



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

**Financial Statements and
Supplementary Information**

For the Year Ended June 30, 2021

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Introductory Section

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State of New Mexico
Roswell Independent School District No. 4
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State of New Mexico
Roswell Independent School District No. 4
Official Roster
June 30, 2021

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

Administrative Officials

Brian Luck		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

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, 2021, 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, 2021, 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, 2021, 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, 2021, 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.

Emphasis of Matter

Restatement of Net Position

As discussed in note 2 to the basic financial statements, the prior year District statements have been restated in the amount of \$1,034,930 in the governmental activities and \$116,988 in the fiduciary funds. The prior year Charter statements have been restated in the amount of \$6,678 in the governmental activities. Our opinion is not modified with respect to this matter.

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 14 through 24 and the GASB required pension and OPEB schedules, and the notes to the required supplementary information on pages 100 through 112 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 15, 2021, 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, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
November 15, 2021

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, 2021. 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 2021 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 \$22,289,717 or 11%.
- + Total liabilities of governmental activities increased \$257,878,881 or 115.91%.
- + The District generated expenses of \$209,403,868 relating to its governmental activities, with \$35,640,820 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 \$103,688,097, alone, were sufficient to provide for the current year's programs.
- + The District's net position decreased by \$68,388,884 within the current fiscal year.

Financial Highlights for the Sidney Gutierrez Charter School

Key financial highlights for fiscal year 2021 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 \$916,920 or 141%. Total liabilities of governmental activities increased \$1,764,093 or 141.43%.
- + The Charter School generated \$2,487,779 of expenses relating to its governmental activities; \$174,836 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 \$2,712,438, alone, were sufficient to provide for the current year's programs.
- + The Charter School's net position increased by \$423,747.

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 2021?" 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**

Statement of Net Position and Statement of Activities (Continued)

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, 98.9% of total General revenues were expended on the functions of direct Student Instruction and Support Services.

Statement of Net Position

June 30,	2021	2020	Variance
Assets			
Current and other assets	\$ 76,037,259	\$ 55,340,570	\$ 20,696,689
Capital assets, net of accumulated depreciation	148,010,731	146,417,703	1,593,028
Total assets	224,047,990	201,758,273	22,289,717
Deferred outflows of resources			
Deferred outflows related to pension plan and OPEB	198,758,118	41,572,973	157,185,145
Total deferred outflows of resources	198,758,118	41,572,973	157,185,145
Total assets and deferred outflows of resources	\$ 422,806,108	\$ 243,331,246	\$ 179,474,862
Liabilities			
Total current liabilities	\$ 16,128,565	\$ 13,416,050	\$ 2,712,515
Net pension and net OPEB liability	431,268,026	178,575,307	252,692,719
Long-term liabilities, net of current portion	32,966,689	30,493,042	2,473,647
Total liabilities	480,363,280	222,484,399	257,878,881
Deferred inflows of resources			
Deferred inflows related to pension plan, OPEB, and debt refunding	21,592,669	31,607,804	(10,015,135)
Net position			
Net investment in capital assets	121,936,688	119,386,666	2,550,022
Restricted	23,458,574	20,047,628	3,410,946
Unrestricted	(224,545,103)	(150,195,251)	(74,349,852)
Total net position	(79,149,841)	(10,760,957)	(68,388,884)
Total liabilities, deferred inflows of resources, and net position of resources	\$ 422,806,108	\$ 243,331,246	\$ 179,474,862

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

Statement of Net Position and Statement of Activities (Continued)

Statement of Activities

For the Year Ended June 30,	2021	2020	Variance
Program revenues			
Charges for services	\$ 125,025	\$ 538,389	\$ (413,364)
Operating grants and contributions	28,319,047	25,466,972	2,852,075
Capital grants and contributions	7,196,748	8,017,524	(820,776)
General revenues			
Property taxes	8,614,901	8,476,639	138,262
Oil and gas taxes	50,293	61,722	(11,429)
State equalization guarantee	95,073,196	90,951,535	4,121,661
Investment income	50,635	476,763	(426,128)
Gain from sale of capital assets	72,004	-	-
Miscellaneous	478,205	303,758	174,447
Total revenues	139,980,054	134,293,302	5,614,748
Program expenses			
Instruction	121,500,251	35,975,940	85,524,311
Support services	50,377,967	14,406,618	35,971,349
Central services	7,294,565	3,365,484	3,929,081
Operation and maintenance of plant	16,929,455	7,088,162	9,841,293
Student transportation	3,487,050	3,446,465	40,585
Food services	8,876,122	5,737,227	3,138,895
Interest and other charges	938,458	805,946	132,512
Total expenses	209,403,868	70,825,842	138,578,026
Increase (decrease) in net position	\$ (69,423,814)	\$ 63,467,460	\$ (132,891,274)

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 \$79,149,842 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

Government-wide Financial Analysis of the District (Continued)

During the current fiscal year, the District's net position decreased by \$68,388,885, over that of the prior year. The resulting decrease to net position is primarily 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 \$140,055,435, other financing sources of \$8,336,290 and total expenditures of \$130,025,143. The net change in fund balances for the year was an increase of \$10,030,292, resulting in total end of year fund balances of \$66,809,784. Approximately 97.3% 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, Title I - ESEA Fund, Bond Building Capital Projects Fund, Public School Capital Outlay and its Debt Service Fund.

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

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, 2021, the spendable fund balance of the District's general fund was \$28,817,359. The non-spendable fund balance of the District's general fund was \$626,618. 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 32.3% 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 \$10,773,610 during the current fiscal year due to the District receiving additional revenue in the current year.

The Title I - ESEA Fund has total nonspendable fund balance of \$547,572, all of which is restricted for education.

The Bond Building Capital Projects fund has total spendable fund balance of \$12,550,427, which is restricted for capital acquisitions and improvements. The total fund balance of the bond building fund decreased by \$4,591,331 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 \$8,139,939, all of which is restricted for debt service. The net increase of \$1,726,144 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.

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

General Fund Budgeting Highlights (Continued)

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2021. 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).

	Final Budget	Actual	Variance
General Fund	\$ 102,606,308	\$ 89,896,562	\$ 12,709,746
Title I - ESEA	5,285,324	4,002,171	1,283,153
Bond Building Capital Projects Fund	12,078,267	2,786,677	9,291,590
Public School Capital Outlay Fund	111,191	111,191	-
Debt Service Fund	15,335,037	5,792,265	9,542,772

During the course of fiscal 2021, the District amended its budget as needed.

General Fund revenues, including beginning cash balance, were budgeted at \$99,380,830, while actual expenditures were \$89,896,562. 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 \$100,000,871, which constitutes more than 100% of the total budgeted revenue and cash balance of the fund. Actual expenditures were 89.9% 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 \$4.1 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, and all of the District’s PSCOC/PSFA matching fund awarded school construction projects were completed as of June 30, 2021. Del Norte Elementary school was undergoing design for new facility construction, in the prior year. It started project construction in January of 2019 and completed construction in September of 2020. 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

June 30,	2021	2020	Variance
Assets			
Current and other assets	\$ 1,334,129	\$ 553,519	\$ 780,610
Capital assets, net of accumulated depreciation	184,205	47,895	136,310
Total assets	1,518,334	601,414	916,920
Deferred outflows of resources			
Deferred outflows related to pension plan and OPEB	1,418,071	248,829	1,169,242
Total deferred outflows of resources	1,418,071	248,829	1,169,242
Total assets and deferred outflows of resources	\$ 2,936,405	\$ 850,243	\$ 2,086,162
Liabilities			
Current liabilities	\$ 114,623	\$ 45,085	\$ 69,538
Net pension and net OPEB liability	2,896,770	1,202,215	1,694,555
Total liabilities	3,011,393	1,247,300	1,764,093
Deferred inflows of resources			
Deferred inflows related to pension plan and OPEB	228,926	330,604	(101,678)
Net position			
Net investment in capital assets	184,205	47,895	136,310
Restricted	24,413	49,984	(25,571)
Unrestricted	(512,532)	(825,540)	313,008
Total net position	(303,914)	(727,661)	423,747
Total liabilities, deferred inflows of resources, and net position	\$ 2,936,405	\$ 850,243	\$ 2,086,162

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

Sidney Gutierrez Charter School Financials (Continued)

Statement of Activities

For the Year Ended June 30,	2021	2020	Variance
Program revenues			
Operating grants and contributions	\$ 79,873	\$ 81,085	\$ (1,212)
Capital grants and contributions	94,963	54,372	40,591
General revenues			
Property taxes	14,290	13,825	465
Oil and gas taxes	84	94	(10)
State equalization guarantee	2,711,856	720,211	1,991,645
Investment income	582	5,286	(4,704)
Miscellaneous	3,200	3,400	(200)
Total revenues	2,904,848	878,273	2,026,575
Program expenses	2,487,779	446,428	2,041,351
Increase (decrease) in net position	\$ 417,069	\$ 431,845	\$ (14,776)

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 \$303,914, 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, 2021, after addition and deletion of capital assets, the District maintained a total capitalized asset balance of \$148,010,731 and the Charter School maintained a total capitalized asset balance of \$184,205. 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.

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

Debt

On February 17, 2021, the District sold, awarded and issued Series 2021 identified bonds in the amount of \$7,000,000. Series 2021 identified bonds were sold at a net premium amount of \$1,284,785.

Series 2021 Bonds represent approximately half of the remaining unissued balance of the February 5, 2019 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, 2021, the District had outstanding bonds payable of \$36,640,000. 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 2021. 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 95% 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

Basic Financial Statements

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

June 30, 2021	Primary Government	Component Unit
	Governmental Activities	Sidney Gutierrez Charter School
Assets		
Current assets		
Cash and cash equivalents	\$ 58,755,330	\$ 1,332,116
Investments	2,761	-
Receivables		
Property taxes	467,047	1,013
Oil and gas taxes	-	-
Intergovernmental	6,891,888	528
Other	146,367	-
Inventory	770,423	-
Prepaid expense	1,026,150	472
Total current assets	68,059,966	1,334,129
Noncurrent assets		
Restricted cash and cash equivalents	7,977,293	-
Capital assets not being depreciated	23,809,196	-
Capital assets being depreciated	226,711,435	228,763
Less accumulated depreciation	(102,509,900)	(44,558)
Total noncurrent assets	155,988,024	184,205
Total assets	224,047,990	1,518,334
Deferred outflows of resources		
Deferred outflows - pension	182,903,925	1,320,593
Deferred outflows - OPEB	15,854,193	97,478
Total deferred outflows of resources	198,758,118	1,418,071
Total assets and deferred outflows of resources	\$ 422,806,108	\$ 2,936,405

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

June 30, 2021	Primary Government	Component Unit
	Governmental Activities	Sidney Gutierrez Charter School
Liabilities		
Current liabilities		
Accounts payable	\$ 1,283,763	\$ 1,056
Accrued payroll	7,704,693	113,567
Accrued interest	608,493	-
Long-term liabilities, current	6,531,616	-
Total current liabilities	16,128,565	114,623
Noncurrent liabilities		
Long-term liabilities, net of current portion	32,966,689	-
Net pension liability	379,247,756	2,547,422
Net OPEB liability	52,020,270	349,348
Total noncurrent liabilities	464,234,715	2,896,770
Total liabilities	480,363,280	3,011,393
Deferred inflows of resources		
Deferred inflows - pension	2,249,113	75,747
Deferred inflows - OPEB	19,287,454	153,179
Other deferred inflows related to debt refunding	56,102	-
Total deferred inflows of resources	21,592,669	228,926
Net position		
Net investment in capital assets	121,936,688	184,205
Restricted for		
Debt service	6,785,093	-
Capital projects	3,494,654	15,627
Special revenue	13,178,827	8,786
Unrestricted (deficit)	(224,545,103)	(512,532)
Total net position	(79,149,841)	(303,914)
Total liabilities, deferred inflows of resources, and net position	\$ 422,806,108	\$ 2,936,405

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, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities			
Instruction	\$ 121,500,251	\$ 104,039	\$ 10,838,834
Support services - students	26,918,553	-	4,843,924
Support services - instruction	2,948,401	-	263,022
Support services - general administration	5,630,808	-	502,315
Support services - school administration	14,880,205	-	1,327,438
Central services	7,294,565	-	650,736
Operation and maintenance of plant	16,929,455	-	1,510,248
Student transportation	3,487,050	-	3,042,217
Other support services	10,819	-	966
Food services operations	8,876,122	20,986	5,339,347
Interest and other charges	927,639	-	-
Total governmental activities	209,403,868	125,025	28,319,047
Total primary government	\$ 209,403,868	\$ 125,025	\$ 28,319,047
Component unit			
Sidney Gutierrez Charter School	\$ 2,487,779	\$ -	\$ 79,873

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
Gain from sale of capital assets
Donation
Miscellaneous

Total general revenues

Change in net position

Net position - beginning, as originally stated

Net position - restatement (note 2)

Net position - beginning, as restated

Net position - ending

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions	Governmental Activities	Component Unit	
\$ 6,464,112	\$ (104,093,266)	\$	-
-	(22,074,629)		-
-	(2,685,379)		-
732,636	(4,395,857)		-
-	(13,552,767)		-
-	(6,643,829)		-
-	(15,419,207)		-
-	(444,833)		-
-	(9,853)		-
-	(3,515,789)		-
-	(927,639)		-
7,196,748	(173,763,048)		-
<u>\$ 7,196,748</u>	<u>(173,763,048)</u>		-
<u>\$ 94,963</u>		<u>(2,312,943)</u>	
	384,684		-
	6,084,012		-
	2,146,205	14,290	
	50,293	84	
	95,073,196	2,711,856	
	50,635	582	
	72,004	-	
	-	3,000	
	478,205	200	
	104,339,234	2,730,012	
	(69,423,814)	417,069	
	(10,760,957)	(727,661)	
	1,034,930	6,678	
	(9,726,027)	(720,983)	
	\$ (79,149,841)	\$ (303,914)	

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

June 30, 2021	General Fund 11000, 13000, 14000	Title I - ESEA 24101	Bond Building Capital Projects Fund 31100
Assets			
Cash and cash equivalents	\$ 23,870,609	\$ -	\$ 12,587,941
Investments	1,123	-	89
Receivables			
Property taxes	20,331	-	-
Intergovernmental	-	2,584,952	-
Other	32,826	-	-
Inventory	486,272	-	-
Prepaid expense	140,346	547,572	1,960
Due from other funds	11,946,752	-	-
Total assets	\$ 36,498,259	\$ 3,132,524	\$ 12,589,990
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 182,702	\$ 204,741	\$ 37,603
Accrued payroll	6,861,574	113,804	-
Due to other funds	-	2,579,425	-
Total liabilities	7,044,276	2,897,970	37,603
Deferred inflows of resources			
Unavailable revenue - property taxes	10,006	-	-
Total deferred inflows of resources	10,006	-	-
Fund balances			
Nonspendable	626,618	547,572	1,960
Spendable			
Restricted	25,358	-	12,550,427
Committed	2,776,842	-	-
Unassigned (deficit)	26,015,159	(313,018)	-
Total fund balances	29,443,977	234,554	12,552,387
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,498,259	\$ 3,132,524	\$ 12,589,990

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

Public School Capital Outlay 31200	Debt Service Fund 41000	Nonmajor Governmental Funds	Total
\$ 5,888,809	\$ 7,977,293	\$ 16,407,971	\$ 66,732,623
-	1,549	-	2,761
-	330,637	116,079	467,047
-	-	4,306,936	6,891,888
111,191	-	2,350	146,367
-	-	284,151	770,423
-	-	336,272	1,026,150
-	-	-	11,946,752
\$ 6,000,000	\$ 8,309,479	\$ 21,453,759	\$ 87,984,011
\$ -	\$ -	\$ 858,717	\$ 1,283,763
-	-	729,315	7,704,693
6,000,000	-	3,367,326	11,946,751
6,000,000	-	4,955,358	20,935,207
-	169,540	59,474	239,020
-	169,540	59,474	239,020
-	-	620,423	1,796,573
-	8,139,939	16,232,005	36,947,729
-	-	-	2,776,842
-	-	(413,501)	25,288,640
-	8,139,939	16,438,927	66,809,784
\$ 6,000,000	\$ 8,309,479	\$ 21,453,759	\$ 87,984,011

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, 2021

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

Fund balances - total governmental funds	\$ 66,809,784
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	148,010,731
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds	
Bond discounts	68,245
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	239,020
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	(56,102)
Deferred outflows - pension (note 11)	182,903,925
Deferred inflows - pension (note 11)	(2,249,113)
Deferred outflows - OPEB (note 12)	15,854,193
Deferred inflows - OPEB (note 12)	(19,287,454)
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	(2,034,127)
Accrued interest payable	(608,493)
Accrued compensated absences not due and payable	(892,424)
Bonds payable	(36,640,000)
Net pension liability	(379,247,756)
Net OPEB liability	(52,020,270)
Total net position - governmental funds	\$ (79,149,841)

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

For the Year Ended June 30, 2021	General Fund 11000, 13000, 14000	Title I - ESEA 24101	Bond Building Capital Projects Fund 31100
Revenues			
Property taxes	\$ 387,267	\$ -	\$ -
Oil and gas taxes	3,092	-	-
Intergovernmental			
Federal flowthrough	-	4,146,596	-
Federal direct	742,173	-	-
Local sources	49,145	-	-
State flowthrough	95,073,196	-	-
State direct	103,252	-	-
Transportation distribution	3,042,217	-	-
Charges for services	-	-	-
Investment income	28,595	-	7,696
Miscellaneous	379,210	-	-
Total revenues	99,808,147	4,146,596	7,696
Expenditures			
Current			
Instruction	52,832,923	3,146,380	-
Support services - students	9,783,490	341,181	-
Support services - instruction	1,510,154	44	-
Support services - general administration	1,454,963	168,229	-
Support services - school administration	7,018,358	268,794	-
Central services	3,757,374	-	-
Operation and maintenance of plant	9,501,349	-	270,119
Student transportation	3,092,191	-	-
Other support services	9,651	-	-
Food services operations	85,993	-	-
Capital outlay	60,095	221,968	2,146,246
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	89,106,541	4,146,596	2,416,365
Excess (deficiency) of revenues over expenditures	10,701,606	-	(2,408,669)
Other financing sources (uses)			
Proceeds from sale of capital assets	72,004	-	-
Bond premium	-	-	-
Bond proceeds	-	-	7,000,000
Total other financing sources (uses)	72,004	-	7,000,000
Net change in fund balances	10,773,610	-	4,591,331
Fund balances - beginning, as originally stated	18,670,367	234,554	7,961,056
Fund balances - restatement (note 2)	-	-	-
Fund balances - beginning of year, as restated	18,670,367	234,554	7,961,056
Fund balances - end of year	\$ 29,443,977	\$ 234,554	\$ 12,552,387

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

Public School Capital Outlay 31200	Debt Service Fund 41000	Nonmajor Governmental Funds	Total
\$ -	\$ 6,215,960	\$ 2,159,059	\$ 8,762,286
-	34,913	12,288	50,293
-	-	14,362,376	18,508,972
-	-	2,441,119	3,183,292
-	-	495,250	544,395
-	-	3,668,721	98,741,917
6,464,112	-	834	6,568,198
-	-	-	3,042,217
-	-	125,025	125,025
-	3,250	11,094	50,635
-	-	98,995	478,205
6,464,112	6,254,123	23,374,761	140,055,435
-	-	6,968,834	62,948,137
-	-	3,609,416	13,734,087
-	-	113,838	1,624,036
-	43,129	2,780,933	4,447,254
-	-	98,034	7,385,186
-	-	194,442	3,951,816
111,191	-	1,367,323	11,249,982
-	-	41,413	3,133,604
-	-	-	9,651
-	-	5,949,336	6,035,329
6,352,921	-	975,695	9,756,925
-	4,735,000	-	4,735,000
-	1,014,136	-	1,014,136
6,464,112	5,792,265	22,099,264	130,025,143
-	461,858	1,275,497	10,030,292
-	-	-	72,004
-	1,264,286	-	1,264,286
-	-	-	7,000,000
-	1,264,286	-	8,336,290
-	1,726,144	1,275,497	18,366,582
-	6,413,795	14,128,500	47,408,272
-	-	1,034,930	1,034,930
-	6,413,795	15,163,430	48,443,202
\$ -	\$ 8,139,939	\$ 16,438,927	\$ 66,809,784

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, 2021

Amounts reported for governmental activities in the statement of activities are different because net change in fund balances - total governmental funds	\$ 18,366,582
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	9,756,925
Intangible asset expenditures	6,970
Depreciation expense	(8,169,189)
Amortization expense of intangible assets	(1,678)
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	(147,385)
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	8,794,260
Pension expense	(97,275,633)
OPEB contributions subsequent to the measurement date	1,269,481
OPEB benefit	1,677,183
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	(258,541)
Increase in accrued interest payable	(178,853)
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	(9,178)
Amortization of bond premiums	232,258
Amortization of deferred gain on extinguishment of debt	42,270
Bond premium capitalized	(1,264,286)
Bond proceeds	(7,000,000)
Principal payments on bonds	4,735,000
Change in net position of governmental activities	\$ (69,423,814)

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, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ 389,705	\$ 389,705	\$ 384,645	\$ (5,060)
Oil and gas taxes	-	-	3,092	3,092
Intergovernmental				
Federal direct	300,000	300,000	742,173	442,173
Local sources	-	-	42,267	42,267
State flowthrough	94,115,077	95,159,062	95,073,196	(85,866)
State direct	56,846	56,846	103,252	46,406
Transportation distribution	3,037,604	3,042,217	3,042,217	-
Charges for services	5,000	5,000	-	(5,000)
Investment income	203,000	203,000	28,595	(174,405)
Miscellaneous	225,000	225,000	581,434	356,434
Total revenues	98,332,232	99,380,830	100,000,871	620,041
Expenditures				
Current				
Instruction	65,218,311	62,706,311	53,904,055	8,802,256
Support services - students	9,151,891	10,737,421	9,750,745	986,676
Support services - instruction	1,412,695	1,654,015	1,480,872	173,143
Support services - general administration	1,546,233	1,848,333	1,437,564	410,769
Support services - school administration	7,356,310	7,861,450	6,889,884	971,566
Central services	2,905,552	4,046,447	3,746,534	299,913
Operation and maintenance of plant	10,841,443	10,357,043	9,435,540	921,503
Student transportation	3,037,604	3,101,217	3,095,897	5,320
Other support services	47,671	58,071	9,383	48,688
Capital outlay	40,000	150,000	60,095	89,905
Total expenditures	101,557,710	102,606,308	89,896,562	12,709,746
Excess (deficiency) of revenues over expenditures	(3,225,478)	(3,225,478)	10,104,309	13,329,787
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	3,225,478	3,225,478	-	(3,225,478)
Proceeds from sale of capital assets	-	-	72,004	72,004
Total other financing sources (uses)	3,225,478	3,225,478	72,004	(3,153,474)
Net change in fund balances	-	-	10,176,313	10,176,313
Fund balances - beginning of year	-	-	18,780,597	18,780,597
Fund balances - end of year	\$ -	\$ -	\$ 28,956,910	\$ 28,956,910
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 10,176,313
Adjustments to revenues for changes in insurance recoveries, access board e-rate, other revenues				(192,724)
Adjustments to expenditures for supplies, compensation, other charges				790,021
Net change in fund balances (GAAP Basis)				\$ 10,773,610

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
Title I - ESEA (24101)

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	4,156,486	5,285,324	2,614,453	(2,670,871)
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,156,486	5,285,324	2,614,453	(2,670,871)
Expenditures				
Current				
Instruction	2,996,540	3,844,603	3,061,053	783,550
Support services - students	658,352	623,052	352,835	270,217
Support services - instruction	-	524	44	480
Support services - general administration	175,178	224,754	168,863	55,891
Support services - school administration	306,204	339,980	270,000	69,980
Central services	-	-	-	-
Operation and maintenance of plant	212	212	-	212
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	20,000	252,199	149,376	102,823
Total expenditures	4,156,486	5,285,324	4,002,171	1,283,153
Excess (deficiency) of revenues over expenditures	-	-	(1,387,718)	(1,387,718)
Net change in fund balance	-	-	(1,387,718)	(1,387,718)
Fund balance - beginning of year	-	-	(1,305,511)	(1,305,511)
Fund balance - end of year	\$ -	\$ -	\$ (2,693,229)	\$ (2,693,229)
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (1,387,718)
Adjustments to revenues for PED Federal flowthrough grants				1,532,143
Adjustments to expenditures for software and supplies				(144,425)
Net change in fund balance (GAAP Basis)				\$ -

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

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

June 30, 2021	Custodial Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 58,055
Investments	53,567
Total assets	\$ 111,622
Net position	
Restricted for student organizations	\$ 111,622
Total net position	111,622
Total liabilities and net position	\$ 111,622

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

State of New Mexico
Roswell Independent School District No. 4
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Year Ended June 30, 2021	Custodial Fund
Additions	
Investment income	\$ 634
Total additions	634
Deductions	
Current	
Central services	6,000
Total deductions	6,000
Net (deficiency) in fiduciary net position	(5,366)
Net position - beginning of year, as originally stated	-
Net position - restatement (note 2)	116,988
Net position - beginning of year, as restated	116,988
Net position - end of year	\$ 111,622

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, 80, and 90.

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 *Title 1 – 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.

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.

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 *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.

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. Custodial 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 fiduciary funds:

The *Custodial 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. Balances between the funds included in governmental activities (i.e., the governmental and fiduciary funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

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.

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 2021 is considered "measurable and available" and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2021. Period of availability is deemed to be sixty days subsequent to year end.

Prepaid Expenses

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.

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)

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.

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.

**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)

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 to the District during the year ended June 30, 2021. A donated asset for grass turf to the Charter in the amount of \$3,000 was made during the year ended June 30, 2021.

Capital Assets (Continued)

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 five types of items present on the statement of net position which is related to net pension liability which total \$182,903,925 and \$1,320,593, respectively. The District has three types of items and the Charter has four types of items present on the statement of net position which is related to net OPEB liability which total \$15,854,193 and \$97,478, respectively. The amounts are further detailed in note 11 and note 12. 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 \$239,020 and \$381, respectively, related to property taxes considered "unavailable."

In addition, the District has three types of items and the Charter has two types of items present on the statement of net position which are related to pension totaling \$2,249,113 and \$75,747, respectively. These items are detailed in note 11. The District also has one item reported for this category related to the advance refunding of bonds totaling \$56,102. Lastly, the District and the Charter each have three types of items present on the statement of net position, which are related to net OPEB liability totaling \$19,287,454 and \$153,179, respectively. These items are detailed in note 12. 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 \$258,541 for a total of \$892,424 as of June 30, 2021.

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 net other post-employment liability, deferred outflows of resources and deferred inflows of resources related to net other 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.

Fund Balances (Continued)

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, 2021, the District had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$1,796,573 as detailed on in note 16.

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)

Restricted and Committed Fund Balance - At June 30, 2021, the District has presented restricted fund balance on the governmental funds balance sheet in the amount of \$36,947,729 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 \$2,776,842. The details of these fund balance items are located on the governmental funds balance sheet as detailed on note 16.

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 \$12,587,941 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; and (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.

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 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.

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 \$95,073,196 and \$2,711,856, respectively, in state equalization guarantee distributions during the year ended June 30, 2021.

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 \$8,614,901 and \$14,290 in property tax revenues, respectively, in the government-wide financial statements during the year ended June 30, 2021. 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 \$3,042,217 in transportation distributions during the year ended June 30, 2021.

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)

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, 2021.

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 \$732,636 and \$0, respectively, in state SB-9 matching during the year ended June 30, 2021.

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 \$6,464,112 and \$94,963, respectively, in Public School Capital Outlay matching during the year ended June 30, 2021.

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)

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.

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 15, 2021, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The District has implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of this statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District has evaluated these criteria and determined that all funds previously reported as fiduciary funds should now be classified as proprietary funds. Additional information can be found in Note 2.

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)

The District also implemented GASB 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 implementation of this Statement had no impact on the District's reporting in the current fiscal year.

The District further implemented GASB 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 Statements No. 14 and 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The implementation of this Statement had no impact on the District's reporting in the current fiscal year.

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

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. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

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 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 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. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

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. (This new effective date reflects the immediate implementation of GASB Statement No. 95.) 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. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

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 March 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.

In May 2020, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. GASB 96 will be effective for the fiscal years beginning after June 15, 2022.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

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

NOTE 2: NET POSITION RESTATEMENT

In fiscal year 2021, the District and the Charter implemented GASB Statement No. 84, *Fiduciary Activities*. The District has a prior period adjustment of \$116,988 which was required for restating the prior period balance of fiduciary net position. The June 30, 2020 net position was previously classified as a liability "deposits held in trust for others" instead of custodial net position as required under GASB Statement No. 84. In addition, due to the implementation of the standard, the District had to reclassify \$1,034,930 to special revenue funds during fiscal year 2021. The Charter had to reclassify \$6,678 to special revenue funds during fiscal year 2021.

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

NOTE 3: 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.

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. 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.
4. The school board meeting is open for the general public unless a closed meeting has been called.

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

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

5. 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.
6. 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.
7. 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.
8. 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.
9. Legal budget control for expenditures is by function
10. 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.
11. 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.

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

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The appropriated budget for the year ended June 30, 2021, was properly amended by the District’s Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of Revenues over Expenditures	
	Original Budget	Final Budget
Budgeted funds		
General Fund - 11000, 13000, 14000	\$ (3,225,478)	\$ (3,225,478)
Title I - 24101	-	-
Bond Building Capital Projects - 31100	(12,003,267)	(12,003,267)
Public School Capital Outlay - 31200	-	-
Debt Service - 41000	(9,419,999)	(9,419,999)
Nonmajor governmental funds	(5,062,050)	(11,200,665)
	\$ (29,710,794)	\$ (35,849,409)

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.

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, 2021 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 4: 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, 2021.

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2021, \$24,899,477 of the District's bank balances of \$25,297,223 was exposed to custodial credit risk; \$15,265,033 was uninsured and collateralized by collateral held by the pledging bank's trust department, but not in the District's name. \$9,634,444 of the District's deposits were uninsured and uncollateralized at June 30, 2021.

	Pioneer Bank	Wells Fargo Bank	Total
Amount of deposits	\$ 25,201,937	\$ 95,286	\$ 25,297,223
FDIC coverage	(302,460)	(95,286)	(397,746)
Total uninsured public funds	24,899,477	-	24,899,477
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	15,265,033	-	15,265,033
Uninsured and uncollateralized	\$ 9,634,444	\$ -	\$ 9,634,444
Collateral requirement (50%)	\$ 12,449,739	\$ -	\$ 12,449,739
Pledged securities	15,265,033	-	15,265,033
Over (under) collateralized	\$ 2,815,294	\$ -	\$ 2,815,294

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

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.

At June 30, 2021, the District’s investment balances were exposed to custodial credit risk as follows:

Overnight Repurchase Agreements	Pioneer Bank	Total
Amount of deposits	\$ 44,020,702	\$ 44,020,702
Total uninsured public funds	44,020,702	44,020,702
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	44,020,702	44,020,702
Uninsured and uncollateralized	\$ -	\$ -
Collateral requirement (102% of uninsured-repurchase)	\$ 44,901,116	\$ 44,901,116
Pledged securities	44,901,116	44,901,116
Over (under) collateralized	\$ -	\$ -

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Cash, Cash Equivalents, and Investments

Cash and cash equivalents per statement of net position	\$ 58,755,330
Restricted cash and cash equivalents per statement of net position	7,977,293
Investments per statement of net position	2,761
Cash and cash equivalents per statement of fiduciary net position	58,055
Investments per statement of fiduciary net position	53,567
<hr/>	
Total cash, cash equivalents, and investments	66,847,006
Add outstanding checks	2,474,917
Less petty cash	(130)
Less investments in LGIP	(3,868)
<hr/>	
Bank balance of deposits and investments	\$ 69,317,925
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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, 2021, \$1,105,344 of the Charter’s bank balances of \$1,355,344 was exposed to custodial credit risk; \$552,672 was uninsured and collateralized by collateral held by the pledging bank’s trust department, but not in the Charter’s name. \$552,672 of the Charter’s deposits were uninsured and uncollateralized at June 30, 2021.

Charter		
	Pioneer Bank	Total
Amount of deposits	\$ 1,355,344	\$ 1,355,344
FDIC coverage	(250,000)	(250,000)
Total uninsured public funds	1,105,344	1,105,344
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Charter's name		
	552,672	552,672
Uninsured and uncollateralized	\$ 552,672	\$ 552,672
Collateral requirement (50%)		
	\$ 552,672	\$ 552,672
Pledged securities	552,672	552,672
Over (under) collateralized	\$ -	\$ -

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Cash, Cash Equivalents, and Investments (continued)

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.

Component Unit

Cash and cash equivalents per statement of net position	\$ 1,332,116
Add outstanding checks	23,228
Bank balance of deposits	\$ 1,355,344

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, 2021, the District had the following investments and maturities:

Investment Type	Weighted Average Maturities (F)	Fair Value	Rating
New MexiGROW LGIP	78 days (WAM(F))	\$ 3,868	* AAAM **
Investments per schedule of deposits and investment accounts		\$ 3,868	

* \$1,107 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.

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

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).

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2021, are as follows:

	General Fund	Title 1 - ESEA	Public School Capital Outlay
Property taxes	\$ 20,331	\$ -	\$ -
Intergovernmental			
State	-	-	-
Federal	-	2,584,952	-
Other			
Miscellaneous	32,826	-	111,191
Totals	\$ 53,157	\$ 2,584,952	\$ 111,191

	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 330,637	\$ 116,079	\$ 467,047
Intergovernmental			
State	-	3,181,330	3,181,330
Federal	-	1,125,606	3,710,558
Other			
Miscellaneous	-	2,350	146,367
Totals	\$ 330,637	\$ 4,425,365	\$ 7,505,302

The above receivables are deemed 100% collectible.

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

NOTE 5: ACCOUNTS RECEIVABLE (Continued)

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$239,020 that was not collected within the period of availability have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements.

The Charter

Accounts receivable as of June 30, 2021, are as follows:

	General Fund	Charter School	Total
Property taxes	\$ 1,013	\$ -	\$ 1,013
Intergovernmental Federal	-	528	528
Totals	\$ 1,013	\$ 528	\$ 1,541

The above receivables are deemed 100% collectible.

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$381 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 6: 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, 2021 is as follows:

Governmental activities	Due from Other Funds	Due to Other Funds
General Fund	\$ 11,946,751	\$ -
Special Revenue Fund		
Title I - ESEA	-	2,579,425
Capital Projects Fund		
Public School Capital Outlay	-	6,000,000
Nonmajor Funds		
Migrant Children Education	-	1,491
Entitlement Idea-B	-	737,907
Preschool IDEA-B	-	48,871
Education of Homeless	-	8,117
IDEA - Private Schools Share	-	2,280
Community Schools Implementation Grant	-	150,416
CDC Healthy Schools	-	9,796
Title I - Striving Readers	-	151,849
Charter Schools	-	780
English Language Acquisition	-	42,560
Teacher/Principal Training & Recruiting	-	69,013
Rural & Low Income Schools	-	115,388
Immigrant Funding - Title III	-	23,510
Carl D Perkins Special Projects - Current	-	12,530
Carl Perkins Secondary - Current	-	68,495
Carl D Perkins Secondary - Redistribution	-	2,192
Student Support Academic Achievement Title IV	-	62,999
CARES ACT ESSER	-	165,428
CARES Act, Governor's Emergency Economic Relief Fund (GEER)	-	23,131
Coronavirus Response & Relief Supplemental Appropriations Act, ESSER II	-	643,136
CARES Act, Social Emotional Learning	-	28,049
GO Library	-	113,664
Feminine Hygiene Products	-	13,446
STEM Professional Development	-	6,366
Pre-K Initiative	-	782,309
Schools in Need of Improvement	-	30,757
Next Gen CTE	-	10,085
Capital Improvements SB-9 State	-	42,761
Total	\$ 11,946,751	\$ 11,946,751

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

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

The Charter's general fund also had an interfund receivable in the amount of \$528 due from the charter school special revenue fund. All interfund balances are intended to be repaid within one year. At June 30, 2021, there were no operating transfers made to close out funds.

NOTE 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2021, follows. Land and construction in progress are not subject to depreciation.

Governmental activities	Balance June 30, 2020	Additions	Deletions	Reclass	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 2,477,313	\$ -	\$ -	-	\$ 2,477,313
Construction in progress	12,741,076	8,590,807	-	-	21,331,883
Total capital assets not being depreciated	15,218,389	8,590,807	-	-	23,809,196
Capital assets being depreciated					
Land improvements	18,023,711	168,311	-	(201,498)	17,990,524
Buildings and improvements	198,731,503	239,619	-	-	198,971,122
Furniture, fixtures and equipment	8,464,543	758,188	(135,832)	201,498	9,288,397
Intangibles	454,422	6,970	-	-	461,392
Total capital assets being depreciated	225,674,179	1,173,088	(135,832)	-	226,711,435
Total capital assets	240,892,568	9,763,895	(135,832)	-	250,520,631
Less accumulated depreciation					
Land improvements	11,633,528	850,910	-	-	12,484,438
Buildings and improvements	76,717,012	6,773,303	-	-	83,490,315
Furniture, fixtures and equipment	5,671,027	544,976	(135,832)	-	6,080,171
Intangibles	453,298	1,678	-	-	454,976
Total accumulated depreciation	94,474,865	8,170,867	(135,832)	-	102,509,900
Total capital assets, net of depreciation	\$ 146,417,703	\$ 1,593,028	\$ -	-	\$ 148,010,731

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

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation and amortization expense for the year ended June 30, 2021 was charged to the following functions:

Instruction	\$ 4,546,682
Support services - students	880,825
Support services - instruction	116,237
Support services - general administration	139,913
Support services - school administration	396,808
Central services	733,442
Operation and maintenance of plant	224,879
Student transportation	1,168
Other support services	701,837
Food service operations	429,076
Total	\$ 8,170,867

Charter

Governmental activities	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated				
Land improvements	\$ 68,126	\$ 129,512	\$ -	\$ 197,638
Furniture, fixtures and equipment	15,727	15,398	-	31,125
Total capital assets being depreciated	83,853	144,910	-	228,763
Less accumulated depreciation				
Land improvements	17,901	6,421	-	24,322
Furniture, fixtures and equipment	18,057	2,179	-	20,236
Total accumulated depreciation	35,958	8,600	-	44,558
Total capital assets, net of depreciation	\$ 47,895	\$ 136,310	\$ -	\$ 184,205

Depreciation expense in the amount of \$8,600 was charged to Instruction in the statement of activities.

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

NOTE 8: 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, 2021 are for governmental activities.

Bonds outstanding at June 30, 2021 are comprised of the following:

	Series 2010	Series 2011	Series 2013	Series 2015 A
Original issue	\$ 8,000,000	\$ 9,500,000	\$ 6,500,000	\$ 8,000,000
Principal	1-Aug	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb	1-Feb
	1-Aug	1-Aug	1-Aug	1-Aug
Interest rates	2.00% - 3.00%	2.00% - 3.00%	2.00% - 3.50%	2.00% - 4.00%
Maturity date	8/1/2022	8/1/2023	8/1/2028	8/1/2029
	Series 2017 A	Series 2017 B	Series 2018	Series 2021
Original issue	\$ 3,730,000	\$ 5,670,000	\$ 4,210,000	\$ 7,000,000
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	3.00%	4.00%	3.00%-3.150%	2.00%-5.00%
Maturity date	8/1/2032	8/1/2024	8/1/2033	8/1/2033

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance			Balance	Due Within
	June 30, 2020	Additions	Retirements	June 30, 2021	One Year
General Obligation Bonds	\$ 34,375,000	\$ 7,000,000	\$ 4,735,000	\$ 36,640,000	\$ 5,640,000
Bond premium	1,002,099	1,264,286	232,258	2,034,127	325,296
Bond discount	(77,423)	-	(9,178)	(68,245)	(8,862)
Compensated absences	633,883	792,855	534,314	892,424	575,183
Total long-term debt	\$ 35,933,559	\$ 9,057,141	\$ 5,492,394	\$ 39,498,306	\$ 6,531,617

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2021, including interest payments, are as follows:

GO Bond Series 2010

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 1,400,000	\$ 64,500	\$ 1,464,500
2023	1,450,000	21,750	1,471,750
	\$ 2,850,000	\$ 86,250	\$ 2,936,250

GO Bond Series 2011

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 1,500,000	\$ 127,500	\$ 1,627,500
2023	1,625,000	80,625	1,705,625
2024	1,875,000	28,125	1,903,125
	\$ 5,000,000	\$ 236,250	\$ 5,236,250

GO Bond Series 2013

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	700,000	85,750	785,750
2027-2029	2,100,000	110,250	2,210,250
	\$ 5,275,000	\$ 742,125	\$ 6,017,125

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

GO Bond Series 2015A

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	900,000	139,500	1,039,500
2027-2030	3,600,000	265,500	3,865,500
	<u>\$ 6,875,000</u>	<u>\$ 1,248,000</u>	<u>\$ 8,123,000</u>

GO Bond Series 2017A

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	355,000	69,738	424,738
2027-2031	1,785,000	205,790	1,990,790
2032-2033	720,000	19,350	739,350
	<u>\$ 3,445,000</u>	<u>\$ 647,105</u>	<u>\$ 4,092,105</u>

GO Bond Series 2017B

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 1,185,000	\$ 58,900	\$ 1,243,900
2023	60,000	34,000	94,000
2024	820,000	16,400	836,400
	<u>\$ 2,065,000</u>	<u>\$ 109,300</u>	<u>\$ 2,174,300</u>

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

GO Bond Series 2018

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	365,000	91,798	456,798
2027-2031	1,825,000	301,216	2,126,216
2032-2034	1,095,000	51,283	1,146,283
	<u>\$ 4,130,000</u>	<u>\$ 896,014</u>	<u>\$ 5,026,014</u>

GO Bond Series 2021

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 700,000	\$ 123,847	\$ 823,847
2023	500,000	266,250	766,250
2024	150,000	241,250	391,250
2025	575,000	233,750	808,750
2026	575,000	205,000	780,000
2027-2031	2,875,000	593,750	3,468,750
2032-2034	1,625,000	63,000	1,688,000
	<u>\$ 7,000,000</u>	<u>\$ 1,726,847</u>	<u>\$ 8,726,847</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, 2021, compensated absences increased \$258,541 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.

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

NOTE 9: 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, 2021, there have been no claims that have exceeded insurance coverage.

NOTE 10: 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, 2021:

District Nonmajor Funds		
Migrant Children Education	\$	(740)
CARES Act, ESSER		(6,305)
Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, ESSER II		(49,465)
NM Computer Science K-8 Grant Program		(1)
Pre-K Initiative		(120)
Schools in Need of Improvement		(30,757)
Capital Improvements SB-9 State		(42,761)
Total governmental funds	\$	(130,149)

The Charter maintained no deficit fund balance at June 30, 2021.

- 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, 2021.
- 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, 2021.

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

NOTE 11: 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.

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, Districts, junior Districts, 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 multiplier, which for those who began employment prior to July 1, 2019, is 0.0235. The multiplier is variable for those who began work after July 1, 2019. 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 of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

General Information about the Pension Plan (Continued)

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.

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.

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

General Information about the Pension Plan (Continued)

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 and the Charter 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, 2020 employers contributed 14.15% of employees' gross annual salary to the Plan. Employees earning \$24,000 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, 2019 employers contributed 13.90%, and employees earning 24,000 or less continued to contribute 7.90% and employees earning more than \$24,000 continued contributing at an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District was \$8,794,260 for the year ended June 30, 2021.

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, 2019. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2019. At June 30, 2020, the District and the Charter reported a liability of \$379,247,756 and \$2,547,422 for its proportionate share of the net pension liability. The District's and Charter'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, 2020. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2020, the District's proportion was 1.87136 percent, which was an increase of 0.03399 percent from its proportion of 1.83737 percent measured as of June 30, 2019. At June 30, 2020, the Charter's proportion was .01257 percent, which was an increase of 0.0002 percent from its proportion of .01237 percent measured as of June 30, 2019.

For the year ended June 30, 2021, the District and the Charter recognized pension expense of \$97,275,633 and \$615,473, respectively.

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At the June 30, 2021, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 2,354,358	\$ 1,462,354
Net difference between projected and actual earnings on pension plan investments	13,371,667	493,937
Changes in proportion and differences between District contributions and proportionate share of contribution	6,415,823	292,822
Changes in assumptions	151,967,817	-
District's contributions subsequent to the measurement date	8,794,260	-
Total	\$ 182,903,925	\$ 2,249,113

\$8,794,260 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

The Charter

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 15,814	\$ 9,823
Net difference between projected and actual earnings on pension plan investments	86,500	-
Changes in proportion and differences between Charter contributions and proportionate share of contribution	51,913	65,924
Changes in assumptions	1,020,774	-
Charter's contributions subsequent to the measurement date	145,592	-
Total	\$ 1,320,593	\$ 75,747

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$145,592 reported as deferred outflows of resources related to pensions resulting from Charter contributions subsequent to the measurement date of June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Year ended June 30		
2021	\$	68,814,099
2022		68,303,923
2023		30,802,975
2024		3,939,555
Total	\$	171,860,552

The Charter

Year ended June 30		
2021	\$	421,043
2022		445,089
2023		206,660
2024		26,462
Total	\$	1,099,254

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, 2019. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2020 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, 2019 but were made during the fiscal year. Specifically, the total pension liability measured as of June 30, 2020 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,

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

3. Members beginning employment on or after July 1, 2020 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.

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, 2019 to June 30, 2049
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>

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other Information

A new set of assumptions was adopted for the June 30, 2020 actuarial valuation. These new assumptions are reflected in the Total Pension Liability as of June 30, 2020, and will be reflected in the ADEC determined for the fiscal year ending 2021. These assumptions can be found in the funding valuation as of June 30, 2020 or in the 2020 experience study report.

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
Notes to Financial Statements

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

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

Comparative Schedule of Target Investment Allocation		
Asset Class	Allocation	Policy Target
Equities		
<i>Domestic Equities</i>		
Large cap equities	15.1%	16.0%
Small- mid cap equities	2.2%	3.0%
<hr/>		
<i>Total domestic</i>	17.3%	19.0%
<i>International Equities</i>		
Developed	4.8%	5.0%
Emerging markets	9.2%	9.0%
<hr/>		
<i>Total international</i>	14.0%	14.0%
<hr/>		
Total equities	31.3%	33.0%
<hr/>		
Fixed Income		
Opportunistic credit	17.8%	18.0%
Core bonds	6.4%	6.0%
Emerging market debt	1.7%	2.0%
<hr/>		
Total fixed income	25.9%	26.0%
<hr/>		
Alternatives		
Real estate - REITS	6.8%	7.0%
Real assets	7.8%	8.0%
Private equity	15.2%	13.0%
Global asset allocation	4.1%	4.0%
Risk parity	5.4%	3.0%
Other	2.5%	5.0%
<hr/>		
Total alternatives	41.8%	40.0%
<hr/>		
Cash	1.0%	1.0%
<hr/>		
Total	100.0%	100.0%
<hr/> <hr/>		

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

NOTE 11: PENSION PLAN—EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the years ended June 30, 2020 the annual money-weighted rates of return on pension plan investments was a negative 0.97%.

Discount rate - A single discount rate of 3.89% was used to measure the total ERB pension liability as of June 30, 2020. This single discount rate was based on an expected rate of return on pension plan investments of 3.89%. 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 2046. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2046 and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the District's and Charter's proportionate share of the net pension liability to changes in the discount rate - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2020. 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 (2.89%) or one percentage point higher (4.89%) than the single discount rate.

Primary Government	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
District's proportionate share of the net pension liability	\$ 478,948,679	\$ 379,247,756	\$ 299,031,883
Component Unit	1% Decrease (2.89%)	Current Dicount Rate (3.89%)	1% Increase (4.89%)
Charter's proportionate share of the net pension liability	\$ 3,217,117	\$ 2,547,422	\$ 2,008,609

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, 2020, which is publicly available at www.nmerb.org.

Payables to the pension plan - The District and the Charter remit the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld.

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

NOTE 12: 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.

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.

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)

General Information about the Other Post-Employment Benefits Plan (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, 2020, 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, 2021 totaled \$1,269,481 and \$20,578, 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, 2021, the District and the Charter reported a liability of \$52,020,270 and \$349,348, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2020, the District's proportion was 1.23890 percent, which was an increase of .02522 percent from June 30, 2019. At June 30, 2020, the Charter's proportion was .00817 percent which was the same percent as June 30, 2019.

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)

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

For the year ended June 30, 2020, the District recognized OPEB benefit of (\$1,677,183). At June 30, 2021, 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	\$ -	\$ 9,238,446
Net difference between projected and actual earnings on OPEB plan investments	10,495,628	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,089,084	811,601
District's contributions subsequent to the measurement date	1,269,481	-
Differences between expected and actual experience	-	9,237,407
Total	\$ 15,854,193	\$ 19,287,454

\$1,269,481 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, 2021. 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:	
2021	\$ (3,750,806)
2022	(2,945,346)
2023	(709,002)
2024	786,236
2025	1,916,176
Total	\$ (4,702,742)

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)

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

For the year ended June 30, 2021, the Charter recognized OPEB benefit of (\$25,668). At June 30, 2021, the Charter 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	68,580	\$ 62,044
Net difference between projected and actual earnings on OPEB plan investments	1,906	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,414	29,100
Charter's contributions subsequent to the measurement date	20,578	-
Differences between expected and actual experience	-	62,035
Total	\$ 97,478	\$ 153,179

\$20,578 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, 2021. 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:	
2021	\$ (39,604)
2022	(34,195)
2023	(16,743)
2024	1,559
2025	12,704
Total	\$ (76,279)

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

**NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)**

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

Actuarial assumptions - The total OPEB liability in the June 30, 2019 actuarial valuation was determined by an actuarial valuation as of June 30, 2020. 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, 2019. The following actuarial assumptions were applied to the actuary's measurement:

Valuation Date	June 30, 2020
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, 2.50% 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, is 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 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (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 2.86% as of June 30, 2020. 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 Authority'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, 2040. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21%) was applied. Thus, 2.86% is the blended discount rate.

Basis for Allocation - The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2020.

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

**NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (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 2.86%, 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 (3.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount Rate (2.86%)	1% Increase (3.86%)
\$ 64,661,411	\$ 52,020,271	\$ 42,249,978

The following presents the net OPEB liability of the Charter as of June 30, 2020, 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 (1.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount Rate (2.86%)	1% Increase (3.86%)
\$ 434,242	\$ 349,349	\$ 283,735

The following presents the net OPEB Liability of the District as of June 30, 2020, as well as what the District’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:

1% Decrease	Current Trend Rates	1% Increase
\$ 42,698,914	\$ 52,020,271	\$ 59,090,768

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

**NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND
(Continued)**

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

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-percent-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rates	1% Increase
\$ 286,750	\$ 349,349	\$ 396,832

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, 2020. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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, 2021, the District and the Charter recorded a payable to NMRHCA in the amount of \$228,675 and \$3,774, respectively, for the contributions withheld in the month of June 2021, which is included in the Accrued Payroll on the Statement of Net Position.

NOTE 13: 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.

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

NOTE 13: COMMITMENTS AND CONTINGENCIES

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 no outstanding commitments as of the year ended June 30, 2021 that is to continue into the following fiscal year.

NOTE 14: CONCENTRATIONS

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

NOTE 15: RESTRICTED NET POSITION

The government-wide statement of net position reports \$23,458,574 and \$24,413, 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.

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

NOTE 16: FUND BALANCES

	Nonspendable	Restricted	Committed	Unassigned
General Fund -11000, 13000, 14000				
Subsequent year's expenditures	\$ -	\$ -	\$ 2,776,842	\$ -
Inventory	486,272	-	-	-
Prepaid expense	140,346	-	-	-
Transportation	-	2,719	-	-
Instructional materials	-	22,639	-	-
Unassigned	-	-	-	26,015,159
Total General Fund	626,618	25,358	2,776,842	26,015,159
Title 1 - ESEA - 24101				
Prepaid expense	547,572	-	-	-
Unassigned (deficit)	-	-	-	(313,018)
Total Food Service Fund	547,572	-	-	(313,018)
Bond Building Capital Projects - 31100				
Prepaid expense	1,960	-	-	-
Capital acquisitions and improvements	-	12,550,427	-	-
Debt Service - 41000				
Debt Service	-	8,139,939	-	-
Nonmajor Funds				
Inventory	284,151	-	-	-
Prepaid expense	336,272	-	-	-
Capital acquisitions and improvements	-	3,494,654	-	-
Food services	-	4,679,394	-	-
Extracurricular	-	584,408	-	-
Education	-	7,473,549	-	-
Unassigned (deficit)	-	-	-	(413,501)
Total Nonmajor Funds	620,423	16,232,005	-	(413,501)
Total fund balances	\$ 1,796,573	\$ 36,947,729	\$ 2,776,842	\$ 25,288,640

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

NOTE 17: 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	\$612,714	\$1,923
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 17: TAX ABATEMENTS (Continued)

Agency number for Agency making the disclosure (Disclosing Agency)	452	6148	6148
Disclosing Agency Name	New Mexico Hospital Equipment Loan Council	City of Roswell	City of Roswell
Disclosing Agency Type	State Agency	Municipality	Municipality
Tax Abatement Agreement Name	Lease Agreement (New Mexico Hospital Equipment Loan Council/Lovelace Health System, Inc. dated 12/1/2012; 'Roswell Regional Hospital Project')	Industrial Revenue Bonds Project Agreement	Industrial Revenue Bonds Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Roswell Independent Schools	7072	7072
Agency number of Affected Agency	7072	Roswell Independent School District	Roswell Independent School District
Agency type of Affected Agency	School district	School District	School District
Tax Abatement Agreement Name	Lovelace Health System, Inc.	Leprino Foods Company	Sunrise Energy Ventures New Mexico, LLC
Recipient(s) of tax abatement	Hospital Equipment Loan Act	(Industrial Revenue Bonds	Industrial Revenue Bonds
Tax abatement program (name and brief description)	Property Tax	Property Tax	Property Tax
Specific Tax Being Abated	NMSA 7-38	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
Authority under which abated tax is paid to Affected Agency	This cannot be determined by the New Mexico Hospital Equipment Loan Council as the abating agency.	142,745.34	12,822.72
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	N/A	N/A
If the Disclosing Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A

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

NOTE 18: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the District and the Charter. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The effects of this pandemic continue to have a significant impact on the District and the Charter during the year ended June 30, 2021. Operations at the District and the Charter were greatly reduced as classes were not allowed to take place during the year due to State of New Mexico mandated closures. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.

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	2021	2020
Measurement Date	2020	2019
Proportion of the net pension liability (asset)	1.87136%	1.83737%
Proportionate share of the net pension liability (asset)	\$ 379,247,756	\$ 139,223,083
Covered payroll	59,471,460	53,716,889
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	637.70%	259.18%
Plan fiduciary net position as a percentage of the total pension liability	39.11%	64.13%

* 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,				
2019	2018	2017	2016	2015
2018	2017	2016	2015	2014
1.74110%	1.74726%	1.69377%	1.69413%	1.69934%
\$ 205,019,624	\$ 194,181,183	\$ 121,891,033	\$ 109,733,312	\$ 96,959,771
48,187,766	49,706,365	46,255,176	48,088,200	46,835,547
425.46%	390.66%	263.52%	228.19%	207.02%
52.17%	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***

As of and for the Year Ended June 30,	2021	2020
Contractually required contribution	\$ 8,794,260	\$ 8,432,017
Contributions in relation to the contractually required contribution	8,794,260	8,432,017
Contribution deficiency (excess)	-	-
Covered payroll	61,187,331	59,471,460
Contributions as a percentage of covered payroll	14.37%	14.18%

* 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.

	2019	2018	2017	2016	2015
\$	7,450,410	\$ 6,695,714	\$ 6,908,542	\$ 6,429,469	\$ 6,684,260
	7,450,410	6,695,714	6,908,542	6,429,469	6,684,260
	-	-	-	-	-
	53,716,889	48,187,766	49,706,365	46,255,176	48,088,200
	13.87%	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*

Fiscal Year	June 30,	
	2021	2020
Measurement Date	2020	2019
The Charter's Proportion of the net pension liability (asset)	0.01257%	0.01237%
The Charter's Proportionate share of the net pension liability (asset)	\$ 2,547,422	\$ 937,312
The Charter's Covered payroll	400,478	361,513
The Charter's proportionate share of the net pension liability (asset) as a percentage of covered payroll	636.10%	259.27%
Plan fiduciary net position as a percentage of the total pension liability	39.11%	64.13%

* 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,				
2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
0.01249%	0.01397%	0.01223%	0.01237%	0.01126%
\$ 1,485,227	\$ 1,552,552	\$ 880,124	\$ 801,238	\$ 642,457
349,037	397,882	337,741	351,514	310,302
425.52%	390.20%	260.59%	227.94%	207.04%
52.17%	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*

As of and for the Year Ended June 30,	2021	2020
The Charter's contractually required contribution	\$ 145,592	\$ 56,815
The Charter's contributions in relation to the contractually required contribution	145,592	56,815
The Charter's contribution deficiency (excess)	-	-
The Charter's covered payroll	1,028,912	400,478
The Charter's contributions as a percentage of covered payroll	14.15%	14.19%

* 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.

2019	2018	2017	2016	2015
\$ 50,251	\$ 48,517	\$ 55,306	\$ 46,946	\$ 48,861
50,251	48,517	55,306	46,946	48,861
-	-	-	-	-
361,513	349,037	397,882	337,741	351,514
13.90%	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***

	June 30,			
Fiscal Year	2021	2020	2019	2018
Measurement Date	2020	2019	2018	2017
The District's proportion of the net OPEB liability	1.23890%	1.21368%	1.12843%	1.15911%
The District's proportionate share of the net OPEB liability	\$ 52,020,270	\$ 39,352,224	\$ 49,068,140	\$ 52,527,075
The District's covered-employee payroll	\$ 59,471,460	\$ 53,713,135	\$ 48,184,274	\$ 49,811,566
The District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	87.47%	73.26%	101.83%	105.45%
Plan fiduciary net position as a percentage of the	16.50%	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***

As of and for the Year Ended June 30,	2021	2020	2019	2018
Contractually required contributions	\$ 1,269,481	\$ 1,218,604	\$ 1,040,451	\$ 962,487
Contributions in relation to the contractually required contribution	(1,269,481)	(1,218,604)	(1,040,451)	(962,487)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
The District's covered-employee payroll	\$ 61,187,331	\$ 59,471,460	\$ 53,713,135	\$ 48,184,274
Contributions as a percentage of covered- employee payroll	2.07%	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*

	June 30,			
Fiscal Year	2021	2020	2019	2018
Measurement Date	2020	2019	2018	2017
The Charter's proportion of the net OPEB liability	0.00817%	0.00817%	0.00817%	0.00927%
The Charters's proportionate share of the net OPEB liability	\$ 349,348	\$ 264,903	\$ 355,261	\$ 420,086
The Charters's covered-employee payroll	\$ 400,478	\$ 361,513	\$ 349,037	\$ 397,882
The Charters's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	87.23%	73.28%	101.78%	105.58%
Plan fiduciary net position as a percentage of the total OPEB liability	16.50%	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*

As of and for the Year Ended June 30,	2021	2020	2019	2018
The Charter's contractually required contributio	\$ 20,578	\$ 8,031	\$ 7,231	\$ 6,981
The Charter's contributions in relation to the contractually required contribution	(20,578)	(8,031)	(7,231)	(6,981)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
The Charter's covered-employee payroll	\$ 1,028,912	\$ 400,478	\$ 361,513	\$ 349,037
Contributions as a percentage of covered- employee payroll	2.00%	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.

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 not 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 FY20 audit available at <https://www.nmrhca.org/wp-content/uploads/2021/05/Retiree-Health-Care-Authority-FINAL-FS-2020.pdf>.

Changes of assumptions The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2020 report is available at https://www.nmrhca.org/wp-content/uploads/2020/12/RPTS-05496.013-NMRHCA-6_30_2020-GAS-74-Report.pdf. See the notes to the financial statements beginning on page 18 which summarizes actuarial assumptions and methods effective with the June 30, 2020 valuation.

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.

Non-Instructional Education Support (23000) – To account for unbudgeted funds paid for student fees and fundraising activities.

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.

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

Preschool IDEA-B (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all 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.

Community School Implementation Grant (24124) – Community schools must implement the four pillars: 1) integrated student supports; 2) expanded and enriched learning time and opportunities; 3) active family and community engagement; and 4) collaborative leadership and practices.

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.

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

SPECIAL REVENUE FUNDS (continued)

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.

Funding for Student Social Emotional Learning Support (24160) – The purpose of this grant is to provide rural districts with financial assistance to improve student achievement; improving basic programs operated by LEA's, supporting effective instruction, language instruction for English learners and Immigrant students, student support and academic enrichment, parent involvement activities.

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) – 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.

CARES Act, ESSER (24301) – Provide LEA's with funding to safely reopen schools, measure and effectively address significant learning loss, and take other actions to mitigate the impact of COVID-19.

CARES Act, Governor's Emergency Economic Relief Fund (GEER) (24305) – Provide internet access to students without access at home.

CARES Act/GEER, HEPA Filters (24306) – Specifically to purchase in-room HEPA air purification units in the classroom as listed in the Air Filtration Survey Certification.

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

SPECIAL REVENUE FUNDS (continued)

Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, ESSER II (24308) – Provide LEA's with funding to safely reopen schools, measure and effectively address significant learning loss, and take other actions to mitigate the impact of COVID-19; providing PPE, improving indoor air quality, accelerated instruction, closing the digital divide, supporting social and emotional needs of students, families and staff, supporting needs of students with disabilities and at-risk students.

CARES Act, Social Emotional Learning (24309) – Funding for student social emotional learning support.

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.

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.

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

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.

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.

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

SPECIAL REVENUE FUNDS (continued)

NM Computer Science K-8 Grant Program (27135) – The purpose of this award is to increase access to high quality computer science professional learning programs to ensure that more students master computer science skills leading to rewarding, high-paying, and in-demand careers.

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

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

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.

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).

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 – Childcare (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.

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 Center (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.

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.

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

CAPITAL PROJECTS FUNDS (Continued)

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).

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

Non-Instructional Education Support (23000) – To account for unbudgeted funds paid for student fees and fundraising activities.

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.

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.

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.

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

	Special Revenue			
	Food Services Fund 21000	Athletics 22000	Non- Instructional Education Support 23000	Migrant Children Education 24103
June 30, 2021				
Assets				
Cash and cash equivalents	\$ 4,948,457	\$ 584,308	\$ 932,252	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	311,523	-	-	966
Other	-	100	2,250	-
Inventory	284,151	-	-	-
Prepaid expenses	700	-	91	-
Total assets	\$ 5,544,831	\$ 584,408	\$ 934,593	\$ 966
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 331,535	\$ -	\$ 327	\$ -
Due to other governments				
Accrued payroll	249,051	-	-	215
Due to other funds	-	-	-	1,491
Total liabilities	580,586	-	327	1,706
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	284,851	-	91	-
Spendable				
Restricted	4,679,394	584,408	934,175	-
Unassigned (deficit)	-	-	-	(740)
Total fund balances	4,964,245	584,408	934,266	(740)
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,544,831	\$ 584,408	\$ 934,593	\$ 966

Special Revenue

Entitlement IDEA-B 24106	Preschool IDEA-B 24109	Education of Homeless 24113	IDEA - Private Schools Share 24115	Community Schools Implementation Grant 24124
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
991,471	61,489	8,117	2,280	154,574
-	-	-	-	-
-	-	-	-	-
5,053	-	-	-	43,347
<u>\$ 996,524</u>	<u>\$ 61,489</u>	<u>\$ 8,117</u>	<u>\$ 2,280</u>	<u>\$ 197,921</u>
\$ 426	\$ -	\$ -	\$ -	\$ -
160,593	3,714	-	-	4,129
737,907	48,871	8,117	2,280	150,416
<u>898,926</u>	<u>52,585</u>	<u>8,117</u>	<u>2,280</u>	<u>154,545</u>
-	-	-	-	-
-	-	-	-	-
5,053	-	-	-	43,347
92,545	8,904	-	-	29
-	-	-	-	-
<u>97,598</u>	<u>8,904</u>	<u>-</u>	<u>-</u>	<u>43,376</u>
<u>\$ 996,524</u>	<u>\$ 61,489</u>	<u>\$ 8,117</u>	<u>\$ 2,280</u>	<u>\$ 197,921</u>

(Continued)

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

	Special Revenue			
	CDC Healthy Schools	Title I - Striving Readers	Charter Schools	English Language Acquisition
June 30, 2021	24130	24145	24146	24153
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	9,825	55,934	780	40,753
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	104,806	-	1,807
Total assets	\$ 9,825	\$ 160,740	\$ 780	\$ 42,560
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments				
Accrued payroll	29	8,891	-	-
Due to other funds	9,796	151,849	780	42,560
Total liabilities	9,825	160,740	780	42,560
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	104,806	-	1,807
Spendable				
Restricted	-	-	-	-
Unassigned (deficit)	-	(104,806)	-	(1,807)
Total fund balances	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,825	\$ 160,740	\$ 780	\$ 42,560

Special Revenue

Teacher/ Principal Training & Recruiting 24154	Funding for Student Social Emotional Learning Support 24160	Immigrant Funding - Title III 24163	Carl Perkins Special Projects - Current 24171	Carl D Perkins Secondary - Current 24174
\$ 1,409	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
86,920	115,388	23,510	12,530	68,495
-	-	-	-	-
-	-	-	-	-
394	-	-	-	-
\$ 88,723	\$ 115,388	\$ 23,510	\$ 12,530	\$ 68,495
\$ -	\$ -	\$ -	\$ -	\$ -
19,475	-	-	-	-
69,013	115,388	23,510	12,530	68,495
88,488	115,388	23,510	12,530	68,495
-	-	-	-	-
-	-	-	-	-
394	-	-	-	-
-	-	-	-	-
(159)	-	-	-	-
235	-	-	-	-
\$ 88,723	\$ 115,388	\$ 23,510	\$ 12,530	\$ 68,495

(Continued)

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

	Special Revenue			
	Carl D Perkins Secondary - PY Unliq. Obligations	Carl D Perkins Secondary - Redistribution	Student Support Academic Achievement Title IV	CARES ACT ESSER
June 30, 2021	24175	24176	24189	24301
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	54,864	2,192	65,162	166,708
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	2,081	5,916
Total assets	\$ 54,864	\$ 2,192	\$ 67,243	\$ 172,624
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 54,864	\$ -	\$ -	\$ 12,222
Due to other governments				
Accrued payroll	-	-	4,244	1,279
Due to other funds	-	2,192	62,999	165,428
Total liabilities	54,864	2,192	67,243	178,929
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	2,081	5,916
Spendable				
Restricted	-	-	-	-
Unassigned (deficit)	-	-	(2,081)	(12,221)
Total fund balances	-	-	-	(6,305)
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,864	\$ 2,192	\$ 67,243	\$ 172,624

Special Revenue				
CARES Act, Governor's Emergency Economic Relief Fund (GEER) 24305	CARES Act/GEER, HEPA Filters 24306	Special Revenue Response & Relief Supplemental Appropriations (CRRSA) Act, ESSER II 24308	CARES Act, Social Emotional Learning 24309	Title XIX Medicaid 3/21 Years 25153
\$ -	\$ -	\$ -	\$ -	\$ 4,558,014
-	-	-	-	-
23,131	-	643,136	28,049	245,217
-	-	-	-	-
-	-	-	-	-
-	-	168,433	-	3,494
<u>\$ 23,131</u>	<u>\$ -</u>	<u>\$ 811,569</u>	<u>\$ 28,049</u>	<u>\$ 4,806,725</u>
\$ -	\$ -	\$ 217,898	\$ -	\$ 8,509
-	-	-	-	71,428
23,131	-	643,136	28,049	-
<u>23,131</u>	<u>-</u>	<u>861,034</u>	<u>28,049</u>	<u>79,937</u>
-	-	-	-	-
-	-	-	-	-
-	-	168,433	-	3,494
-	-	-	-	4,723,294
-	-	(217,898)	-	-
-	-	(49,465)	-	4,726,788
<u>\$ 23,131</u>	<u>\$ -</u>	<u>\$ 811,569</u>	<u>\$ 28,049</u>	<u>\$ 4,806,725</u>

(Continued)

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

	Special Revenue			
	PNM Foundation, Inc. 26123	Daniels Fund 26141	A+ for Energy 26179	GO Library 27107
June 30, 2021				
Assets				
Cash and cash equivalents	\$ 505	\$ -	\$ 2,181	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	113,664
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	\$ 505	\$ -	\$ 2,181	\$ 113,664
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments				
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	113,664
Total liabilities	-	-	-	113,664
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	505	-	2,181	-
Unassigned (deficit)	-	-	-	-
Total fund balances	505	-	2,181	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 505	\$ -	\$ 2,181	\$ 113,664

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

	Special Revenue			
	Schools in Need of Improvement	NM Grown FFV	Career Technical Education Program (Pilot)	Early Intervention CYFD
June 30, 2021	27163	27183	27502	28108
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,365
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	-	10,085	221
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	\$ -	\$ -	\$ 10,085	\$ 12,586
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments				
Accrued payroll	-	-	-	1,435
Due to other funds	30,757	-	10,085	-
Total liabilities	30,757	-	10,085	1,435
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	-	-	-	11,151
Unassigned (deficit)	(30,757)	-	-	-
Total fund balances	(30,757)	-	-	11,151
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ -	\$ 10,085	\$ 12,586

Special Revenue

ASSIST Tobacco DOH 28122	Coordinated Approach to Child Health 28140	Medicaid HSD 28144	GRADS - Childcare 28189	GRADS - Instruction 28190
\$ 578	\$ 1,542	\$ 1,573	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 578	\$ 1,542	\$ 1,573	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
578	1,542	1,573	-	-
-	-	-	-	-
578	1,542	1,573	-	-
\$ 578	\$ 1,542	\$ 1,573	\$ -	\$ -

(Continued)

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

	<u>Special Revenue</u>			<u>Capital Projects</u>
	Private Direct Grants 29102	School Based Health Center 29130	Bonds/TIF Payments in Lieu of Taxes 29135	Capital Improvements SB-9 State 31700
June 30, 2021				
Assets				
Cash and cash equivalents	\$ 16,293	\$ 66,515	\$ 823,734	\$ -
Receivables				
Property taxes	-	-	-	-
Intergovernmental	3,000	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	\$ 19,293	\$ 66,515	\$ 823,734	\$ -
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments				
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	42,761
Total liabilities	-	-	-	42,761
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	19,293	66,515	823,734	-
Unassigned (deficit)	-	-	-	(42,761)
Total fund balances	19,293	66,515	823,734	(42,761)
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,293	\$ 66,515	\$ 823,734	\$ -

Capital Projects

Capital Improvements SB-9 Local 31701	SB-9 State Match Cash 31703	Total Nonmajor Governmental Funds
\$ 2,766,014	\$ 904,701	\$ 16,407,971
116,079	-	116,079
-	-	4,306,936
-	-	2,350
-	-	284,151
-	-	336,272
<u>\$ 2,882,093</u>	<u>\$ 904,701</u>	<u>\$ 21,453,759</u>
\$ 228,181	\$ 4,485	\$ 858,717
-	-	-
-	-	729,315
-	-	3,367,326
<u>228,181</u>	<u>4,485</u>	<u>4,955,358</u>
59,474	-	59,474
59,474	-	59,474
-	-	620,423
2,594,438	900,216	16,232,005
-	-	(413,501)
<u>2,594,438</u>	<u>900,216</u>	<u>16,438,927</u>
<u>\$ 2,882,093</u>	<u>\$ 904,701</u>	<u>\$ 21,453,759</u>

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			
	Food Services Fund 21000	Athletics 22000	Non- Instructional Education Support 23000	Migrant Children Education 24103
For the Year Ended June 30, 2021				
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	5,743,343	-	-	3,648
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	20,986	104,039	-	-
Investment income	4,290	448	-	-
Miscellaneous	-	-	98,995	-
Total revenues	5,768,619	104,487	98,995	3,648
Expenditures				
Current				
Instruction	-	1	198,353	3,494
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	227,065	-	1,306	154
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	5,932,516	-	-	-
Capital outlay	43,550	-	-	-
Total expenditures	6,203,131	1	199,659	3,648
Excess (deficiency) of revenues over expenditures	(434,512)	104,486	(100,664)	-
Net change in fund balances	(434,512)	104,486	(100,664)	-
Fund balances - beginning of year, as originally stated	5,398,757	479,922	-	(740)
Fund balances - restatement (note 2)	-	-	1,034,930	-
Fund balances - beginning of year, as restated	5,398,757	479,922	1,034,930	(740)
Fund balances - end of year	\$ 4,964,245	\$ 584,408	\$ 934,266	\$ (740)

Special Revenue				
Entitlement IDEA-B 24106	Preschool IDEA-B 24109	Education of Homeless 24113	IDEA - Private Schools Share 24115	Community Schools Implementation Grant 24124
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,991,012	196,990	15,230	15,920	264,171
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,991,012	196,990	15,230	15,920	264,171
1,339,748	159,582	14,338	-	134,262
1,515,678	14,129	250	15,920	47,882
-	-	-	-	174
127,227	8,302	642	-	9,931
468	-	-	-	-
7,894	-	-	-	-
-	-	-	-	-
-	14,977	-	-	-
-	-	-	-	-
-	-	-	-	28,546
2,991,015	196,990	15,230	15,920	220,795
(3)	-	-	-	43,376
(3)	-	-	-	43,376
97,601	8,904	-	-	-
-	-	-	-	-
97,601	8,904	-	-	-
\$ 97,598	\$ 8,904	\$ -	\$ -	\$ 43,376

(Continued)

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

	<u>Special Revenue</u>			
For the Year Ended June 30, 2021	CDC Healthy Schools 24130	Title I - Striving Readers 24145	Charter Schools 24146	English Language Acquisition 24153
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	9,825	315,037	83,388	97,525
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	9,825	315,037	83,388	97,525
Expenditures				
Current				
Instruction	9,695	234,071	-	92,417
Support services - students	-	78,008	-	529
Support services - instruction	-	-	-	-
Support services - general				
administration	-	-	3,515	4,186
Support services - school				
administration	-	2,958	-	393
Central services	-	-	79,873	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	130	-	-	-
Capital outlay	-	-	-	-
Total expenditures	9,825	315,037	83,388	97,525
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year, as originally stated	-	-	-	-
Fund balances - restatement (note 2)	-	-	-	-
Fund balances - beginning of year, as restated	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Special Revenue

Teacher/ Principal Training & Recruiting 24154	Funding for Student Social Emotional Learning Support 24160	Immigrant Funding - Title III 24163	Carl Perkins Special Projects - Current 24171	Carl D Perkins Secondary - Current 24174
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
300,617	238,005	-	47,596	61,252
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
300,617	238,005	-	47,596	61,252
283,528	145,506	-	-	58,670
595	38,307	-	45,590	-
-	-	-	-	-
12,526	8,880	-	2,006	2,582
3,968	18,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	27,312	-	-	-
300,617	238,005	-	47,596	61,252
-	-	-	-	-
-	-	-	-	-
235	-	-	-	-
-	-	-	-	-
235	-	-	-	-
\$ 235	\$ -	\$ -	\$ -	\$ -

(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			
	Carl D Perkins Secondary - PY Unliq. Obligations 24175	Carl D Perkins Secondary - Redistribution 24176	Student Support Academic Achievement Title IV 24189	CARES ACT ESSER 24301
For the Year Ended June 30, 2021				
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	63,844	21,611	267,800	2,873,566
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	63,844	21,611	267,800	2,873,566
Expenditures				
Current				
Instruction	63,844	15,524	24,522	1,419,427
Support services - students	-	-	231,904	109,677
Support services - instruction	-	-	-	-
Support services - general				
administration	-	92	11,374	117,956
Support services - school				
administration	-	-	-	2,330
Central services	-	-	-	102,483
Operation and maintenance of plant	-	-	-	1,014,674
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	5,995	-	113,324
Total expenditures	63,844	21,611	267,800	2,879,871
Excess (deficiency) of revenues over expenditures	-	-	-	(6,305)
Net change in fund balances	-	-	-	(6,305)
Fund balances - beginning of year, as originally stated	-	-	-	-
Fund balances - restatement (note 2)	-	-	-	-
Fund balances - beginning of year, as restated	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ (6,305)

Special Revenue				
CARES Act, Governor's Emergency Economic Relief Fund (GEER) 24305	CARES Act/GEER, HEPA Filters 24306	Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, ESSER II 24308	CARES Act, Social Emotional Learning 24309	Title XIX Medicaid 3/21 Years 25153
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
23,131	57,680	643,136	28,049	-
-	-	-	-	2,429,119
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,122
-	-	-	-	-
23,131	57,680	643,136	28,049	2,432,241
-	-	341,533	26,867	-
-	-	-	-	1,059,294
-	-	-	-	-
975	-	24,863	1,182	-
-	-	-	-	49,764
-	-	4,192	-	-
22,156	57,680	268,813	-	-
-	-	-	-	-
-	-	53,200	-	-
23,131	57,680	692,601	28,049	1,109,058
-	-	(49,465)	-	1,323,183
-	-	(49,465)	-	1,323,183
-	-	-	-	3,403,605
-	-	-	-	-
-	-	-	-	3,403,605
\$ -	\$ -	\$ (49,465)	\$ -	\$ 4,726,788

(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			
For the Year Ended June 30, 2021	PNM Foundation, Inc. 26123	Daniels Fund 26141	A+ for Energy 26179	GO Library 27107
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	113,664
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	113,664
Expenditures				
Current				
Instruction	-	50,528	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	113,664
Support services - general				
administration	-	-	-	-
Support services - school				
administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	50,528	-	113,664
Excess (deficiency) of revenues over expenditures	-	(50,528)	-	-
Net change in fund balances	-	(50,528)	-	-
Fund balances - beginning of year, as originally stated	505	50,528	2,181	-
Fund balances - restatement (note 2)	-	-	-	-
Fund balances - beginning of year, as restated	505	50,528	2,181	-
Fund balances - end of year	\$ 505	\$ -	\$ 2,181	\$ -

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			
For the Year Ended June 30, 2021	Schools in Need of Improvement 27163	NM Grown FFV 27183	Career Technical Education Program (Pilot) 27502	Early Intervention CYFD 28108
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	12,457	10,085	-
State direct	-	-	-	834
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	12,457	10,085	834
Expenditures				
Current				
Instruction	-	-	10,085	-
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	-	12,457	-	-
Capital outlay	-	-	-	-
Total expenditures	-	12,457	10,085	-
Excess (deficiency) of revenues over expenditures	-	-	-	834
Net change in fund balances	-	-	-	834
Fund balances - beginning of year, as originally stated	(30,757)	-	-	10,317
Fund balances - restatement (note 2)	-	-	-	-
Fund balances - beginning of year, as restated	(30,757)	-	-	10,317
Fund balances - end of year	\$ (30,757)	\$ -	\$ -	\$ 11,151

Special Revenue

ASSIST Tobacco DOH 28122	Coordinated Approach to Child Health 28140	Medicaid HSD 28144	GRADS - Childcare 28189	GRADS - Instruction 28190
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	4,000	8,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,000	8,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,000	8,000
-	-	-	-	-
-	-	-	-	-
578	1,542	1,573	-	-
-	-	-	-	-
578	1,542	1,573	-	-
\$ 578	\$ 1,542	\$ 1,573	\$ -	\$ -

(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			Capital Projects
	Private Direct Grants 29102	School Based Health Center 29130	Bonds/TIF Payments in Lieu of Taxes 29135	Capital Improvements SB-9 State 31700
For the Year Ended June 30, 2021				
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	15,157	-	366,429	-
State flowthrough	-	-	-	732,636
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	32	61	531	-
Miscellaneous	-	-	-	-
Total revenues	15,189	61	366,960	732,636
Expenditures				
Current				
Instruction	8,403	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general				
administration	-	-	-	280,851
Support services - school				
administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	4,000	-	-	-
Student transportation	-	-	-	-
Food services operations	4,233	-	-	-
Capital outlay	37,722	-	-	77,987
Total expenditures	54,358	-	-	358,838
Excess (deficiency) of revenues				
over expenditures	(39,169)	61	366,960	373,798
Net change in fund balances	(39,169)	61	366,960	373,798
Fund balances - beginning of year, as originally stated	58,462	66,454	456,774	(416,559)
Fund balances - restatement (note 2)	-	-	-	-
Fund balances - beginning of year, as restated	58,462	66,454	456,774	(416,559)
Fund balances - end of year	\$ 19,293	\$ 66,515	\$ 823,734	\$ (42,761)

Capital Projects

Capital Improvements SB-9 Local 31701	SB-9 State Match Cash 31703	Total Nonmajor Governmental Funds
\$ 2,159,059	\$ -	\$ 2,159,059
12,288	-	12,288
-	-	14,362,376
-	-	2,441,119
-	-	495,250
-	-	3,668,721
-	-	834
-	-	125,025
2,610	-	11,094
-	-	98,995
<u>2,173,957</u>	-	<u>23,374,761</u>
-	-	6,968,834
-	-	3,609,416
-	-	113,838
1,907,410	-	2,780,933
-	-	98,034
-	-	194,442
-	-	1,367,323
-	-	41,413
-	-	5,949,336
518,496	4,485	975,695
<u>2,425,906</u>	<u>4,485</u>	<u>22,099,264</u>
(251,949)	(4,485)	1,275,497
<u>(251,949)</u>	<u>(4,485)</u>	<u>1,275,497</u>
2,846,387	904,701	14,128,500
-	-	1,034,930
<u>2,846,387</u>	<u>904,701</u>	<u>15,163,430</u>
<u>\$ 2,594,438</u>	<u>\$ 900,216</u>	<u>\$ 16,438,927</u>

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General Fund

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

June 30, 2021	Operational 11000	Transportation 13000	Instructional Materials 14000	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 23,842,701	\$ 5,269	\$ 22,639	\$ 23,870,609
Investments	1,123	-	-	1,123
Receivables				
Property taxes	20,331	-	-	20,331
Other	32,826	-	-	32,826
Inventory	486,272	-	-	486,272
Prepaid expenses	140,346	-	-	140,346
Due from other funds	11,946,752	-	-	11,946,752
Total assets	\$ 36,470,351	\$ 5,269	\$ 22,639	\$ 36,498,259
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 180,152	\$ 2,550	\$ -	\$ 182,702
Accrued payroll	6,861,574	-	-	6,861,574
Total liabilities	7,041,726	2,550	-	7,044,276
Deferred inflows of resources				
Unavailable revenue - property taxes	10,006	-	-	10,006
Total deferred inflows of resources	10,006	-	-	10,006
Fund balances				
Nonspendable	626,618	-	-	626,618
Spendable				
Restricted	-	2,719	22,639	25,358
Committed	2,776,842	-	-	2,776,842
Unassigned (deficit)	26,015,159	-	-	26,015,159
Total fund balances	29,418,619	2,719	22,639	29,443,977
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,470,351	\$ 5,269	\$ 22,639	\$ 36,498,259

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

For the Year Ended June 30, 2021	Operational 11000	Transportation 13000	Instructional Materials 14000	Total
Revenues				
Property taxes	\$ 387,267	\$ -	\$ -	\$ 387,267
Oil and gas taxes	3,092	-	-	3,092
Intergovernmental				
Federal direct	742,173	-	-	742,173
Local sources	49,145	-	-	49,145
State flowthrough	95,073,196	-	-	95,073,196
State direct	103,252	-	-	103,252
Transportation distribution	-	3,042,217	-	3,042,217
Charges for services	-	-	-	-
Investment income	28,464	-	131	28,595
Miscellaneous	379,210	-	-	379,210
Total revenues	96,765,799	3,042,217	131	99,808,147
Expenditures				
Current				
Instruction	52,832,923	-	-	52,832,923
Support services - students	9,783,490	-	-	9,783,490
Support services - instruction	1,510,154	-	-	1,510,154
Support services - general administration	1,454,963	-	-	1,454,963
Support services - school administration	7,018,358	-	-	7,018,358
Central services	3,757,374	-	-	3,757,374
Operation and maintenance of plant	9,501,349	-	-	9,501,349
Student transportation	58,949	3,033,242	-	3,092,191
Other support services	9,651	-	-	9,651
Food services operations	85,993	-	-	85,993
Capital outlay	60,095	-	-	60,095
Total expenditures	86,073,299	3,033,242	-	89,106,541
Excess (deficiency) of revenues over expenditures	10,692,500	8,975	131	10,701,606
Other financing sources (uses)				
Proceeds from sale of capital assets	72,004	-	-	72,004
Total other financing sources (uses)	72,004	-	-	72,004
Net change in fund balances	10,764,504	8,975	131	10,773,610
Fund balances - beginning	18,654,115	(6,256)	22,508	18,670,367
Fund balances - ending of year	\$ 29,418,619	\$ 2,719	\$ 22,639	\$ 29,443,977

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

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ 389,705	\$ 389,705	\$ 384,645	\$ (5,060)
Oil and gas taxes	-	-	3,092	3,092
Intergovernmental				
Federal flowthrough				
Federal direct	300,000	300,000	742,173	442,173
Local sources	-	-	42,267	42,267
State flowthrough	94,115,077	95,159,062	95,073,196	(85,866)
State direct	56,846	56,846	103,252	46,406
Transportation distribution				
Charges for services	5,000	5,000	-	(5,000)
Investment income	200,000	200,000	28,464	(171,536)
Miscellaneous	225,000	225,000	581,434	356,434
Total revenues	95,291,628	96,335,613	96,958,523	622,910
Expenditures				
Current				
Instruction	64,701,621	62,189,621	53,412,577	8,777,044
Support services - students	9,151,891	10,737,421	9,750,745	986,676
Support services - instruction	1,412,695	1,654,015	1,480,872	173,143
Support services - general administration	1,546,233	1,848,333	1,437,564	410,769
Support services - school administration	7,356,310	7,861,450	6,889,884	971,566
Central services	2,905,552	4,046,447	3,746,534	299,913
Operation and maintenance of plant	10,841,443	10,357,043	9,435,540	921,503
Student transportation	-	59,000	58,949	51
Other support services	47,671	58,071	9,383	48,688
Food services operations	-	86,000	85,993	7
Capital outlay	40,000	150,000	60,095	89,905
Total expenditures	98,003,416	99,047,401	86,368,136	12,679,265
Excess (deficiency) of revenues over expenditures	(2,711,788)	(2,711,788)	10,590,387	13,302,175
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	2,711,788	2,711,788	-	(2,711,788)
Proceeds from sale of capital assets	-	-	72,004	72,004
Total other financing sources (uses)	2,711,788	2,711,788	72,004	(2,639,784)
Net change in fund balances	-	-	10,662,391	10,662,391
Fund balances - beginning of year	-	-	18,266,611	18,266,611
Fund balances - end of year	\$ -	\$ -	\$ 28,929,002	\$ 28,929,002
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 10,662,391
Adjustments to revenues for changes in instructional support revenues and property taxes				(192,724)
Adjustments to expenditures for supplies, software, services, utilities, and accrued payroll				294,837
Net change in fund balances (GAAP Basis)				\$ 10,764,504

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

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	3,037,604	3,042,217	3,042,217	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	3,037,604	3,042,217	3,042,217	-
Expenditures				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	3,037,604	3,042,217	3,036,948	5,269
Other support services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	3,037,604	3,042,217	3,036,948	5,269
Excess (deficiency) of revenues over expenditures	-	-	5,269	5,269
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	5,269	5,269
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ 5,269	\$ 5,269
Net change in fund balances (Non-GAAP Budgetary Basis)			\$	5,269
No adjustments to revenues				-
Adjustments to expenditures for rental and other contract service expenses				3,706
Net change in fund balances (GAAP Basis)			\$	8,975

State of New Mexico
Roswell Independent School District No. 4
Schedule 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, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,000	3,000	131	(2,869)
Miscellaneous	-	-	-	-
Total revenues	3,000	3,000	131	2,869
Expenditures				
Current				
Instruction	516,690	516,690	491,478	25,212
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	516,690	516,690	491,478	25,212
Excess (deficiency) of revenues over expenditures	(513,690)	(513,690)	(491,347)	(22,343)
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	513,690	513,690	-	(513,690)
Total other financing sources (uses)	513,690	513,690	-	(513,690)
Net change in fund balances	-	-	(491,347)	(491,347)
Fund balances - beginning of year	-	-	513,986	513,986
Fund balances - end of year	\$ -	\$ -	\$ 22,639	\$ 22,639
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ (491,347)
No adjustments to revenues				-
Adjustments to expenditures for instruction				491,478
Net change in fund balances (GAAP Basis)				\$ 131

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	Non- Instructional
June 30, 2021	11000	14000	24146	23000
Assets				
Cash and cash equivalents	\$ 1,308,335	\$ -	\$ -	\$ 5,896
Receivables				
Property taxes	-	-	-	-
Intergovernmental	-	-	528	-
Prepaid expenses	472	-	-	-
Due from other funds	528	-	-	-
Total assets	\$ 1,309,335	\$ -	\$ 528	\$ 5,896
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 1,056	\$ -	\$ -	\$ -
Accrued payroll	113,567	-	-	-
Due to other funds	-	-	528	-
Total liabilities	114,623	-	528	-
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	472	-	-	-
Spendable				
Restricted	-	-	-	5,896
Committed	790,066	-	-	-
Unassigned (deficit)	404,174	-	-	-
Total fund balances	1,194,712	-	-	5,896
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,309,335	\$ -	\$ 528	\$ 5,896

Special Revenue			Capital Projects		
Challenge Foundation 26138	Walter Family Foundation 26148	Private Direct Grants 29102	Public Schools Capital Outlay 31200	Capital Improvements SB-9 Local 31701	
\$ 1,510	\$ 723	\$ 657	\$ -	\$ 14,995	
-	-	-	-	1,013	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ 1,510</u>	<u>\$ 723</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ 16,008</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	381	
-	-	-	-	381	
-	-	-	-	-	
1,510	723	657	-	15,627	
-	-	-	-	-	
-	-	-	-	-	
<u>1,510</u>	<u>723</u>	<u>657</u>	<u>-</u>	<u>15,627</u>	
<u>\$ 1,510</u>	<u>\$ 723</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ 16,008</u>	

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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, 2021	SB-9 Capital Improvement		Total
	31703		
Assets			
Cash and cash equivalents	\$	-	\$ 1,332,116
Receivables			
Property taxes		-	1,013
Intergovernmental		-	528
Prepaid expenses		-	472
Due from other funds		-	528
Total assets	\$	-	\$ 1,334,657
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$	-	\$ 1,056
Accrued payroll		-	113,567
Due to other funds		-	528
Total liabilities		-	115,151
Deferred inflows of resources			
Unavailable revenue - property taxes		-	381
Total deferred inflows of resources		-	381
Fund balances			
Nonspendable		-	472
Spendable			
Restricted		-	24,413
Committed		-	790,066
Unassigned (deficit)		-	404,174
Total fund balances		-	1,219,125
Total liabilities, deferred inflows of resources, and fund balances	\$	-	\$ 1,334,657

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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, 2021

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

Fund balances - total governmental funds	\$	1,219,125
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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		184,205
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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		381
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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 11)		1,320,593
Deferred inflows - pension (note 11)		(75,747)
Deferred outflows - OPEB (note 12)		97,478
Deferred inflows - OPEB (note 12)		(153,179)

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		(2,547,422)
Net OPEB liability		(349,348)

Total net position - government funds	\$	(303,914)
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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	Charter School	Non- Instructional Education Support
For the Year Ended June 30, 2021	11000	14000	24146	23000
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal flowthrough	-	-	79,873	-
State flowthrough	2,711,856	-	-	-
Investment income	554	3	-	6
Miscellaneous	-	-	-	-
Total revenues	2,712,410	3	79,873	6
Expenditures				
Current				
Instruction	1,164,008	10,244	40,323	788
Support services - students	69,135	-	-	-
Support services - general administration	165,336	-	-	-
Support services - school administration	100,429	-	2,906	-
Operation and maintenance of plant	393,743	-	1,664	-
Capital outlay	73,256	-	34,980	-
Total expenditures	1,965,907	10,244	79,873	788
Excess (deficiency) of revenues over expenditures	746,503	(10,241)	-	(782)
Net change in fund balances	746,503	(10,241)	-	(782)
Fund balances - beginning of year, as originally stated	448,209	10,241	-	-
Fund balances - restatement (note 2)	-	-	-	6,678
Fund balances - beginning of year, as rest	448,209	10,241	-	6,678
Fund balances - end of year	\$ 1,194,712	\$ -	\$ -	\$ 5,896

Special Revenue			Capital Projects	
Challenge Foundation 26138	Walter Family Foundation 26148	Private Direct Grants 29102	Public Schools Capital Outlay 31200	Capital Improvements SB-9 Local 31701
\$ -	\$ -	\$ -	\$ -	\$ 14,386
-	-	-	-	84
-	-	-	-	-
-	-	-	94,963	-
-	-	-	-	19
-	-	200	-	-
-	-	200	94,963	14,489
-	1	2,578	-	-
-	-	-	-	-
-	-	-	94,963	141
-	-	-	-	-
-	-	-	-	3,359
-	-	-	-	33,674
-	1	2,578	94,963	37,174
-	(1)	(2,378)	-	(22,685)
-	(1)	(2,378)	-	(22,685)
1,510	724	3,035	-	38,312
-	-	-	-	-
1,510	724	3,035	-	38,312
\$ 1,510	\$ 723	\$ 657	\$ -	\$ 15,627

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

Capital Projects

For the Year Ended June 30, 2021	SB-9 Capital Improvement 31703	Total
Revenues		
Property taxes	\$ -	\$ 14,386
Oil and gas taxes	-	84
Intergovernmental		
Federal flowthrough	-	79,873
State flowthrough	-	2,806,819
Investment income	-	582
Miscellaneous	-	200
Total revenues	-	2,901,944
Expenditures		
Current		
Instruction	-	1,217,942
Support services - students	-	69,135
Support services - general administration	-	260,440
Support services - school administration	-	103,335
Operation and maintenance of plant	5,926	404,692
Capital outlay	-	141,910
Total expenditures	5,926	2,197,454
Excess (deficiency) of revenues over expenditures	(5,926)	704,490
Net change in fund balances	(5,926)	704,490
Fund balances - beginning of year, as originally stated	5,926	507,957
Fund balances - restatement (note 2)	-	6,678
Fund balances - beginning of year, as restated	5,926	514,635
Fund balances - end of year	\$ -	\$ 1,219,125

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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, 2021

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

Net change in fund balances - total governmental funds	\$ 704,490
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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.

Capital expenditures	141,910
Donation of capital assets	3,000
Depreciation expense	(8,600)

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	(96)
--	------

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.

Pension contribution subsequent to the measurement date	145,592
Pension expense	(615,473)
OPEB contribution subsequent to the measurement date	20,578
OPEB benefit	25,668

Change in net position of governmental activities	\$ 417,069
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State of New Mexico
Roswell Independent School District No. 4
Sidney Gutierrez Charter School
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Operational Fund (11000)

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
State flowthrough	1,805,438	2,711,856	2,711,856	-
Local sources	-	-	-	-
Investment income	1,500	1,500	554	(946)
Investment income	-	-	-	-
Total revenues	1,806,938	2,713,356	2,712,410	(946)
Expenditures				
Current				
Instruction	1,278,589	1,798,696	1,163,408	635,288
Support services-students	42,530	109,254	69,135	40,119
Support services-instruction	2,000	-	-	-
Support services-general administration	167,676	183,354	165,363	17,991
Support services-school administration	101,741	163,961	100,438	63,523
Central services	10,000	-	-	-
Operation and maintenance of plant	224,897	618,494	394,173	224,321
Capital outlay	41,000	288,256	73,256	215,000
Total expenditures	1,868,433	3,162,015	1,965,773	1,196,242
Excess (deficiency) of revenues over expenditures	(61,495)	(448,659)	746,637	1,195,296
Other financing sources (uses)				
Designated cash balance (budgeted increase in cash)	61,495	448,659	-	(448,659)
Total other financing sources (uses)	61,495	448,659	-	(448,659)
Net change in fund balances	-	-	746,637	746,637
Fund balance - beginning of year	-	-	448,659	448,659
Fund balance - end of year	\$ -	\$ -	\$ 1,195,296	\$ 1,195,296
Net change in fund balances (Non-GAAP Budgetary Basis)			\$ 746,637	
No adjustments to revenues				-
Adjustments to expenditures for instruction, utilities, supplies and legal expenses				(134)
Net change in fund balances (GAAP Basis)			\$ 746,503	

State of New Mexico
Roswell Independent School District No. 4
Sidney Gutierrez Charter School
Schedule 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, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
State flowthrough	-	-	-	-
Local sources	-	-	-	-
Investment income	-	4	3	(1)
Total revenues	-	4	3	(1)
Expenditures				
Current				
Instruction	10,236	10,245	10,244	1
Support services-students	-	-	-	-
Support services-instruction	-	-	-	-
Support services-general administration	-	-	-	-
Support services-school administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,236	10,245	10,244	1
Excess (deficiency) of revenues over expenditures	(10,236)	(10,241)	(10,241)	-
Other financing sources (uses)				
Designated cash balance (budgeted increase in cash)	10,236	10,241	-	(10,241)
Total other financing sources (uses)	10,236	10,241	-	(10,241)
Net change in fund balances	-	-	(10,241)	(10,241)
Fund balance - beginning of year	-	-	10,241	10,241
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ (10,241)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balances (GAAP Basis)				\$ (10,241)

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

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	14,607	79,874	103,169	23,295
Local sources	-	-	-	-
Investment income	-	-	-	-
Total revenues	14,607	79,874	103,169	23,295
Expenditures				
Current				
Instruction	10,500	40,324	40,323	1
Support services-students	-	-	-	-
Support services-instruction	-	-	-	-
Support services-general administration	-	-	-	-
Support services-school administration	1,857	2,906	2,906	-
Operation and maintenance of plant	2,250	1,664	1,664	-
Capital outlay	-	34,980	34,980	-
Total expenditures	14,607	79,874	79,873	1
Excess (deficiency) of revenues over expenditures	-	-	23,296	23,296
Other financing sources (uses)				
Designated cash balance (budgeted increase in cash)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	23,296	23,296
Fund balance - beginning of year	-	-	(23,824)	(23,824)
Fund balance - end of year	\$ -	\$ -	\$ (528)	\$ (528)
Net change in fund balances (Non-GAAP Budgetary Basis)			\$	23,296
Adjustment to revenue for federal flowthrough grant				(23,296)
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, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2021
Pioneer Bank				
	FHLB	12/10/2021	313381AV7	\$ 4,363,741
	FFC	1/5/2022	3133EGKC8	25,004,969
	FFCB	1/11/2024	3133EGKS3	10,094,456
	FFCB	7/25/2025	3130A8RV7	11,323,881
	FNMA MBS	12/1/2031	3140X5JS3	3,506,154
	FNMA MBS	9/1/2034	31402DLQ1	498,977
	FHLMC	1/1/2036	3133L72V8	5,926,643
Total Pioneer Bank				60,718,821
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, TX				
Less collateral allocated to component unit				(552,672)
Total pledged collateral				\$ 60,166,149

State of New Mexico
Roswell Independent School District No. 4
Schedule of Deposits and Investment Accounts
June 30, 2021

Bank Account Type/Name	New Mexico LGIP	Pioneer Bank	Wells Fargo Bank
New MexiGROW - LGIP	\$ 2,761	\$ -	\$ -
New MexiGROW - LGIP - Agency	1,107	-	-
Operating Account - Checking	-	25,144,477	-
Operating Account - Checking	-	-	95,286
Sweep Account	-	44,020,702	-
Athletic Change Fund Account - Checking	-	5,000	-
CD (Class of 30-35) 1 year - Agency	-	6,659	-
CD (Bruce Cox Scholarship) 1 year - Agency	-	5,146	-
CD (Worthy Scholarship) 1 year - Agency	-	4,672	-
CD (Worthy Scholarship) 1 year - Agency	-	35,983	-
Total	3,868	69,222,639	95,286
Reconciling items	-	(2,474,917)	-
Reconciled balance	\$ 3,868	\$ 66,747,722	\$ 95,286
<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 net position			
Investments per statement of fiduciary net position			
<hr/>			
Total deposits and investments			
<hr/>			

<u>Total</u>	<u>Component Unit Pioneer Bank</u>
\$ 2,761	\$ -
1,107	-
25,144,477	1,355,344
95,286	-
44,020,702	-
5,000	-
6,659	-
5,146	-
4,672	-
35,983	-
69,321,793	1,355,344
(2,474,917)	(23,228)
66,846,876	1,332,116
130	-
\$ 66,847,006	\$ 1,332,116
\$ 58,755,340	\$ 1,332,116
7,977,283	-
2,761	-
58,055	-
53,567	-
\$ 66,847,006	\$ 1,332,116

State of New Mexico
Roswell Independent School District No. 4
Cash Reconciliation
June 30, 2021

	Operational Fund 11000	Transportation Fund 13000	Instructional Materials Fund 14000	Food Services Fund 21000
PED Cash, June 30, 2020	\$ 18,256,535	\$ -	\$ 513,986	\$ 4,895,770
Add				
2020-2021 receipts	97,030,528	3,042,217	131	5,747,596
Total cash available	115,287,063	3,042,217	514,117	10,643,366
Less				
2020-2021 expenditures	(86,142,912)	(3,036,948)	(491,478)	(5,847,643)
Adjustments	(215,150)	-	-	(96,317)
PED Cash, June 30, 2021	\$ 28,929,001	\$ 5,269	\$ 22,639	\$ 4,699,406
Add / Less				
Negative cash loans from (to)	\$ (11,946,751)	\$ -	\$ -	\$ -
Held checks	6,861,574	-	-	249,051
Cash and investments per financial statements	\$ 23,843,824	\$ 5,269	\$ 22,639	\$ 4,948,457

Athletics Fund 22000	Non- Instructional Education Support 23000	Federal Flowthrough Fund 24000	Federal Direct Fund 25000	Local Grants Fund 26000	State Flowthrough Fund 27000
\$ 479,342	\$ -	\$ (2,146,790)	\$ 3,112,196	\$ 53,214	\$ (294,470)
104,966	96,654	9,682,328	2,476,535	-	2,970,290
584,308	96,654	7,535,538	5,588,731	53,214	2,675,821
-	(199,332)	(12,914,697)	(1,102,144)	(50,528)	(3,049,748)
-	1,034,930	116,832	(1)	(1)	(1)
<u>\$ 584,308</u>	<u>\$ 932,252</u>	<u>\$ (5,262,327)</u>	<u>\$ 4,486,586</u>	<u>\$ 2,686</u>	<u>\$ (373,929)</u>
\$ -	\$ -	\$ 4,947,363	\$ -	\$ -	\$ 956,627
-	-	316,373	71,428	-	204,832
<u>\$ 584,308</u>	<u>\$ 932,252</u>	<u>\$ 1,409</u>	<u>\$ 4,558,014</u>	<u>\$ 2,686</u>	<u>\$ 787,530</u>

(Continued)

State of New Mexico
Roswell Independent School District No. 4
Cash Reconciliation
June 30, 2021

	State Direct Fund 28000	Local/State 29000	Bond Building Fund 31100	Public School Capital Outlay Fund 31200
PED Cash, June 30, 2020	\$ 14,009	\$ 581,661	\$ 8,367,011	\$ -
Add				
2020-2021 receipts	12,613	379,239	7,007,696	6,352,921
Total cash available	26,622	960,900	15,374,707	6,352,921
Less				
2020-2021 expenditures	(12,000)	(54,358)	(2,786,677)	(6,464,112)
Adjustments	1	-	-	-
PED Cash, June 30, 2021	\$ 14,623	\$ 906,542	\$ 12,588,030	\$ (111,191)
Add / Less				
Negative cash loans from (to)	\$ -	\$ -	\$ -	\$ 6,000,000
Held checks	1,435	-	-	-
Cash and investments per financial statements	\$ 16,058	\$ 906,542	\$ 12,588,030	\$ 5,888,809

Cap. Improve. SB-9 Fund 31700	Cap. Improve. SB-9 Local 31701	Cap. Improve. SB-9 Local 31703	Debt Service Fund 41000	Total
\$ (412,011)	\$ 2,911,957	\$ 904,701	\$ 6,373,725	\$ 43,610,836
732,636	2,164,538	-	7,397,382	145,198,270
320,625	5,076,494	904,701	13,771,107	188,809,106
(363,386)	(2,310,480)	-	(5,792,264)	(130,618,708)
-	-	-	(1)	840,292
<u>\$ (42,761)</u>	<u>\$ 2,766,014</u>	<u>\$ 904,701</u>	<u>\$ 7,978,842</u>	<u>\$ 59,030,691</u>
\$ 42,761	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,704,693
<u>\$ -</u>	<u>\$ 2,766,014</u>	<u>\$ 904,701</u>	<u>\$ 7,978,842</u>	<u>\$ 66,735,384</u>

(Continued)

State of New Mexico
Roswell Independent School District No. 4
Cash Reconciliation
June 30, 2021

	Component Unit			
	Operational Fund 11000	Instructional Materials Fund 14000	Non- Instructional Education Support 23000	Local Grants Fund 24000
PED Cash, June 30, 2020	\$ 448,660	\$ 10,241	\$ -	\$ (23,823)
Add				
2020-2021 receipts	2,712,410	3	6	103,169
Total cash available	3,161,070	10,245	6	79,346
Less				
2020-2021 expenditures	(1,965,773)	(10,245)	(788)	(79,873)
Adjustments	(1)	-	6,678	(1)
PED Cash, June 30, 2021	\$ 1,195,296	\$ -	\$ 5,896	\$ (528)
Add / Less				
Negative cash loans from (to)	\$ (528)	\$ -	\$ -	\$ 528
Held checks	113,567	-	-	-
Cash and investments per financial statements	\$ 1,308,335	\$ -	\$ 5,896	\$ -

Component Unit

Local Grants Fund 26000	Local/State 29000	Public School Capital Outlay Fund 31200	Cap. Improve. SB-9 Local 31701	Cap. Improve. SB-9 Local 31703	Total
\$ 2,234	\$ 3,035	\$ -	\$ 38,009	\$ 5,926	\$ 484,282
-	200	94,963	14,161	-	2,924,912
2,234	3,235	94,963	52,170	5,926	3,409,195
-	(2,578)	(94,963)	(37,175)	(5,926)	(2,197,321)
(1)	-	-	-	-	6,675
\$ 2,233	\$ 657	\$ -	\$ 14,995	\$ -	\$ 1,218,549
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	113,567
\$ 2,233	\$ 657	\$ -	\$ 14,995	\$ -	\$ 1,332,116

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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, 2021, 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, 2021, as listed in the table of contents, and have issued our report thereon dated November 15, 2021.

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*.

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 15, 2021

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, 2021. 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, 2021.

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 15, 2021

State of New Mexico
Roswell Independent School District No. 4
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor or Passthrough Grantor/Program Title	Grant/Pass- Through Number
U.S. Department of Education	
Title I Grants to Local Educational Agencies	24101
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
Rural and Low Income	24160
Career and Tech Ed-Basic Grants to States - WBLI - Current Year	24171
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
<hr/>	
<i>Subtotal - Career and Technical Education - Basic Grants to States</i>	
School Improvement Grants	24124
COVID-19 - Education Stabilization Fund, ESSER	24301
COVID-19 - Education Stabilization Fund, GEER, Connectivity	24305
COVID-19 - Education Stabilization Fund, GEER, HEPA Filters	24306
COVID-19 - Education Stabilization Fund, ESSER II	24308
COVID-19 - Education Stabilization Fund ESSER II Social Emotional Learning	24309
<hr/>	
<i>Subtotal - COVID-19 Education Stabilization Fund</i>	
Student Support and Academic Enrichment Program	24189
<hr/>	
Total U.S. Department of Education	
<hr/>	
U.S. Department of Agriculture	
National School Lunch Program - SSO	21000
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<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
Temporary Assistance for Needy Families	28190
<hr/>	
Total U.S. Department of Health and Human Services	
<hr/>	
Total Federal Financial Assistance	

See accompanying notes to schedule of expenditures of federal awards.

Assistance Listing Number	Federal Expenditures	Cluster/ Program Subtotals	Funds Provided to Subrecipients	Noncash Assistance
84.010	\$ 4,146,596		\$ -	\$ -
84.027	2,991,015		-	-
84.173	196,990		-	-
84.027	15,920		-	-
		3,203,925		
84.011A	3,648		-	-
84.365A	97,525		-	-
84.196A	15,230		-	-
93.981	9,825		-	-
84.371C	315,037		-	-
84.282	83,388		-	-
84.367A	300,617		-	-
84.358B	238,005		-	-
84.048A	47,596		-	-
84.048	61,252		-	-
84.048	63,844		-	-
84.048	21,611		-	-
		194,303		
84.377A	220,795		-	-
84.425D	2,879,871		-	-
84.425C	23,131		-	-
84.425C	57,680		-	-
84.425D	692,601		-	-
84.425D	28,049		-	-
		3,681,332		
84.424A	267,800		-	-
	12,778,026		-	-
10.555	5,743,343		-	416,453
		5,743,343		
	5,743,343		-	416,453
93.590	4,000		-	-
93.558	8,000		-	-
	12,000		-	-
	\$ 18,533,369		\$ -	\$ 416,453

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, 2021

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	\$ 18,533,369
Total expenditures funded by other sources	111,491,774
<hr/>	
Total expenditures	\$ 130,025,143
<hr/>	

**State of New Mexico
Roswell Independent School District No. 4
Schedule of Findings and Questioned Costs
June 30, 2021**

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: | |

Assistance Listing Number	Federal Program
84.010	Title I Grants to Local Educational Agencies – IASA
84.425C, 84.425D	COVID-19 Education Stabilization Fund – ESF

- | | |
|---|-----------|
| 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, 2021

SECTION II: FINANCIAL STATEMENT AUDIT FINDINGS

None noted.

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

None noted.

SECTION IV: FEDERAL AWARD FINDINGS

None noted.

SECTION V: PRIOR YEAR AUDIT FINDINGS

2020-001 – Improper Disposal of Field Turf - Other Noncompliance (Resolved)

State of New Mexico
Roswell Independent School District No. 4
Other Disclosures
June 30, 2021

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, 2021 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, 2021. In attendance were the following:

Representing Roswell Independent School District No. 4:

Mona Kirk	School Board Member
Brian Luck	Superintendent of School
Chad Cole	Assistant Superintendent for Finance and Operations
Linda Purcella	Director of Business Services
Joe Andreis	Charter School Principal
Maria Hernandez	SGMS Business Manager

Representing Carr, Riggs & Ingram, LLC:

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