	-	-	-	-	13,269
-	-	875	-	-	-
-	-	-	-	-	250
-	-	-	-	-	2,872
-	-	-	-	-	-
-	-	-	-	-	250
-	-	-	-	-	-
-	-	-	-	-	-
-	60,702	875	18,876	1	23,796
-	-	-	786,569	(1)	-
-	-	-	786,569	(1)	-
2,181	-	-	-	1	-
\$ 2,181	\$ -	\$ -	\$ 786,569	\$ -	\$ -

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Special Revenue

<b>For the Year Ended June 30, 2020</b>	<b>Feminine Hygiene Products 27130</b>	<b>Truancy Initiative PED 27141</b>	<b>Pre-K Initiative 27149</b>	<b>K-5 Plus Transportation 27152</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	4,858	-	2,660,695	23,227
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>4,858</b>	<b>-</b>	<b>2,660,695</b>	<b>23,227</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	2,007,676	-
Support services - students	4,858	-	286,039	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	23,621	-
Support services - school administration	-	-	3,686	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	64,673	23,227
Food services operations	-	-	-	-
Capital outlay	-	-	275,000	-
<b>Total expenditures</b>	<b>4,858</b>	<b>-</b>	<b>2,660,695</b>	<b>23,227</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	961	-	-
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ 961</b>	<b>\$ -</b>	<b>\$ -</b>

Special Revenue

Breakfast for Elementary Students 27155	Schools in Need of Improvement 27163	NM Grown FFV 27183	K3 Plus 4&5 Pilot 27198	Career Technical Education Program (Pilot) 27502	Critical Thinking and Problem Solving 27517
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
132,736	-	22,500	-	47,484	24,318
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
132,736	-	22,500	-	47,484	24,318
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
132,736	-	22,500	-	-	-
-	-	-	-	-	-
132,736	-	22,500	1	47,484	24,318
-	-	-	(1)	-	-
-	-	-	(1)	-	-
-	(30,757)	-	1	-	-
\$ -	\$ (30,757)	\$ -	\$ -	\$ -	\$ -

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Special Revenue

<b>For the Year Ended June 30, 2020</b>	<b>Early Intervention CYFD 28108</b>	<b>ASSIST Tobacco DOH 28122</b>	<b>Coordinated Approach to Child Health 28140</b>	<b>Medicaid HSD 28144</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	25,604	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	15
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>25,604</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	23,506	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>23,506</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	2,098	-	-	15
Net change in fund balances	2,098	-	-	15
Fund balances - beginning of year	8,219	578	1,542	1,558
Fund balances - end of year	\$ 10,317	\$ 578	\$ 1,542	\$ 1,573

Special Revenue

GRADS - Childcare 28189	GRADS - Instruction 28190	GRADS Plus 28203	Private Direct Grants 29102	School Based Health Center 29130	Bonds/TIF Payments in Lieu of Taxes 29135
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	127,042	-	366,429
1,500	2,500	13,982	-	-	-
-	-	-	-	-	-
-	-	-	563	662	1,908
-	-	-	-	-	-
1,500	2,500	13,982	127,605	662	368,337
1,500	2,500	5,482	77,073	-	-
-	-	8,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,690	-	-
-	-	-	19,518	-	-
1,500	2,500	13,982	98,281	-	-
-	-	-	29,324	662	368,337
-	-	-	29,324	662	368,337
-	-	-	29,138	65,792	88,437
\$ -	\$ -	\$ -	\$ 58,462	\$ 66,454	\$ 456,774

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Capital Projects

<b>For the Year Ended June 30, 2020</b>	<b>Capital Improvements SB-9 State 31700</b>	<b>Capital Improvements SB-9 Local 31701</b>	<b>SB-9 State Match Cash 31703</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ 2,130,935	\$ -	\$ 2,130,935
Oil and gas taxes	-	15,095	-	15,095
Intergovernmental				
Federal flowthrough	-	-	-	12,268,299
Federal direct	-	-	-	2,054,764
Local sources	-	-	-	494,346
State flowthrough	499,955	-	904,701	5,210,417
State direct	-	-	-	43,586
Charges for services	-	-	-	524,631
Investment income	-	22,479	-	100,334
Miscellaneous	-	-	-	4,080
<b>Total revenues</b>	<b>499,955</b>	<b>2,168,509</b>	<b>904,701</b>	<b>22,846,487</b>
<b>Expenditures</b>				
Current				
Instruction	-	-	-	6,531,149
Support services - students	-	-	-	2,143,436
Support services - instruction	-	-	-	875
Support services - general administration	206,525	1,560,428	-	2,272,228
Support services - school administration	-	-	-	425,886
Central services	-	-	-	70,910
Operation and maintenance of plant	-	-	-	453
Student transportation	-	-	-	87,900
Food services operations	-	-	-	6,320,145
Capital outlay	633,356	90,444	-	2,029,185
<b>Total expenditures</b>	<b>839,881</b>	<b>1,650,872</b>	<b>-</b>	<b>19,882,167</b>
Excess (deficiency) of revenues over expenditures	(339,926)	517,637	904,701	2,964,320
Net change in fund balances	(339,926)	517,637	904,701	2,964,320
Fund balances - beginning of year	(76,633)	2,328,750	-	11,301,133
Fund balances - end of year	\$ (416,559)	\$ 2,846,387	\$ 904,701	\$ 14,265,453

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## **General Fund**

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Balance Sheet**  
**General Fund**

<b>June 30, 2020</b>	<b>Operational 11000</b>	<b>Transportation 13000</b>	<b>Instructional Materials 14000</b>	<b>Total</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 11,322,057	\$ -	\$ 513,986	\$ 11,836,043
Investments	1,122	-	-	1,122
Receivables				
Property taxes	20,292	-	-	20,292
Other	228,137	-	-	228,137
Inventory	347,048	-	-	347,048
Prepaid expenses	162,831	-	-	162,831
Due from other funds	12,307,087	-	-	12,307,087
<b>Total assets</b>	<b>\$ 24,388,574</b>	<b>\$ -</b>	<b>\$ 513,986</b>	<b>\$ 24,902,560</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
Liabilities				
Accounts payable	\$ 358,215	\$ 6,256	\$ 491,478	\$ 855,949
Accrued payroll	5,363,655	-	-	5,363,655
<b>Total liabilities</b>	<b>5,721,870</b>	<b>6,256</b>	<b>491,478</b>	<b>6,219,604</b>
Deferred inflows of resources				
Unavailable revenue - property taxes	12,589	-	-	12,589
<b>Total deferred inflows of resources</b>	<b>12,589</b>	<b>-</b>	<b>-</b>	<b>12,589</b>
Fund balances				
Nonspendable	509,879	-	-	509,879
Spendable				
Restricted	-	-	22,508	22,508
Committed	5,459,717	-	-	5,459,717
Unassigned (deficit)	12,684,519	(6,256)	-	12,678,263
<b>Total fund balances</b>	<b>18,654,115</b>	<b>(6,256)</b>	<b>22,508</b>	<b>18,670,367</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 24,388,574</b>	<b>\$ -</b>	<b>\$ 513,986</b>	<b>\$ 24,902,560</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund**

<b>For the Year Ended June 30, 2020</b>	<b>Operational 11000</b>	<b>Transportation 13000</b>	<b>Instructional Materials 14000</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 384,314	\$ -	\$ -	\$ 384,314
Oil and gas taxes	3,797	-	-	3,797
Intergovernmental				
Federal direct	609,192	-	-	609,192
Local sources	34,060	-	-	34,060
State flowthrough	90,951,535	-	-	90,951,535
State direct	48,795	-	-	48,795
Transportation distribution	-	3,010,458	-	3,010,458
Charges for services	13,758	-	-	13,758
Investment income	239,797	-	5,134	244,931
Miscellaneous	299,678	-	-	299,678
<b>Total revenues</b>	<b>92,584,926</b>	<b>3,010,458</b>	<b>5,134</b>	<b>95,600,518</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	55,803,224	-	497,018	56,300,242
Support services - students	8,773,491	-	-	8,773,491
Support services - instruction	1,488,016	-	-	1,488,016
Support services - general administration	1,824,169	-	-	1,824,169
Support services - school administration	7,164,274	-	-	7,164,274
Central services	3,915,246	-	-	3,915,246
Operation and maintenance of plant	9,438,285	-	-	9,438,285
Student transportation	118,329	3,015,078	-	3,133,407
Other support services	20,303	-	-	20,303
Capital outlay	100,276	-	-	100,276
<b>Total expenditures</b>	<b>88,645,613</b>	<b>3,015,078</b>	<b>497,018</b>	<b>92,157,709</b>
Excess (deficiency) of revenues over expenditures	3,939,313	(4,620)	(491,884)	3,442,809
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	157	-	-	157
<b>Total other financing sources (uses)</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>157</b>
Net change in fund balances	3,939,470	(4,620)	(491,884)	3,442,966
Fund balances - beginning	14,714,645	(1,636)	514,392	15,227,401
Fund balances - ending of year	\$ 18,654,115	\$ (6,256)	\$ 22,508	\$ 18,670,367

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Operating Fund (11000)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ 387,603	\$ 387,603	\$ 383,240	\$ (4,363)
Oil and gas taxes	6,110	6,110	3,797	(2,313)
Intergovernmental				
Federal direct	200,000	200,000	609,192	409,192
Local sources	-	-	9,454	9,454
State flowthrough	87,312,605	90,617,181	90,951,535	334,354
State direct	24,234	24,234	48,795	24,561
Charges for services	12,000	12,000	14,258	2,258
Investment income	200,000	200,000	239,797	39,797
Miscellaneous	745,790	745,790	638,198	(107,592)
<b>Total revenues</b>	<b>88,888,342</b>	<b>92,192,918</b>	<b>92,898,266</b>	<b>705,348</b>
<b>Expenditures</b>				
Current				
Instruction	55,355,601	57,851,436	55,570,355	2,281,081
Support services - students	9,746,503	9,532,317	8,772,283	760,034
Support services - instruction	1,759,241	1,766,076	1,496,762	269,314
Support services - general administration	1,613,772	2,247,957	1,818,630	429,327
Support services - school administration	6,281,678	7,249,078	7,163,441	85,637
Central services	3,501,629	4,091,467	3,920,694	170,773
Operation and maintenance of plant	10,820,132	9,993,531	9,369,333	624,198
Student transportation	-	137,500	118,329	19,171
Other support services	59,542	79,971	20,096	59,875
Food services operations				
Capital outlay	759,191	252,532	100,276	152,256
<b>Total expenditures</b>	<b>89,897,289</b>	<b>93,201,865</b>	<b>88,350,199</b>	<b>4,851,666</b>
Excess (deficiency) of revenues over expenditures	(1,008,947)	(1,008,947)	4,548,067	5,557,014
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	1,008,947	1,008,947	-	(1,008,947)
Proceeds from sale of capital assets	-	-	157	157
<b>Total other financing sources (uses)</b>	<b>1,008,947</b>	<b>1,008,947</b>	<b>157</b>	<b>(1,008,790)</b>
Net change in fund balances	-	-	4,548,224	4,548,224
Fund balances - beginning of year	-	-	13,718,387	13,718,387
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,266,611</b>	<b>\$ 18,266,611</b>
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 4,548,224
Adjustments to revenues for changes in instructional support revenues and property taxes				(313,340)
Adjustments to expenditures for supplies, software, contract services, utilities, and accrued payroll				(295,414)
<b>Net change in fund balances (GAAP Basis)</b>				<b>\$ 3,939,470</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Transportation Fund (13000)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough				-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	2,948,049	3,010,458	3,010,458	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>2,948,049</b>	<b>3,010,458</b>	<b>3,010,458</b>	<b>-</b>
<b>Expenditures</b>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	2,948,049	3,010,458	3,010,458	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,948,049</b>	<b>3,010,458</b>	<b>3,010,458</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ -
No adjustments to revenues				-
Adjustments to expenditures for rental and other contract service expenses				(4,620)
<b>Net change in fund balances (GAAP Basis)</b>				<b>\$ (4,620)</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Instructional Materials Fund (14000)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	24,666	24,666
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	5,134	5,134
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	-	29,800	29,800
<b>Expenditures</b>				
Current				
Instruction	-	514,391	5,540	508,851
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	514,391	5,540	508,851
Excess (deficiency) of revenues over expenditures	-	(514,391)	24,260	(479,051)
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	-	514,391	-	(514,391)
<b>Total other financing sources (uses)</b>	-	514,391	-	(514,391)
Net change in fund balances	-	-	24,260	(993,442)
Fund balances - beginning of year	-	-	489,726	489,726
<b>Fund balances - end of year</b>	\$ -	\$ -	\$ 513,986	\$ (503,716)
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 24,260
Adjustments to revenues for instructional material revenues				(24,666)
Adjustments to expenditures for instruction				(491,478)
<b>Net change in fund balances (GAAP Basis)</b>				\$ (491,884)

**Sidney Gutierrez Charter School**  
**Component Unit of Roswell Independent School District No. 4**

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Combining Balance Sheet**  
**Governmental Funds**

	<u>General</u>		<u>Special Revenue</u>	
	<u>Major Funds</u>		<u>Major Fund</u>	
	Operational	Instructional	Charter Schools	Challenge
<b>June 30, 2020</b>	<b>11000</b>	<b>14000</b>	<b>24146</b>	<b>26138</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 469,175	\$ 10,241	\$ -	\$ 1,510
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	-	23,824	-
Prepaid expenses	295	-	-	-
Due from other funds	21,031	-	-	-
<b>Total assets</b>	<b>\$ 490,501</b>	<b>\$ 10,241</b>	<b>\$ 23,824</b>	<b>\$ 1,510</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 745	\$ -	\$ -	\$ -
Accrued payroll	41,547	-	2,793	-
Due to other funds	-	-	21,031	-
<b>Total liabilities</b>	<b>42,292</b>	<b>-</b>	<b>23,824</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	295	-	-	-
Spendable				
Restricted	-	10,241	-	1,510
Committed	148,785	-	-	-
Unassigned (deficit)	299,129	-	-	-
<b>Total fund balances</b>	<b>448,209</b>	<b>10,241</b>	<b>-</b>	<b>1,510</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 490,501</b>	<b>\$ 10,241</b>	<b>\$ 23,824</b>	<b>\$ 1,510</b>

Special Revenue				Capital Projects		
Walter Family Foundation 26148	GOB Public Library Award 27107	Instructional Materials GAA of 2019 27109	Private Direct Grants 29102	Public Schools Capital Outlay 31200	SB-9 Capital Improvement State Match 31700	
\$ 724	\$ -	\$ -	\$ 3,035	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<b>\$ 724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,035</b>	<b>\$ -</b>	<b>\$ -</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
724	-	-	3,035	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<b>724</b>	<b>-</b>	<b>-</b>	<b>3,035</b>	<b>-</b>	<b>-</b>	
<b>\$ 724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,035</b>	<b>\$ -</b>	<b>\$ -</b>	

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State of New Mexico  
Roswell Independent School District No. 4  
Sidney Gutierrez Charter School  
Combining Balance Sheet  
Governmental Funds

Capital Projects

June 30, 2020	Capital Improvements SB-9 Local 31701	SB-9 Capital Improvement 31703	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 38,009	\$ 5,926	\$ 528,620
Receivables			
Property taxes	780	-	780
Intergovernmental	-	-	23,824
Prepaid expenses	-	-	295
Due from other funds	-	-	21,031
<b>Total assets</b>	<b>\$ 38,789</b>	<b>\$ 5,926</b>	<b>\$ 574,550</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 745
Accrued payroll	-	-	44,340
Due to other funds	-	-	21,031
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>66,116</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	477	-	477
<b>Total deferred inflows of resources</b>	<b>477</b>	<b>-</b>	<b>477</b>
<b>Fund balances</b>			
Nonspendable	-	-	295
Spendable			
Restricted	38,312	5,926	59,748
Committed	-	-	148,785
Unassigned (deficit)	-	-	299,129
<b>Total fund balances</b>	<b>38,312</b>	<b>5,926</b>	<b>507,957</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 38,789</b>	<b>\$ 5,926</b>	<b>\$ 574,550</b>

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**

**June 30, 2020**

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

Fund balances - total governmental funds	\$	507,957
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Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		47,895
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Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities		477
--	--	-----

Deferred outflows and inflows of resources related to pension and OPEB  
are applicable to future periods and therefore, are not reported in funds

Deferred outflows - pension (note 10)		240,798
Deferred inflows - pension (note 10)		(136,181)
Deferred outflows - OPEB (note 11)		8,031
Deferred inflows - OPEB (note 11)		(194,423)

Certain liabilities, including net pension liability and net OPEB liability, are not due and  
payable in the current period and, therefore, are not reported in the funds

Net pension liability		(937,312)
Net OPEB liability		(264,903)

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Total net position - government funds	\$	(727,661)
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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

	General		Special Revenue	
	Major Funds		Major Fund	
	Operational	Instructional Materials	Charter School	Challenge Foundation
<b>For the Year Ended June 30, 2020</b>	<b>11000</b>	<b>14000</b>	<b>24146</b>	<b>26138</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	70,911	-
State flowthrough	721,820	-	-	-
Investment income	4,726	101	-	15
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>726,546</b>	<b>101</b>	<b>70,911</b>	<b>15</b>
<b>Expenditures</b>				
Current				
Instruction	429,971	-	29,688	164
Support services - students	785	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	135,902	-	23,881	-
Support services - school administration	39,743	-	12,987	-
Central services	13,263	-	-	-
Operation and maintenance of plant	66,399	-	4,355	-
<b>Total expenditures</b>	<b>686,063</b>	<b>-</b>	<b>70,911</b>	<b>164</b>
Excess (deficiency) of revenues over expenditures	40,483	101	-	(149)
Net change in fund balances	40,483	101	-	(149)
Fund balances - beginning of year	407,726	10,140	-	1,659
Fund balances - end of year	\$ 448,209	\$ 10,241	\$ -	\$ 1,510

Special Revenue			Capital Projects		
Walter Family Foundation	GOB Public Library Award	Instructional Materials GAA of 2019	Private Direct Grants	Public Schools Capital Outlay	SB-9 Capital Improvement State Match
26148	27107	27109	29102	31200	31700
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,259	6,306	-	-	-
-	-	-	-	36,660	11,786
-	-	-	18	-	-
-	-	-	3,400	-	-
-	2,259	6,306	3,418	36,660	11,786
-	-	6,306	700	-	-
-	-	-	-	-	-
-	2,259	-	-	-	-
-	-	-	-	36,660	-
-	-	-	-	-	-
-	-	-	-	-	11,786
-	2,259	6,306	700	36,660	11,786
-	-	-	2,718	-	-
-	-	-	2,718	-	-
724	-	-	317	-	-
\$ 724	\$ -	\$ -	\$ 3,035	\$ -	\$ -

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

For the Year Ended June 30, 2020	Capital Projects		Total
	Capital Improvements SB-9 Local	SB-9 Capital Improvement	
	31701	31703	
<b>Revenues</b>			
Property taxes	\$ 13,947	\$ -	\$ 13,947
Oil and gas taxes	94	-	94
Intergovernmental			
Federal flowthrough	-	5,926	85,402
State flowthrough	-	-	770,266
Investment income	426	-	5,286
Miscellaneous	-	-	3,400
Total revenues	14,467	5,926	878,395
<b>Expenditures</b>			
Current			
Instruction	-	-	466,829
Support services - students	-	-	785
Support services - instruction	-	-	2,259
Support services - general administration	139	-	196,582
Support services - school administration	-	-	52,730
Central services			13,263
Operation and maintenance of plant	21,029	-	103,569
Total expenditures	21,168	-	836,017
Excess (deficiency) of revenues over expenditures	(6,701)	5,926	42,378
Net change in fund balances	(6,701)	5,926	42,378
Fund balances - beginning of year	45,013	-	465,579
Fund balances - end of year	\$ 38,312	\$ 5,926	\$ 507,957

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**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, 2020**

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

Net change in fund balances - total governmental funds	\$	42,378
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense		(4,375)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>		
Change in unavailable revenue related to property taxes receivable		(122)
<p>Governmental funds report district pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension benefits and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.</p>		
Pension contribution subsequent to the measurement date		56,815
Pension benefit		298,123
OPEB contribution subsequent to the measurement date		8,031
OPEB benefit		30,995
<hr/>		
Change in net position of governmental activities	\$	431,845

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Operational Fund (11000)**

<b>For the Year Ended June 30, 2020</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
State flowthrough	697,486	720,211	721,820	1,609
Local sources	-	-	-	-
Investment income	1,500	1,500	4,726	3,226
Investment income	-	-	-	-
Total revenues	698,986	721,711	726,546	4,835
<b>Expenditures</b>				
Current				
Instruction	603,040	603,765	428,220	175,545
Support services-students	9,429	785	785	-
Support services-instruction	2,000	-	-	-
Support services-general administration	125,442	139,953	136,233	3,720
Support services-school administration	56,064	49,855	39,743	10,112
Central services	-	14,000	13,263	737
Operation and maintenance of plant	145,800	243,406	68,386	175,020
Capital outlay	-	78,689	-	78,689
Total expenditures	941,775	1,130,453	686,630	443,823
Excess (deficiency) of revenues over expenditures	(242,789)	(408,742)	39,916	448,658
<b>Other financing sources (uses)</b>				
Designated cash balance (budgeted increase in cash)	242,789	408,742	-	(408,742)
Total other financing sources (uses)	242,789	408,742	-	(408,742)
Net change in fund balances	-	-	39,916	39,916
Fund balance - beginning of year	-	-	408,743	408,743
Fund balance - end of year	\$ -	\$ -	\$ 448,659	\$ 448,659
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 39,916
No adjustments to revenues				-
Adjustments to expenditures for instruction, utilities, supplies and legal expenses				567
Net change in fund balances (GAAP Basis)				\$ 40,483

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Instructional Materials Fund (14000)**

<b>For the Year Ended June 30, 2020</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
State flowthrough	-	-	161	161
Local sources	-	-	-	-
Investment income	-	-	102	102
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>263</b>
<b>Expenditures</b>				
Current				
Instruction	10,139	10,139	-	10,139
Support services-students	-	-	-	-
Support services-instruction	-	-	-	-
Support services-general administration	-	-	-	-
Support services-school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>10,139</b>	<b>10,139</b>	<b>-</b>	<b>10,139</b>
Excess (deficiency) of revenues over expenditures	(10,139)	(10,139)	263	10,402
<b>Other financing sources (uses)</b>				
Designated cash balance (budgeted increase in cash)	10,139	10,139	-	(10,139)
<b>Total other financing sources (uses)</b>	<b>10,139</b>	<b>10,139</b>	<b>-</b>	<b>(10,139)</b>
Net change in fund balances	-	-	263	263
Fund balance - beginning of year	-	-	9,978	9,978
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,241</b>	<b>\$ 10,241</b>
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 263
Adjustment to revenue for instructional materials				(162)
No adjustments to expenditures				-
<b>Net change in fund balances (GAAP Basis)</b>				<b>\$ 101</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Sidney Gutierrez Charter School**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**Charter School (24146)**

For the Year Ended June 30, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	136,329	47,087	(89,242)
Local sources	-	-	-	-
Investment income	-	-	-	-
Total revenues	-	136,329	47,087	(89,242)
<b>Expenditures</b>				
Current				
Instruction	-	58,000	29,688	28,312
Support services-students	-	-	-	-
Support services-instruction	-	6,000	-	6,000
Support services-general administration	-	23,884	23,881	3
Support services-school administration	-	18,445	12,987	5,458
Operation and maintenance of plant	-	30,000	4,355	25,645
Capital outlay	-	-	-	-
Total expenditures	-	136,329	70,911	65,418
Excess (deficiency) of revenues over expenditures	-	-	(23,824)	(23,824)
<b>Other financing sources (uses)</b>				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(23,824)	(23,824)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ (23,824)	\$ (23,824)
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ (23,824)
Adjustment to revenue for federal flowthrough grant				23,824
No adjustments to expenditures				-
Net change in fund balances (GAAP Basis)				\$ -

## **Supporting Schedules**

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of Collateral Pledged by Depository for Public Funds**  
**June 30, 2020**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2020
<b>Pioneer Bank</b>				
	FFCB	9/1/2034	31402DLQ1	\$ 722,549
	FFCB	12/1/2031	3140X5JS3	5,210,349
	FHLMC	10/1/2032	3132A9T56	10,119,636
	GNMA CMO	3/20/2050	38382DJ67	9,988,239
	FFCB	3/25/2024	3133EEVD9	8,360,931
	FNMA MBS	1/1/2032	3140X4HB5	7,691,920
	REP	12/9/2022	313381BR5	7,221,631
	FHLMC	3/1/2032	3128MMV67	5,759,689
	FHLB	3/10/2023	313382AX1	5,274,979
<b>Total Pioneer Bank</b>				<b>60,349,923</b>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, TX				
Less collateral allocated to component unit				(500,000)
<b>Total pledged collateral</b>				<b>\$ 59,849,923</b>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of Deposits and Investment Accounts**  
**June 30, 2020**

<b>Bank Account Type/Name</b>	<b>New Mexico LGIP</b>	<b>Pioneer Bank</b>	<b>Wells Fargo Bank</b>
New MexiGROW - LGIP	\$ 2,759	\$ -	\$ -
New MexiGROW - LGIP - Agency	1,105	-	-
Operating Account - Checking	-	3,453,630	-
Operating Account - Checking	-	-	86,254
Sweep Account	-	49,595,455	-
Athletic Change Fund Account - Checking	-	5,000	-
CD (Class of 30-35) 1 year - Agency	-	6,642	-
CD (Bruce Cox Scholarship) 1 year - Agency	-	5,133	-
CD (Worthy Scholarship) 1 year - Agency	-	4,660	-
CD (Worthy Scholarship) 1 year - Agency	-	35,406	-
<b>Total</b>	<b>3,864</b>	<b>53,105,926</b>	<b>86,254</b>
Reconciling items	-	(2,386,195)	-
<b>Reconciled balance</b>	<b>\$ 3,864</b>	<b>\$ 50,719,731</b>	<b>\$ 86,254</b>
<hr/>			
Petty cash			
<hr/>			
<hr/>			
Deposits and investments per financial statements			
Cash and cash equivalents per statement of net position			
Restricted cash and cash equivalents per statement of net position			
Investments per statement of net position			
Cash per statement of fiduciary assets and liabilities			
Investments per statement of fiduciary assets and liabilities			
<hr/>			
Total deposits and investments			
<hr/>			

Total	Component Unit	
	Pioneer Bank	
\$ 2,759	\$	-
1,105		-
3,453,630		546,370
86,254		-
49,595,455		-
5,000		-
6,642		-
5,133		-
4,660		-
35,406		-
53,196,044		546,370
(2,386,195)		(11,072)
50,809,849		535,298
590		-
<u>\$ 50,810,439</u>	<u>\$</u>	<u>535,298</u>
\$ 43,287,103	\$	528,620
6,372,177		-
2,759		-
1,095,454		6,678
52,946		-
<u>\$ 50,810,439</u>	<u>\$</u>	<u>535,298</u>

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Cash Reconciliation**  
**June 30, 2020**

	Operational Fund 11000	Transportation Fund 13000	Instructional Materials Fund 14000
PED Cash, June 30, 2019	\$ 13,738,085	\$ -	\$ 489,726
Add			
2019-2020 receipts	92,898,424	3,010,458	29,800
Total cash available	106,636,509	3,010,458	519,526
Less			
2019-2020 expenditures	(88,379,974)	(3,010,458)	(5,540)
Adjustments	-	-	-
PED Cash, June 30, 2020	\$ 18,256,535	\$ -	\$ 513,986
Add / Less			
Negative cash loans from (to)	\$ (12,307,086)	\$ -	\$ -
Held checks	5,373,730	-	-
Cash and investments per financial statements	\$ 11,323,179	\$ -	\$ 513,986

Food Services Fund 21000	Athletics Fund 22000	Federal Flowthrough Fund 24000	Federal Direct Fund 25000	Local Grants Fund 26000	State Flowthrough Fund 27000
\$ 4,193,136	\$ 1,319,737	\$ (4,604,129)	\$ 2,204,172	\$ 202,686	\$ (1,784,143)
7,327,003	275,420	11,325,038	2,040,682	-	4,509,740
11,520,139	1,595,157	6,720,909	4,244,854	202,686	2,725,597
(6,624,369)	(1,115,815)	(8,867,699)	(1,132,658)	(149,472)	(3,020,065)
-	-	-	-	-	(2)
<u>\$ 4,895,770</u>	<u>\$ 479,342</u>	<u>\$ (2,146,790)</u>	<u>\$ 3,112,196</u>	<u>\$ 53,214</u>	<u>\$ (294,470)</u>
\$ -	\$ -	\$ 4,570,455	\$ -	\$ -	\$ 1,324,620
153,201	-	297,096	60,779	-	165,040
<u>\$ 5,048,971</u>	<u>\$ 479,342</u>	<u>\$ 2,720,761</u>	<u>\$ 3,172,975</u>	<u>\$ 53,214</u>	<u>\$ 1,195,190</u>

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Cash Reconciliation**  
**June 30, 2020**

	State Direct Fund 28000	Local/State 29000	Bond Building Fund 31100
PED Cash, June 30, 2019	\$ 2,787	\$ 182,967	\$ 11,496,532
Add			
2019-2020 receipts	52,711	496,975	106,482
Total cash available	55,498	679,942	11,603,014
Less			
2019-2020 expenditures	(41,489)	(98,281)	(3,236,003)
Adjustments	-	-	-
PED Cash, June 30, 2020	\$ 14,009	\$ 581,661	\$ 8,367,011
Add / Less			
Negative cash loans from (to)	\$ -	\$ -	\$ -
Held checks	1,357	-	-
Cash and investments per financial statements	\$ 15,366	\$ 581,661	\$ 8,367,011

<b>Public School</b>						
<b>Capital Outlay</b>	<b>Cap. Improve.</b>	<b>Cap. Improve.</b>	<b>Cap. Improve.</b>	<b>Debt Service</b>		
<b>Fund</b>	<b>SB-9 Fund</b>	<b>SB-9 Local</b>	<b>SB-9 Local</b>	<b>Fund</b>		
<b>31200</b>	<b>31700</b>	<b>31701</b>	<b>31703</b>	<b>41000</b>	<b>Total</b>	
\$ -	\$ (583,680)	\$ 2,480,332	\$ -	\$ 6,273,225	\$ 35,611,433	
6,612,868	1,021,767	2,160,196	904,701	6,091,951	138,864,216	
6,612,868	438,087	4,640,528	904,701	12,365,176	174,475,649	
(6,612,868)	(850,098)	(1,728,571)	-	(5,991,451)	(130,864,811)	
-	-	-	-	-	(2)	
\$ -	\$ (412,011)	\$ 2,911,957	\$ 904,701	\$ 6,373,725	\$ 43,610,836	
\$ 6,000,000	\$ 412,011	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	6,051,203	
\$ 6,000,000	\$ -	\$ 2,911,957	\$ 904,701	\$ 6,373,725	\$ 49,662,039	

(Continued)

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Cash Reconciliation**  
**June 30, 2020**

**Component Unit**

	<b>Operational Fund 11000</b>	<b>Instructional Materials Fund 14000</b>	<b>Local Grants Fund 24000</b>	<b>Local Grants Fund 26000</b>	<b>State Flowthrough Fund 27000</b>
PED Cash, June 30, 2019	\$ 408,743	\$ 9,978	\$ -	\$ 2,383	\$ -
Add					
2019-2020 receipts	726,545	263	47,088	16	8,565
Total cash available	1,135,288	10,241	47,088	2,399	8,565
Less					
2019-2020 expenditures	(686,628)	-	(70,911)	(165)	(8,565)
Adjustments	-	-	-	-	-
PED Cash, June 30, 2020	\$ 448,660	\$ 10,241	\$ (23,823)	\$ 2,234	\$ -
Add / Less					
Negative cash loans from (to)	\$ (21,031)	\$ -	\$ 21,031	\$ -	\$ -
Held checks	41,546	-	2,792	-	-
Cash and investments per financial statements	\$ 469,175	\$ 10,241	\$ -	\$ 2,234	\$ -

Component Unit						
Local/State 29000	Public School Capital Outlay Fund 31200	Cap. Improve. SB-9 State 31700	Cap. Improve. SB-9 Local 31701	Cap. Improve. SB-9 Local 31703	Total	
\$ 317	\$ (8,453)	\$ -	\$ 44,774	\$ -	\$ 457,742	
3,418	45,113	11,786	14,404	5,926	863,124	
3,735	36,660	11,786	59,178	5,926	1,320,866	
(700)	(36,660)	(11,786)	(21,169)	-	(836,584)	
-	-	-	-	-	-	
\$ 3,035	\$ -	\$ -	\$ 38,009	\$ 5,926	\$ 484,282	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	44,338	
\$ 3,035	\$ -	\$ -	\$ 38,009	\$ 5,926	\$ 528,620	

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**

<b>June 30, 2020</b>	<b>Component Unit</b>
<hr/>	
Current assets	
Cash and cash equivalents	\$ 6,678
<hr/>	
Total assets	\$ 6,678
<hr/>	
Current liabilities	
Deposits held in trust for others	\$ 6,678
<hr/>	
Total liabilities	\$ 6,678
<hr/>	

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2020**

<b>Primary Government</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
<b>Assets</b>				
Cash and investments				
Administration	\$ 258,191	\$ 32,494	\$ (26,482)	\$ 264,203
Goddard High	241,604	245,638	(201,823)	285,419
Roswell High	166,036	137,271	(146,012)	157,295
University High	27,684	16,232	(23,819)	20,097
Early College High School	6,856	14,950	(8,734)	13,072
Berrendo Middle	107,161	91,338	(103,840)	94,659
Mesa Middle	27,378	26,271	(28,861)	24,788
Mountain View Middle	20,079	30,627	(38,791)	11,915
Sierra Middle	43,251	63,421	(55,942)	50,730
Berrendo Elementary	3,450	10,219	(9,419)	4,250
Del Norte	9,868	28,291	(19,723)	18,436
East Grand Plains	17,230	32,956	(27,517)	22,669
El Capitan	10,550	51,152	(42,641)	19,061
Military Heights	4,544	17,364	(14,896)	7,012
Missouri Avenue	6,378	11,035	(12,243)	5,170
Monterrey	18,433	49,768	(43,142)	25,059
Nancy Lopez	7,899	12,103	(10,144)	9,858
Parkview	4,528	4,612	(6,855)	2,285
Pecos	8,988	37,175	(33,499)	12,664
Sunset	26,346	5,022	(8,445)	22,923
Valley View	33,366	74,616	(70,769)	37,213
Washington Avenue	15,713	9,348	(10,722)	14,339
Maintenance	25	-	-	25
Driver's Ed	673	-	-	673
Planetarium	560	-	-	560
Vocational Ed	51	-	-	51
Arts Fund	694	136	(657)	173
ESC Building	4,867	-	-	4,867
Material Center	332	-	-	332
Special Ed	2,709	-	-	2,709
Teacher Center	12,851	13,350	(10,308)	15,893
Other Reserved	1,627	-	(1,627)	-
Total cash and investments	1,089,922	1,015,389	(956,911)	1,148,400
Receivables	2,365	-	(1,223)	1,142
<b>Total assets</b>	<b>\$ 1,092,287</b>	<b>\$ 1,015,389</b>	<b>\$ (958,134)</b>	<b>\$ 1,149,542</b>

*(Continued)*

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2020**

<b>Primary Government (Continued)</b>	<b>Balance</b> <b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2020</b>
<b>Liabilities</b>				
Accounts payable	\$ 27,347	\$ -	\$ (22,645)	\$ 4,702
Deposits held in trust for others	1,064,940	1,015,389	(935,489)	1,144,840
<b>Total liabilities</b>	<b>\$ 1,092,287</b>	<b>\$ 1,015,389</b>	<b>\$ (958,134)</b>	<b>\$ 1,149,542</b>

<b>Component Unit</b>	<b>Balance</b> <b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2020</b>
<b>Assets</b>				
Cash and cash equivalents and investments				
Interest	\$ 1,468	\$ -	\$ (141)	\$ 1,327
Student council	195	-	-	195
Year books	660	-	-	660
Other fundraisers	358	-	-	358
Other donations	997	-	-	997
Roswell Sertoma	1,982	-	-	1,982
Latimer	16	-	-	16
Mathematica	868	-	-	868
Book Replacement Funds	275	-	-	275
<b>Total assets</b>	<b>\$ 6,719</b>	<b>\$ -</b>	<b>\$ (141)</b>	<b>\$ 6,678</b>
<b>Liabilities</b>				
Deposits held in trust for others	\$ 6,719	\$ -	\$ (141)	\$ 6,678
<b>Total liabilities</b>	<b>\$ 6,719</b>	<b>\$ -</b>	<b>\$ (141)</b>	<b>\$ 6,678</b>

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## **Compliance Section**

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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue fund with a legally adopted budget of Roswell Independent School District No. 4 (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have also audited the financial statements of each of the component unit's major funds, aggregate remaining fund information, and budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget 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, 2020, as listed in the table of contents, and have issued our report thereon dated November 13, 2020.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's

financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

We noted a certain matter that is required to be reported pursuant to Section 12-6-5 NMSA 1978, which is described in the accompanying schedule of findings and responses under Section 12-6-5 NMSA 1978 as item 2020-001.

### **The District's Response to the Finding**

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

### **Purpose of this Report**

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

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

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
November 13, 2020

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

### **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited Roswell Independent School District No. 4's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditors' Responsibility**

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

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

## Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

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

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

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

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

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

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
November 13, 2020

**State of New Mexico  
Roswell Independent School District No. 4  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020**

<b>Federal Grantor or Passthrough Grantor/Program Title</b>	<b>Grant/Pass-Through Number</b>
U.S. Department of Education	
Title I Grants to Local Educational Agencies	24101
Title I Comprehensive Support and Improvement	24190
Title I Grants to Local Educational Agencies - Direct Student Services	24193
<hr/>	
Special Education Grants to States (IDEA, Part B) - Entitlement	24106
Special Education Preschool Grants (IDEA Preschool)	24109
Special Education Grants to States (IDEA, Part B) - Private School Share	24115
<hr/>	
<i>Subtotal - Special Education Cluster</i>	
Migrant Education State Grant Program	24103
English Language Acquisition State Grants	24153
Education of Homeless Children and Youth	24113
Improving Student Health and Academic Achievement	24130
Comprehensive Literacy Development - Striving Readers (SRCL)	24145
Charter School	24146
Supporting Effective Instruction State Grant	24154
Career and Tech Ed-Basic Grants to States - WBLI - Current Year	24171
Career and Tech Ed-Basic Grants to States - WBLI - PY Obligations	24172
Career and Tech Ed-Basic Grants to States - Secondary - Current Year	24174
Career and Tech Ed-Basic Grants to States - Secondary - PY Obligations	24175
Career and Tech Ed-Basic Grants to States - Secondary - PY Obligations	24176
Student Support and Academic Enrichment Program	24189
<hr/>	
Total U.S. Department of Education	
<hr/>	
U.S. Department of Agriculture	
School Breakfast Program - Child Nutrition Cluster	21000
National School Lunch Program - Child Nutrition Cluster	21000
Summer Food Service Program for Children - Child Nutrition Cluster	21000
<hr/>	
<i>Subtotal - Child Nutrition Cluster</i>	
Total U.S. Department of Agriculture	
<hr/>	
U.S. Department of Health and Human Services	
Community-Based Child Abuse Prevention Grants	28189
TANF Cluster	
Temporary Assistance for Needy Families	28190
<hr/>	
Total U.S. Department of Health and Human Services	
<hr/>	
Total Federal Financial Assistance	
<hr/>	

*See accompanying notes to schedule of expenditures of federal awards.*

<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Cluster/ Program Subtotals</b>	<b>Funds Provided to Subrecipients</b>	<b>Noncash Assistance</b>
84.010	\$ 3,606,591		\$ -	\$ -
84.010A	15,896		-	-
84.010A	32,971		-	-
		3,655,458		
84.027	3,097,637		-	-
84.173	85,129		-	-
84.027	14,160		-	-
		3,196,926		
84.011A	9,154		-	-
84.365A	82,803		-	-
84.196A	14,551		-	-
93.981	9,999		-	-
84.371C	428,408		-	-
84.282	73,860		-	-
84.367A	691,985		-	-
84.048A	47,600		-	-
84.048A	43,666		-	-
84.048	112,698		-	-
84.048	3,450		-	-
84.048	8,924		-	-
84.424A	229,830		-	-
	8,609,312		-	-
10.553	1,845,944		-	130,447
10.555	3,467,309		-	245,023
10.559	1,440,221		-	101,775
		6,753,474		
	6,753,474		-	477,245
93.590	1,500		-	-
93.558	2,500		-	-
		4,000	-	-
	\$ 15,366,786		\$ -	\$ 477,245

See accompanying notes to schedule of expenditures of federal awards.

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**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**1. Basis of Presentation**

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

**2. Loans**

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

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

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

**4. Federally Funded Insurance**

The District has no federally funded insurance.

**5. Noncash Assistance**

The District expended noncash assistance in the form of commodities provided by USDA.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 15,366,786
Total expenditures funded by other sources	116,009,686
<hr/>	
Total expenditures	<hr/> <hr/> \$ 131,376,472

**State of New Mexico  
Roswell Independent School District No. 4  
Schedule of Findings and Questioned Costs  
June 30, 2020**

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

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs   | Unmodified |
| 2. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | None noted |
| 4. Identification of major programs:  |            |

CFDA Number	Federal Program
84.027	<b>Special Education Cluster (IDEA)</b> Special Education Grants to States (IDEA, Part B) – Entitlement & Private school Share
84.173	Special Education Preschool Grants (IDEA Preschool)

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

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2020**

**SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS**

No

**SECTION III - SECTION 12-6-5 NMSA 1978 FINDINGS**

**2020-001 – Improper Disposal of Field Turf - Other Noncompliance**

*Condition:* In July 2019, the District contracted to remove, replace and dispose of Wool Bowl Football Stadium’s artificial playing surface field turf through a vendor service agreement. The District’s approved service vendor reportedly removed and provided artificial playing surface field turf to the possession of community members and passers-by, which included key administrative personnel of the District, from the Stadium’s parking lot.

*Criteria:* In accordance with 13-6-1(I) NMSA 1978, no tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state education institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

*Effect:* Without going through the proper disposal procedures, the District is subject to inaccuracies in its capital assets.

*Cause:* Proper disposal procedures were not followed in this instance.

*Auditors’ Recommendation:* We recommend that the District follow disposal procedures in accordance with 13-6-1(I) for all disposals.

*Views of Responsible Officials and Planned Corrective Action:*

Inappropriate management overrides were discovered and reported within identified variations to the District’s existing internal controls, written procedures, procedural flowcharts, policies, and the State’s statutes, as it pertains to the disposal and disposition of Fixed Asset Inventories belonging to the school district (i.e., Administrators had the district’s artificial ground turf delivered to their homes). Upon discovery of the temporarily subverted internal controls concerning its fixed assets’ disposal and disposition, the District reviewed, documented and self-reported the incident to its independent public accountant, the Office of the State Auditor and its School Board Governing Authority. Immediately subsequent to self-reporting this incident, the District contracted to conduct Administrative training concerning the proper disposal and disposition of fixed assets of the school district, and proceeded to demonstrate the proper disposition and disposal of similar fixed assets relating to the incident. It should also be noted that the administrative personnel responsible for the inappropriate override of the District’s applicable written procedures, policies and state statutes, pertaining to the proper disposal and disposition of its fixed assets’, are no longer employed by the school district, as of June 30, 2020.

*Responsible Official:* Assistant Superintendent for Finance and Operations.

**State of New Mexico  
Roswell Independent School District No. 4  
Schedule of Findings and Questioned Costs  
June 30, 2020**

**SECTION IV - FEDERAL AWARD FINDINGS**

None noted.

**SECTION V - PRIOR YEAR AUDIT FINDINGS**

None noted.

**State of New Mexico**  
**Roswell Independent School District No. 4**  
**Other Disclosures**  
**June 30, 2020**

**AUDITOR PREPARED FINANCIAL STATEMENTS**

The financial statements were prepared from the original books and records and with the assistance of the management of Roswell Independent School District No. 4 as of June 30, 2020 by Carr, Riggs & Ingram, LLC. The responsibility for these financial statements remains with the District.

**EXIT CONFERENCE**

An exit conference was held on November 11, 2020. In attendance were the following:

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

James Edwards	School Board Member
Dr. Ann Lynn McIlroy	Superintendent of School
Chad Cole	Assistant Superintendent for Finance and Operations
Linda Purcella	Director of Business Services
Alan Gedde	Board President
Hope Morales	Board Vice President
Hilda Sanchez	Secretary
Mona Kirk	Board Member
Joe Andreis	Charter School Principal
Maria Hernandez	SGMS Business Manager

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

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