

**NOTICE**  
SANTA FE PUBLIC SCHOOL DISTRICT  
Santa Fe County, New Mexico

\$15,000,000\* General Obligation School Building Bonds, Series 2020 (the "Bonds")  
\$11,000,000\* General Obligation Education Technology Notes, Series 2020 (the "Notes")

Preliminary Official Statement  
June 9, 2020

The Preliminary Official Statement, dated June 9, 2020 (the "Preliminary Official Statement") relating to the above-described Bonds and Notes of the Santa Fe Public School District (the "Issuer" or the "District"), has been posted on the Internet as a matter of convenience. A copy of the Preliminary Official Statement is available from the Issuer by contacting the financial advisor, RBC Capital Markets, LLC, at (505) 872-5999 by electronic mail or upon payment of reasonable copying, handling, and delivery charge. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat 11.0). Although this format should replicate the Preliminary Official Statement available from the Issuer, its appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat 11.0 may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the Final Official Statement will be filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE UNDERTAKINGS" for a description of the Issuer's undertaking to provide certain information on a continuing basis.

*The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds or the Notes in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

For the purposes of compliance with Rule 15c2-12 (the "Rule") promulgated by the United States Securities and Exchange Commission, this document constitutes the "Official Statement" that the Issuer has "deemed final" as of its date with respect to the Bonds and the Notes, except for certain pertinent information permitted by the Rule to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and the Notes, and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of the Preliminary Official Statement.

The Financial Advisor provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and to investors under the federal securities laws as applied to the facts and circumstances of these transactions, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

THE BONDS AND THE NOTES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS AND NOTES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE BONDS AND NOTES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION FOR THE PURCHASE THEREOF.

None of the Issuer, the Financial Advisor, or the Underwriter make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company, New York, New York ("DTC") or its book-entry-only system described under APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM" as such information has been provided by DTC.

INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE BONDS AND THE NOTES.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS AND THE NOTES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, the viewer acknowledges reading and understanding this Notice.

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\*Preliminary, subject to change.

**PRELIMINARY OFFICIAL STATEMENT  
DATED JUNE 9, 2020**

**Bond Rating:** S&P (Unenhanced) - "Applied for"  
**Note Rating:** S&P (Unenhanced) - "Applied for"  
See "RATINGS" herein.

NEW ISSUES – Book-Entry-Only

**SANTA FE PUBLIC SCHOOL DISTRICT (the "District")  
Santa Fe County, New Mexico (the "County")**

**\$15,000,000\* General Obligation School Building Bonds, Series 2020 (the "Bonds")  
\$11,000,000\* General Obligation Education Technology Notes, Series 2020 (the "Notes")**

**PURPOSES AND AUTHORITY:** Proceeds of the Bonds will be used to pay the costs of (1) erecting, remodeling, making additions to and furnishing school buildings, purchasing and improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the District, and (2) paying costs of issuing of the Bonds. On April 21, 2020, the District's Board of Education (the "Board") delegated, pursuant to a Notice of Sale and Delegation of Authority Resolution (the "Delegation Resolution"), permitted by Section 6-14-10.2, NMSA 1978 (but which delegation authority does not extend to the Notes), pricing of the Bonds and certain other matters to the District's Superintendent, who will approve the "Bond Award" (together with the Delegation Resolution, the "Bond Resolution"), which will contain the final terms of sale and complete the sale of the Bonds. Proceeds of the Notes will be used to pay the costs of (1) securing funds for financing education technology equipment for learning and administrative use in schools and related facilities within the District or any other use pursuant to the Education Technology Equipment Act Section 6-15A-1 et seq., NMSA 1978, as amended, and (2) paying costs of issuing of the Notes. On June 16, 2020, the Board will approve a resolution relating to the Notes (the "Note Resolution") authorizing the sale and delivery of the Notes.

**OBLIGATIONS:** The Bonds and the Notes are issuable as fully registered obligations and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds and the Notes will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC participant. Beneficial owners of the Bonds and the Notes will not be entitled to receive physical delivery of the Bonds and the Notes so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds and the Notes. Interest on the Bonds and the Notes is payable on each February 1 and August 1, commencing February 1, 2021. As long as DTC or its nominee is the registered owner of the Bonds and the Notes, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds and the Notes will be made directly to DTC by the Paying Agent/Registrar (identified below). Disbursements of such payments to DTC participants are the responsibility of DTC. See "THE BONDS AND THE NOTES – Limited Book-Entry Responsibilities" and APPENDIX C - "BOOK-ENTRY ONLY SYSTEM". BOKF, NA, Albuquerque, New Mexico or its successor is the Registrar/Paying Agent for the Bonds and the Notes.

**REDEMPTION:** The Bonds are subject to redemption prior to maturity as provided herein. The Notes are not subject to redemption prior to maturity. See "THE BONDS AND THE NOTES – Optional Prior Redemption".

**SECURITY:** The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District without limitation of rate or amount. The Notes are secured by rent payments (the "Rent Payments") made pursuant to a Lease Purchase Arrangement (the "Lease") with The Education Technology Leasing Company, LLC (the "Lessor"), which are general obligations of the District, payable from general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount.

**LEGAL OPINIONS:** In the opinions of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants in the documents relating to the Bonds and the Notes and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes, is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the Bonds and the Notes and the income from the Bonds and the Notes are exempt from all taxation by the State of New Mexico (the "State") or any political subdivision of the State. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Bonds and the Notes.

**DATE OF DELIVERY:** When, as and if issued, through DTC's facilities, on or about July 20, 2020.

**DATED DATE:** July 20, 2020.

**INTEREST:** Accrues from Date of Delivery.

**DUE DATE:** August 1, as shown on the inside cover hereof.

*The Bonds and Notes are offered for delivery when, as and if issued and received by the Underwriter named below (the "Underwriter") and as it relates to the Bonds only, are subject to review of the Attorney General of the State. The Bonds and the Notes will receive the approval of certain legal matters by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel and Disclosure Counsel (see "LEGAL MATTERS"; APPENDIX D – "FORMS OF BOND COUNSEL'S OPINIONS" hereto). Certain matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Dallas, Texas as counsel to the Underwriter.*

**STIFEL**

\* Preliminary, subject to change.

# MATURITY SCHEDULE\*

CUSIP No.<sup>(1)</sup> PREFIX: 802088

**\$15,000,000\***  
**Santa Fe Public School District**  
**General Obligation School Building Bonds, Series 2020\***

Year Maturing (August 1)	Principal	Interest Rate	Yield	Cusip # Suffix <sup>(1)</sup>	Year Maturing (August 1)	Principal	Interest Rate	Yield	Cusip # Suffix <sup>(1)</sup>
2021	\$1,350,000			802088	2027	\$1,425,000			802088
2022	900,000			802088	2028	1,425,000			802088
2023	900,000			802088	2029	1,425,000			802088
2024	900,000			802088	2030	1,425,000			802088
2025	1,000,000			802088	2031	1,425,000			802088
2026	1,425,000			802088	2032	1,400,000			802088

**(Interest accrues from the Date of Delivery)**

The District reserves the right to redeem the Bonds maturing on and after August 1, 20\_\_\*, in whole or in part, in the principal amount of \$5,000 or any integral multiple thereof, on August 1, 20\_\_\* or any date thereafter, at the redemption price of par plus accrued interest to the date of redemption. If two or more serial Bonds of consecutive maturity are combined into one or more “term” Bonds (the “Term Bonds”) by the Underwriter, such Term Bonds will be subject to mandatory sinking funds redemption in accordance with the provisions of the Bond Resolution. See “THE BONDS AND THE NOTES – Optional Prior Redemption” herein.

**\$11,000,000\***  
**Santa Fe Public School District**  
**General Obligation Education Technology Notes, Series 2020\***

Year Maturing (August 1)	Principal	Interest Rate	Yield	Cusip # Suffix <sup>(1)</sup>
2021	\$2,000,000			802088
2022	3,500,000			802088
2023	5,500,000			802088

**(Interest accrues from the Date of Delivery)**

The Notes are not subject to optional redemption by the District prior to their stated maturity date. See “THE BONDS AND NOTES – Optional Prior Redemption”.

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\* Preliminary, subject to change.

(1) CUSIP numbers are included solely for the convenience of the owners of the Bonds and the Notes. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriter, the District, or the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

**ISSUER**

Santa Fe Public School District  
Santa Fe County, New Mexico  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
(505) 982-2631; (505) 995-3301 – Fax

**BOARD OF EDUCATION**

*President: Kate I. Noble*  
*Vice-President: Lorraine Price*  
*Secretary: Rudy N. Garcia*  
*Member: Carmen Gonzales*  
*Member: Sarah Boses*

**DISTRICT ADMINISTRATION**

*Superintendent: Dr. Veronica C. Garcia*  
*Chief Financial Officer: German Martinez*

**FINANCIAL ADVISOR**

RBC Capital Markets, LLC  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, New Mexico 87110  
(505) 872-5999

**BOND COUNSEL/DISCLOSURE COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87102  
(505) 848-1800

**UNDERWRITER**

*Stifel, Nicolaus & Company, Incorporated*  
*Two Park Sq. 6565 Americas Parkway NE,*  
*Suite 860*  
*Albuquerque, NM 87110*  
*505-872-2320*

**UNDERWRITER'S COUNSEL**

*McCall, Parkhurst & Horton L.L.P.*  
*717 North Harwood, Suite 900, Dallas, Texas 75201*  
*(214) 754-9223*

**PAYING AGENT/REGISTRAR**

BOKF, NA  
100 Sun Avenue NE, Suite 500  
Albuquerque, New Mexico 87109  
(505) 222-8447

## Use of Information in the Official Statement

This Official Statement is not an offer to sell or solicitation of an offer to buy the Bonds or the Notes in any jurisdiction where it is unlawful to make such offer, solicitation, or sale and no unlawful offer, solicitation, or sale of the Bonds or the Notes may occur through this Official Statement or otherwise. This Official Statement is not a contract and provides no investment advice. Investors should consult their advisors and legal counsel with questions about this Official Statement, the Bonds, the Notes, or anything else related to these issuances.

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### MARKET STABILIZATION

*In connection with these offerings, the Underwriter may over-allot or effect transactions which stabilize and maintain the market price of the Bonds and the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.*

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The estimates, forecasts, projections and opinions in this Official Statement are forward looking statements, and no one, including the District, guarantees them.

The District and other reliable sources have provided information for this Official Statement, based upon the information available as of the date hereof.

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico is serving as bond counsel and disclosure counsel to the District, has assisted in the preparation of the Official Statement, has reviewed its contents, and has participated in conferences with representatives of the District, Financial Advisor, and the Underwriter to issue its disclosure counsel opinion. The legal fees to be paid to bond counsel and disclosure counsel for services rendered in connection with the issuance of the Bonds and the Notes are contingent upon the sale and delivery of such Bonds and the Notes, and all legal fees will be paid from Bond proceeds.

The Underwriter has reviewed the information contained in the Official Statement in accordance with its responsibilities to investors under federal securities laws as applicable to the circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The Underwriter makes no representation as to the accuracy, completeness, or adequacy of the information supplied by DTC for use in this Official Statement.

Any part of this Official Statement may change at any time, without prior notice. Also, important information about the District and other relevant matters may change after the date of this Official Statement.

All document summaries are not complete or definitive, and they may omit relevant information. Such documents are qualified in their entirety by reference to the complete documents. Any investor who wishes to review the full text of documents may request copies at no cost from the District or the Financial Advisor as follows:

**District**  
Santa Fe Public School District  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
Attention: German Martinez

**Financial Advisor**  
RBC Capital Markets, LLC  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, NM 87110  
Attention: Erik Harrigan

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**SANTA FE PUBLIC SCHOOL DISTRICT**  
**Santa Fe County, New Mexico**

**\$15,000,000\* General Obligation School Building Bonds, Series 2020**

**\$11,000,000\* General Obligation Education Technology Notes, Series 2020**

**INTRODUCTION**

The Santa Fe Public School District, Santa Fe County, New Mexico (the “District”) intends to sell its \$15,000,000\* General Obligation School Building Bonds, Series 2020 (the “Bonds”) and its \$11,000,000\* General Obligation Education Technology Notes, Series 2020 (the “Notes”) on June 16, 2020. This Official Statement provides information regarding the Bonds and Notes, their security, and the risks involved in an investment in the Bonds and Notes.

Although the District has approved this Official Statement, it does not intend it to substitute for competent investment advice, tailored to a particular individual’s situation.

**The Issuer**

The District is a political subdivision of the State of New Mexico (the “State”) organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses almost all of Santa Fe County, New Mexico (the “County”) located in the north central part of the State. The District’s boundaries encompass all of the City of Santa Fe, New Mexico (the “City”) and certain unincorporated portions of the County. The District’s 2019 assessed valuation is \$6,935,690,753. The District had an enrollment of 11,724 students for the 2019-20 school year based on the 40th day count, which includes charter school enrollment of 383. See “THE DISTRICT” herein.

**Security**

The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District without limitation of rate or amount. The Notes are secured by rent payments (the “Rent Payments”) made pursuant to a Lease Purchase Arrangement (the “Lease”) with The Education Technology Leasing Company, LLC (the “Lessor”), which are general obligations of the District, payable from general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount. The Lessor has assigned the Rent Payments received from the District (as lessee) to the Paying Agent/Registrar for payment to the owners of the Notes. The District’s obligation to make Rent Payments under the Lease is considered a binding general obligation of the District payable from general (ad valorem) property taxes which are required be levied against all taxable property in the District without limitation as to rate or amount. See APPENDIX F - “LEASE PURCHASE ARRANGEMENT” herein.

Neither the State nor County has any responsibility to pay the debt service on the Bonds or the Notes.

**Plan of Finance**

Proceeds of the Bonds will be used for the purpose of (1) erecting, remodeling, making additions to and furnishing school buildings, purchasing and improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the District, and (2) paying costs of issuance of the Bonds. The Bonds represent the forth series issued against \$100 million in bonds authorized by voters at an election held on February 7, 2017. After the issuance of the Bonds no bonds authorized by the voters at such election shall remain unissued. Proceeds of the Notes will be used for the purpose of (1) securing funds for financing education technology equipment for learning and administrative use in schools and related facilities within the District or any other use pursuant to the Education Technology Equipment Act Section 6-15A-1 et seq., NMSA 1978, as amended, and (2) paying costs of issuance of the Notes. The Notes represent the second series issued against \$55,000,000 authorized by voters at an election held on March 5, 2019.

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\* Preliminary, subject to change.

## Limited Role of Auditors

This document presents information from District records and other sources, including a portion of the audited financial statements of the District for the year ended June 30, 2019, contained in APPENDIX B.

Jaramillo Accounting Group LLC (JAG), the District's independent auditor, has not been engaged to perform and has not performed, since the date of the report included herein, any procedures on the financial statements addressed in that report. It also has not performed any procedures relating to this Official Statement.

## Selected Debt Ratio

	<u>2019</u>
2019 Assessed Valuation	\$6,935,690,753
2019 Estimated Actual Valuation	\$23,415,595,074 <sup>(1)</sup>
District General Obligation Debt Outstanding (Including the Bonds & the Notes)	\$233,000,000 <sup>(2)</sup>
Less Debt Service Fund	<u>\$42,911,000</u>
District Net General Obligation Debt	\$190,089,000 <sup>(2)</sup>
Estimated Direct & Overlapping G/O Debt	\$425,660,002
<b><i>District Net Debt as a Percentage of</i></b>	
Assessed Valuation	2.74%
Estimated Actual Valuation	0.81%
<b><i>Direct and Overlapping Debt as a % of</i></b>	
Assessed Valuation	6.14%
Estimated Actual Valuation	1.82%
Estimated Population	150,878
District Net Debt Per Capita	\$1,259.89
Direct & Overlapping Debt Per Capita	\$2,821.22

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) Preliminary, subject to change.

## COVID-19

### Infection Disease Outbreak – COVID-19

A respiratory disease named "coronavirus disease 2019" ("COVID-19") has recently spread to most parts of the world, including New Mexico and throughout the U.S. On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization. Following the World Health Organization's declaration of the outbreak of COVID-19 as a pandemic, state and local governments, including the State of New Mexico, have announced orders, recommendations and other measures intended to limit the size of public gatherings and regulate public spaces intended to minimize interpersonal contact and slow the spread of COVID-19.

On March 11, 2020, New Mexico Governor Michelle Lujan Grisham issued Executive Order 2020-004, declaring a state of public health emergency and directing State agencies to use all resources necessary to prepare for and respond to the outbreak. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. Governor Lujan Grisham and New Mexico Department of Health Secretary Kathyleen Kunkel have issued additional orders that, among other things, order the closure of all public schools, businesses and non-profit entities except for those deemed essential, advise the public to stay home except for necessary outings, and direct that hotels, motels,



RV parks, and other places of lodging shall not operate at more than 25% of maximum occupancy and prohibit mass gatherings. Beginning June 1<sup>st</sup>, New Mexico entered the next phase of reopening that allows the previously mentioned places, restaurants and gyms to operate at a 50% capacity and the opening of hair salons, indoor malls, tattoo parlors and massage services to open at a 25% capacity. There can be no assurance that additional restrictions applicable to lodging occupancy, travel, mass gatherings, or other matters won't be imposed. Please visit Governor Lujan Grisham's website, [www.governor.state.nm.us](http://www.governor.state.nm.us), for any additional executive orders issued by Governor Lujan Grisham related to COVID-19.

The New Mexico Department of Health provides information relating to COVID-19 and related developments in the State of New Mexico on its website, <https://cv.nmhealth.org/>. The information presented on the NMDOH website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Supplement.

### **Potential Impact of COVID-19**

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that may have negative effects on economic activity, and therefore adversely affect the financial condition of the District, either directly or indirectly. The District cannot predict (i) the duration or extent of the COVID-19 outbreak/pandemic; (ii) the duration or expansion of public health orders, regulations or legislation, mandated or voluntary business closings, travel restrictions or warnings; (iii) the extent or duration of the negative effects that any COVID-19 or other outbreak/pandemic-related orders, regulations, legislation, restrictions or warnings will have on the local or global economy; (iv) the duration of lodging occupancy and travel restrictions or (v) the extent of the adverse financial impact that such circumstances or economic effects will have on ad valorem property tax collections or the District's financial condition. In addition, financial markets in the United States and globally have experienced significant volatility or declines in connection with the COVID-19 which may have a material impact on the market price and marketability of the Bonds and Notes .

Measures taken to prevent or reduce the spread of COVID-19 could limit the growth of or reduce economic activity in the State and the District, which in turn could limit the growth of or reduce the District's ad valorem collections or negatively affect property values within the District. The Bonds are secured by an unlimited ad valorem tax, and the Notes are secured by Rent Payments made pursuant to the Lease, which are general obligations of the District, payable from general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount. Any reduction in the property values within the District may require an increase in the ad valorem tax rate required to pay such obligations. The duration, extent and impact of COVID-19 on the New Mexico economy and the District's revenues, expenses, cash flow and property tax valuations is uncertain and cannot be quantified at this time. The District continues to monitor the spread of COVID-19 and is working with local, state, and national authorities to address the potential impact of the COVID-19 pandemic upon the District. While the potential impact of the COVID-19 pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. Notwithstanding the foregoing, the District does not believe that the impacts of the spread of COVID-19 will have a material adverse effect on its ability to pay debt service on the Bonds or the Notes.

On June 18, 2020 the New Mexico State Legislature will meet in a special session and may address altering various levels of state funding, including the funding of public education, as a result of COVID-19 and the recent downturn in the oil and gas industry within the State. At this time the District cannot predict what legislative action may occur during the special session that could impact the District's financial condition, revenues or operations.

The financial data contained herein are the latest available, but are as of dates and periods prior to the economic impact of COVID-19.

## **THE BONDS AND THE NOTES**

State law enables the District to issue the Bonds pursuant to Sections 6-15-1 through 6-15-22, NMSA 1978. The New Mexico Attorney General will provide an opinion with respect to the Bonds. On April 21, 2020, the District's Board of Education (the "Board") delegated, pursuant to a Notice of Sale and Delegation of Authority Resolution (the "Delegation Resolution"), permitted by Section 6-14-10.2, NMSA 1978, pricing of the Bonds and certain other matters to the District's Superintendent, who will approve the "Bond Award" (together with the Delegation Resolution, the "Bond Resolution"), which will contain the final terms of sale and will complete the sale of the Bonds.

State law enables the District to issue the Notes pursuant to Section 6-15A-1 through Section 6-15A-17, NMSA 1978. As the delegation authority applicable to the Bonds does not extend to the Notes, the Board, on June 16, 2020, will approve a resolution relating to the Notes (the "Note Resolution") allowing the sale of the Notes. The Notes are payable from periodic Rent Payments composed of principal and interest components which are secured by the full faith and credit of the District and payable thereby from general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount. The Form of the Notes are attached to the Lease as APPENDIX F to this Official Statement. The Notes are issuable as fully registered Notes and when initially issued will be registered in the Name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). The New Mexico Attorney General will not provide an opinion with respect to the Notes.

As long as DTC or its nominee is the registered owner of the Bonds and the Notes, reference in the Official Statement to registered owner will mean Cede and Co., and payments to DTC participants are the responsibility of DTC. See "The BONDS AND THE NOTES – Book-Entry-Only System" BOKF, NA or its successor is the Paying Agent/Registrar for the Bonds and Notes.

### **General Terms and Description of the Bonds and Notes**

The Bonds and Notes will bear interest at the rates and mature in the amounts and on the dates shown in the applicable table appearing on the inside front cover of this Official Statement. Interest on the Bonds and the Notes is payable each February 1 and August 1, commencing February 1, 2021. All Bonds and Notes are fully registered in denominations of \$5,000 or integral multiples thereof in conformance with the Constitution and laws of the State and pursuant to the Bond Resolution and the Note Resolution, respectively. Bond and Note payments are made to the DTC, and DTC will then remit the payments to its participants for disbursement to the beneficial owners of the Bonds and the Notes. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

### **Paying Agent/Registrar**

BOKF, NA will serve as Paying Agent/Registrar for the Bonds and Notes. In the Bond Resolution and the Note Resolution respectively, the District covenants to provide a Paying Agent/Registrar at all times until the Bonds and the Notes are paid, and any Paying Agent/Registrar selected by the District shall be a commercial bank, a trust company, a financial institution or any other entity, as provided by State law, duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar. The registration books for the Bonds and Notes will be maintained by the Paying Agent/Registrar containing the names and addresses of the registered owners of the Bonds and Notes. In the Bond Resolution and Note Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the registration books to the successor paying agent/registrar. In the event there is a change in the Paying Agent/Registrar for the Bonds and Notes the District has agreed to notify each registered owner of the Bonds and the Notes affected by the change by United States mail, first-class postage prepaid, at the address in the registration books, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

### **Optional Prior Redemption**

#### *The Bonds*

The Bonds maturing on or after August 1, 20\_\_\* may be redeemed prior to their scheduled maturities on August 1, 20\_\_\* or on any date thereafter, in whole or in part, at the option of the District, with funds derived from any available and lawful source, at the redemption price of par, plus accrued interest to the date fixed for redemption. If two or more serial Bonds of consecutive maturity are combined into one or more "term" Bonds (the "Term Bonds") by the Underwriter, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Bond Resolution. If less than all of the Bonds are to be redeemed, the District shall determine the amounts and maturities thereof to be redeemed and shall direct the Paying Agent/Registrar to select by lot the Bonds, or portions thereof, to be redeemed.

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\* Preliminary, subject to change.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption have been met and moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Paying Agent/Registrar must, by first class mail, give redemption notices to the registered owners of the affected Bonds and to DTC and information services not less than 30 days prior to the redemption date. ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE BONDHOLDERS FAILED TO RECEIVE SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

No transfer of Bonds called for redemption shall be made within 30 days of the date of redemption.

### The Notes

The Notes are not subject to optional redemption by the District prior to their stated maturity date.

### **Limited Book-Entry Responsibilities**

The District and the Financial Advisor have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds and Notes.

The District and the Financial Advisor cannot and do not give any assurances that DTC will distribute payments to DTC Participants or that DTC Participants or others will distribute payments with respect to the Bonds and Notes received by DTC or its nominees as the holder or any redemption notices (related to the Bonds) or other notices to the beneficial holders, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM".

If the Paying Agent/Registrar gives proper redemption notice (related to the Bonds) and the Paying Agent/Registrar holds money to pay the redemption price of the affected Bonds, then on the redemption date the Bonds called for redemption will become due and payable. Thereafter, no interest will accrue on those Bonds, and their owners' only right will be to receive payment of the redemption price upon surrender of those Bonds to the Paying Agent/Registrar.

While the Bonds and the Notes remain under the Book-Entry-Only System, the Paying Agent/Registrar will send notices only to DTC. Any problems from DTC through its system to the beneficial owners of the Bonds will not affect the validity of the Bond redemption or any other action based on the Paying Agent/Registrar's notice. Investors in the Bonds might consider arranging to receive redemption notices (relating to the Bonds) or other communications from DTC which affect them, including notice of interest payments. See "BOOK-ENTRY-ONLY SYSTEM" in APPENDIX C.

### **Record Date**

The Record Date for the Bonds and Notes with respect to any interest payment date is the fifteenth day of the month (whether or not a business day) immediately preceding the interest payment date. The person in whose name any Bond or Note is registered on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date.

## Transfers and Exchanges

Registered Bond and Note owners may surrender and transfer their Bonds and Notes, respectively in person or by duly authorized attorney, at the office of the Paying Agent/Registrar. They must complete an approved transfer form and pay any taxes or governmental charges which apply to the transfer. As explained below, while DTC is the securities depository for the Bonds and Notes, it will be the sole registered owner of the Bonds and Notes.

## SECURITY AND REMEDIES

The Bonds are general obligations of the District payable from general (ad valorem) property taxes which are required to be levied against all taxable property within the District without limitation of rate or amount. The Notes are secured by Rent Payments which are general obligations of the District paid from general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount.

The District must use all of the property taxes collected for debt service, and any other legally available funds, to pay the debt service on the Bonds and Notes and other general (ad valorem) outstanding debt.

Various State laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. Future legislative changes relating to the assessment and collection of ad valorem property taxes may have a material impact on the District.

### Limitations of Remedies

There is no provision for acceleration of maturity of the principal of the Bonds or Notes in the event of a default in the payment of principal of or interest on the Bonds and Notes. Consequently, remedies available to the owners of the Bonds and Notes may need to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds and Notes, and the obligations incurred by the District in issuing the Bonds and Notes, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles that may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds and the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## SOURCES AND USES OF FUNDS

It is anticipated that the proceeds of the Bonds and Notes will be applied as follows:

Sources	Series 2020 GO Bonds	Series 2020 Education Technology Notes	Total
Par Amount			
Reoffering Premium			
<b>Total</b>			
<b>Uses</b>			
Project Fund			
Costs of Issuance			
Underwriter's Discount			
Deposit to Debt Service Fund			
<b>Total</b>			

## **NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM**

The State Legislature amended NMSA 1978, Section 22-18-1 et seq. in the first session of 2003 by adding Section 22-18-13 which became effective July 1, 2003. Section 22-18-13 was further amended in 2007 and provides that, if the school district indicates that it will not make the payment by the date on which it is due, the New Mexico Department of Finance and Administration (“DFA”) shall forward the amount in immediately available funds necessary to make the payment due on the bonds to the paying agent from the current fiscal year’s undistributed State Equalization Guarantee (“SEG”) distribution to that school district and, if not otherwise repaid by the school district from other legally available funds, withhold the distributions from the school district until the amount has been recouped by the DFA, provided that, if the amount of the undistributed SEG distribution in the current fiscal year is less than the payment due on the bond, the DFA shall:

1. forward in immediately available funds to the paying agent an amount equal to the total amount of the school district’s undistributed SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold all distributions to the school district for the remainder of the fiscal year; and
2. on July 1 of the following fiscal year, forward in immediately available funds an amount equal to the remaining amount due to the paying agent from that year’s SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold an equal amount from the distribution to the school district until the amount paid has been recouped in full.

**The provisions above apply to all State school districts.**

To qualify for the New Mexico School District Enhancement Program, Section 22-18-13 NMSA 1978 requires filing the authorizing bond resolution, bond offering documents and contact information for the paying agent for the bonds with DFA. **Failure to file such information will not invalidate the obligation of the State Treasurer to pay the bond payment and withhold the SEG distribution.** Withholding of the SEG distribution may affect the District’s ability to continue to operate.

**On June 19, 2018, Moody’s downgraded the sale-level enhanced ratings on all outstanding New Mexico school district debt to “Aa3” (stable outlook) from “Aa2” (negative outlook).**

**The District will qualify the bonds under the enhancement program, however, the District is not seeking a rating from Moody’s in connection therewith.**

**The New Mexico School District Enhancement Program does not apply to the Notes.**

## **DEBT AND OTHER FINANCIAL OBLIGATIONS**

Article IX, Section 11 of the New Mexico Constitution limits the powers of a district to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds, to purchase computer software and hardware for student use in public schools, to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes but only after the proposition to create any such debt has been submitted to a vote of the qualified voters of the District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed 6% of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the District.

The District also may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the District, but any such debt is subject to the 6% debt limitation.

The assessed valuation of taxable property within the District is \$6,935,690,753 for tax year 2019, as approved by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The maximum general obligation indebtedness of the District may not exceed 6% of the assessed valuation or \$416,141,445.

After the Bonds and Notes are issued, the ratio of total outstanding general obligation debt of the District to the 2019 assessed valuation will be no greater than 2.74% as summarized in the following table:

	<u>2019</u>
2019 Assessed Valuation	\$6,935,690,753
2019 Estimated Actual Valuation	\$23,415,595,074 <sup>(1)</sup>
Total Bonded Debt Outstanding (Including the Bonds & the Notes)	\$233,000,000 <sup>(3)</sup>
Less Debt Service Fund Balance	<u>42,911,000</u> <sup>(2)</sup>
NET DEBT	<u>\$190,089,000</u>
Ratio of Net Debt to 2019 Assessed Valuation:	2.74%
Ratio of Net Debt to 2019 Estimated Actual Valuation:	0.81%
Per Capita Net Debt:	\$1,259.89
Est. Population:	150,878

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) The cash balance for the debt service fund was \$34,321,240 as of 4/30/2020.

The amount properly attributable to principal reduction is 78.56%.

(3) Preliminary, subject to change.

### Outstanding Debt

The District has issued debt ("Outstanding Debt") in the past for various capital improvements and has never defaulted in the payment of any of its ad valorem debt or other obligations. Listed below is the District's total general obligation debt outstanding including the Bonds and the Notes.

Series	Original Amount	Final Maturity	Principal Outstanding
2011	\$50,000,000	08/01/2020	\$3,600,000
2012	30,000,000	08/01/2022	11,250,000
2013	50,000,000	08/01/2025	46,800,000
2014	27,000,000	08/01/2025	17,950,000
2015	30,000,000	08/01/2028	28,400,000
2017	40,000,000	08/01/2029	33,000,000
2017 ETN's	11,000,000	08/01/2020	3,500,000
2018	30,000,000	08/01/2030	28,800,000
2018 ETN's	11,000,000	08/01/2021	7,700,000
2019	15,000,000	08/01/2031	15,000,000
2019 ETN's	11,000,000	08/01/2022	11,000,000
2020	15,000,000	08/01/2032	15,000,000 <sup>(1)</sup>
2020 ETN's	11,000,000	08/01/2023	11,000,000 <sup>(1)</sup>
<b>Total</b>	<b>\$331,000,000</b>		<b>\$233,000,000</b>

(1) Preliminary, subject to change.

## Pro Forma Debt Service Requirements to Maturity

The District schedules principal and interest payments at the time of the Bond and Note sales with constraints being general obligation debt capacity and expected property tax revenues. Below is a summary of the currently scheduled principal and interest on the District's outstanding general obligation debt as well as the proposed principal and interest payments on the Bonds and Notes.

Calendar Year	Current G/O Bonds Requirements			Series 2020 G/O Bonds <sup>(1)</sup>				Total G/O Bonds Requirements		
	Principal	Interest	Total	Principal	Coupon	Interest	Total	Principal	Interest	Total
2020	\$22,350,000	\$7,781,697	\$30,131,697					\$22,350,000	\$7,781,697	\$30,131,697
2021	22,100,000	6,796,500	28,896,500	\$1,350,000	5.000%	\$875,000	\$2,225,000	23,450,000	7,671,500	31,121,500
2022	22,600,000	5,784,500	28,384,500	900,000	5.000%	682,500	1,582,500	23,500,000	6,467,000	29,967,000
2023	22,425,000	4,743,500	27,168,500	900,000	5.000%	637,500	1,537,500	23,325,000	5,381,000	28,706,000
2024	22,725,000	3,772,250	26,497,250	900,000	5.000%	592,500	1,492,500	23,625,000	4,364,750	27,989,750
2025	24,325,000	2,876,000	27,201,000	1,000,000	5.000%	547,500	1,547,500	25,325,000	3,423,500	28,748,500
2026	11,475,000	1,918,750	13,393,750	1,425,000	5.000%	497,500	1,922,500	12,900,000	2,416,250	15,316,250
2027	11,475,000	1,417,000	12,892,000	1,425,000	5.000%	426,250	1,851,250	12,900,000	1,843,250	14,743,250
2028	11,475,000	916,250	12,391,250	1,425,000	5.000%	355,000	1,780,000	12,900,000	1,271,250	14,171,250
2029	7,825,000	509,469	8,334,469	1,425,000	5.000%	283,750	1,708,750	9,250,000	793,219	10,043,219
2030	4,575,000	241,000	4,816,000	1,425,000	5.000%	212,500	1,637,500	6,000,000	453,500	6,453,500
2031	1,450,000	58,000	1,508,000	1,425,000	5.000%	141,250	1,566,250	2,875,000	199,250	3,074,250
2032				1,400,000	5.000%	70,000	1,470,000	1,400,000	70,000	1,470,000
	<b>\$184,800,000</b>	<b>\$36,814,916</b>	<b>\$221,614,916</b>	<b>\$15,000,000</b>		<b>\$5,321,250</b>	<b>\$20,321,250</b>	<b>\$199,800,000</b>	<b>\$42,136,166</b>	<b>\$241,936,166</b>

Calendar Year	Current G/O Ed Tech Requirements			Series 2020 - G/O Ed Tech <sup>(1)</sup>				Total ETN Requirements		
	Principal	Interest	Total	Principal	Coupon	Interest	Total	Principal	Interest	Total
2020	\$9,650,000	\$1,074,819	\$10,724,819					\$11,650,000	\$1,459,819	\$13,109,819
2021	8,000,000	627,500	8,627,500	\$2,000,000	3.500%	\$385,000	\$2,385,000	11,500,000	942,500	12,442,500
2022	4,550,000	227,500	4,777,500	3,500,000	3.500%	315,000	3,815,000	10,050,000	420,000	10,470,000
2023				5,500,000	3.500%	192,500	5,692,500			
	<b>\$22,200,000</b>	<b>\$1,929,819</b>	<b>\$24,129,819</b>	<b>\$11,000,000</b>		<b>\$892,500</b>	<b>\$11,892,500</b>	<b>\$33,200,000</b>	<b>\$2,822,319</b>	<b>\$36,022,319</b>

(1) Preliminary, subject to change.

## Statement of Estimated Direct and Overlapping Debt

The following is a calculation of the debt ad valorem load and per capita debt of the District payable from property taxes. In addition to outstanding debt of the District, the calculation takes into account debt attributable to overlapping taxing entities which is the responsibility of taxpayers within the boundaries of the District.

Municipal Entity	2019 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$66,906,427,722	\$421,700,000	10.37%	\$43,714,496
Santa Fe County	7,521,589,551	119,705,000	92.21%	110,380,506
City of Santa Fe	4,392,470,494	19,130,000	100.00%	19,130,000
Santa Fe Community College	6,935,690,753	19,435,000	100.00%	19,435,000
Santa Fe Public Schools	6,935,690,753	233,000,000 <sup>(1)</sup>	100.00%	233,000,000 <sup>(1)</sup>
<b>Total Direct &amp; Overlapping Debt</b>				<b>\$425,660,002 <sup>(1)</sup></b>

Ratio of Direct & Overlapping Debt to 2019 Assessed Valuation: 6.14%

Ratio of Direct & Overlapping Debt to 2019 Estimated Actual Valuation: 1.82%

Per Capita Direct & Overlapping Debt: \$2,821.22

Source: Santa Fe County Assessor's Office and individual entities.

(1) Includes the Bonds and the Notes. Preliminary, subject to change.

# TAX BASE

## Analysis of Assessed Valuation

Assessed valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable property in the District, 33-1/3% is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2019 assessed valuation is \$6,935,690,753. The actual value of personal property within the District (see "Assessments" below) is determined by the County Assessor. The actual value of certain property within the District (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of assessed valuation follows.

	2015	2016	2017	2018	2019
<b>Assessments</b>					
Value of Land	\$2,009,058,987	\$2,017,025,437	\$2,019,954,425	\$2,106,891,239	\$2,105,793,251
Improvements	4,003,956,015	4,173,007,269	4,631,449,940	5,075,800,220	5,508,859,382
Personal Property	56,224,040	58,167,612	55,768,209	51,277,109	55,526,800
Mobile Homes	18,028,999	17,984,233	19,065,128	18,319,201	18,419,110
Livestock	725,260	850,463	771,222	654,652	620,032
<b>Assessor's Total Taxable Valuation</b>	<b>\$6,087,993,301</b>	<b>\$6,267,035,014</b>	<b>\$6,727,008,924</b>	<b>\$7,252,942,421</b>	<b>\$7,689,218,575</b>
<b>Less Exemptions</b>					
Head of Family	\$35,875,179	\$36,169,440	\$37,530,523	\$38,391,596	\$39,180,742
Veterans	51,005,138	53,626,040	55,130,993	57,589,622	61,871,592
Other	44,489,332	57,612,566	302,686,187	664,633,841	768,455,271
<b>Total Exemptions</b>	<b>\$131,369,649</b>	<b>\$147,408,046</b>	<b>\$395,347,703</b>	<b>\$760,615,059</b>	<b>\$869,507,605</b>
<b>Assessor's Net Taxable Valuation</b>	<b>\$5,956,623,652</b>	<b>\$6,119,626,968</b>	<b>\$6,331,661,221</b>	<b>\$6,492,327,362</b>	<b>\$6,819,890,970</b>
<b>Centrally Assessed</b>	<b>102,616,365</b>	<b>110,081,013</b>	<b>111,387,114</b>	<b>100,315,697</b>	<b>115,799,783</b>
<b>Total Assessed Valuation</b>	<b>\$6,059,240,017</b>	<b>\$6,229,707,981</b>	<b>\$6,443,048,335</b>	<b>\$6,592,643,059</b>	<b>\$6,935,690,753</b>
<b>Residential</b>					
Residential	\$4,510,537,725	\$4,704,422,251	\$4,927,940,278	\$5,144,545,514	\$5,421,529,501
Non-Residential	1,548,702,292	1,525,285,730	1,515,108,057	1,448,097,545	1,514,161,252
<b>Total</b>	<b>\$6,059,240,017</b>	<b>\$6,229,707,981</b>	<b>\$6,443,048,335</b>	<b>\$6,592,643,059</b>	<b>\$6,935,690,753</b>

Source: Santa Fe County Assessor's Office.



## History of Assessed Valuation

Listed below is a 10-year history of assessed valuation for the District compared with the City and County. The tax base of the District has increased 8% since 2010 compared with a 16% increase for City of Santa Fe and an 8% increase for the County.

Tax Year	District	City of Santa Fe	Santa Fe County
2010	\$6,373,685,905	\$3,698,558,947	\$6,916,059,533
2011	6,382,921,805	3,705,370,595	6,916,810,418
2012	6,357,470,139	3,710,979,288	6,896,495,216
2013	6,338,091,609	3,723,985,725	6,877,915,963
2014	5,978,953,495	3,721,987,667	6,522,687,894
2015	6,059,240,017	3,830,361,250	6,610,847,656
2016	6,229,707,981	3,930,466,905	6,779,951,802
2017	6,443,048,335	4,057,690,611	7,008,048,090
2018	6,592,643,059	4,168,975,147	7,162,838,494
2019	6,935,690,753	4,392,470,494	7,521,589,551

Source: Santa Fe County Assessor's Office

## Major Taxpayers

As highlighted in the table below, the ten largest taxpayers in the District for tax year 2019 have a combined assessed valuation of \$158,518,038 which represents 2.40% of the District's total 2019 assessed valuation.

Name	Business	2019 AV	% of AV
Public Service Company of NM	Electric Utility	\$59,061,326	0.90%
BN & SF	Railroad	15,338,827	0.23%
Truzaf Limited Partnership	Real Estate	14,653,100	0.22%
Guadalupe Hotel Investment LLC	Hotel	13,943,441	0.21%
El Castillo Retirement Residence	Assisted Living	11,417,376	0.17%
New Mexico Gas Company	Gas Utility	11,196,743	0.17%
La Fonda Holdings LLC	Hotel	10,075,373	0.15%
DeVargas Center Associates LP	Shopping Center	7,879,456	0.12%
Ashford Posada LP	Hotel	7,761,415	0.12%
Comcast	Cable Provider	7,190,981	0.11%
<b>Total</b>		<b>\$158,518,038</b>	<b>2.40%</b>

Source: Santa Fe County Assessor's Office.

## School Tax Rates

The following table summarizes the historical school tax levies on residential and non-residential property within the District since the 2015 tax year (2015-16 fiscal year). In February 2015, voters re-authorized the Public School Buildings Act levy (the “HB33” levy) at \$1.453 for residential property for property tax years 2015, 2016, 2017, 2018, 2019 and 2020. On February 6, 2018, voters authorized the Public School Capital Improvements Tax Levy (the “Two Mill Levy”) for property tax years 2018, 2019, 2020, 2021, 2022, and 2023.

Tax Year	Operational		Two Mill Levy		HB33		Debt Service		Total Debt		Total	
	Resid.	Non-Resid.	Resid.	Non-Resid.	Resid.	Non-Resid.	G/O Bonds	ETNs	Service	Resid.	Non-Resid.	
2019	\$0.148	\$0.500	\$1.985	\$2.000	\$1.422	\$1.500	\$4.280	\$1.527	\$5.807	\$9.362	\$9.807	
2018	0.149	0.500	2.000	2.000	1.433	1.500	4.285	1.522	5.807	9.389	9.807	
2017	0.149	0.500	1.906	2.000	1.430	1.500	4.304	1.503	5.807	9.292	9.807	
2016	0.151	0.500	1.938	2.000	1.453	1.500	3.760	1.315	5.075	8.617	9.075	
2015	0.156	0.494	2.000	1.976	1.500	1.482	3.417	1.499	4.916	8.572	8.868	

Source: New Mexico Department of Finance & Administration.

## Tax Rates

Article VIII, Section 2, of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the District to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax status on residential property in Santa Fe County for tax year 2019 and the previous four years.

Within 20 Mill Limit for General Purposes					
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Santa Fe County	5.799	5.822	5.801	5.893	6.065
Santa Fe Community College	3.017	3.040	2.690	2.690	2.776
City of Santa Fe	1.606	1.616	1.625	1.282	1.327
Santa Fe Schools	0.148	0.149	0.149	0.151	0.156
<b>Total</b>	<b>\$10.570</b>	<b>\$10.627</b>	<b>\$10.265</b>	<b>\$10.016</b>	<b>\$10.324</b>
Over 20 Mill Limit - Interest, Principal, Judgment, etc.					
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	2.124	2.123	2.123	1.971	1.974
Santa Fe Community College	0.650	0.650	1.000	1.000	1.000
City of Santa Fe	0.487	0.583	0.794	1.160	1.045
Santa Fe Schools	9.214	9.240	9.143	8.466	8.416
<b>Total</b>	<b>\$13.835</b>	<b>\$13.956</b>	<b>\$14.420</b>	<b>\$13.957</b>	<b>\$13.795</b>
Total Levy					
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Santa Fe County	7.923	7.945	7.924	7.864	8.039
Santa Fe Community College	3.667	3.690	3.690	3.690	3.776
City of Santa Fe	2.093	2.199	2.419	2.442	2.372
Santa Fe Schools	9.362	9.389	9.292	8.617	8.572
<b>Total Residential in City of Santa Fe</b>	<b>\$24.405</b>	<b>\$24.583</b>	<b>\$24.685</b>	<b>\$23.973</b>	<b>\$24.119</b>
<b>Total Non-Residential in City of Santa Fe</b>	<b>\$32.796</b>	<b>\$32.900</b>	<b>\$33.117</b>	<b>\$32.212</b>	<b>\$31.737</b>
<b>Total Residential in Unincorporated County</b>	<b>\$22.312</b>	<b>\$22.384</b>	<b>\$22.266</b>	<b>\$21.531</b>	<b>\$21.747</b>
<b>Total Non-Residential in Unincorporated County</b>	<b>\$29.126</b>	<b>\$29.134</b>	<b>\$29.140</b>	<b>\$28.256</b>	<b>\$27.983</b>

Source: New Mexico Department of Finance & Administration.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production ad valorem and oil and gas production equipment ad valorem taxes) or assessment which will produce revenues which exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value", as defined by statute, divided by such prior property tax year's total taxable property value, but if that percentage is less than 100%, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for State and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt, including the Bonds and Notes.*

## Developments Limiting Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the City and Taos areas which historically experienced large increases in residential property values), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was proposed during the 1997 Legislative Session. The amendment was submitted to voters of the State at the general election held on November 3, 1998 and was approved by a wide margin.

The amendment directs the State Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The New Mexico limitation may be applied to classes of residential property taxpayers based on occupancy, age or income. Further, the limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Bills implementing the constitutional amendment were enacted in 2001 and were codified as Sections 7-36-21.2, NMSA 1978 and 7-36-21.3, NMSA 1978. ("Section 7-36-21.3")

Section 7-36-21.2, NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001 (the "Statutory Valuation Cap on Residential Increases"). Annual valuation increases are limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. Subject to certain exceptions, these limitations do not apply:

1. To property that is being valued for the first time;
2. To physical improvements made to the property in the preceding year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3.

On March 28, 2012, the New Mexico Court of Appeals upheld the constitutionality of a law capping residential valuation increases until a home changes ownership. The plaintiff appealed the case to the New Mexico Supreme Court which upheld the constitutionality of the law. The State Legislature has brought up the issue of the disparity in valuations in the past several years, but has not enacted any of the bills into law. To the extent that court or legislative action is taken or a further constitutional amendment is passed amending the valuation provisions, it could have a material impact on the valuation of residential property in the District.

Section 7-36-21.3 places a limitation on the increase in value for property taxation purposes for single-family dwellings occupied by low-income owners who are 65 years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;

2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

## Tax Collections

General (ad valorem) taxes for all units of government are collected by the county treasurer and distributed monthly to the various political subdivisions to which they are due.

Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10.

Collection statistics for all political subdivisions for which each county treasurer collects taxes are presented below:

Property Tax Collections for Santa Fe County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections <sup>(2)</sup>	Current/Delinquent Collections as a % of Net Levied
2019	19/20	\$191,139,476	\$125,898,682	65.87%	\$125,898,682	65.87%
2018	18/19	182,325,125	176,420,738	96.76%	179,986,760	98.72%
2017	17/18	179,114,686	173,269,194	96.74%	177,778,849	99.25%
2016	16/17	168,749,501	162,656,064	96.39%	167,876,858	99.48%
2015	15/16	164,860,838	158,750,208	96.29%	164,318,475	99.67%
2014	14/15	159,054,302	152,201,398	95.69%	158,712,724	99.79%
2013	13/14	150,684,994	143,534,371	95.25%	150,259,038	99.72%
2012	12/13	148,112,181	140,793,416	95.06%	147,917,376	99.87%
2011	11/12	150,589,978	144,676,666	96.07%	150,362,780	99.85%
2010	10/11	148,919,734	140,663,676	94.46%	148,995,903	100.05%

*(1) As of June 30 of each year. Except for tax year 2019. Data as of March 31, 2020.*

*(2) As of March 31, 2020.*

*Source: Santa Fe County Treasurer's Office.*

## Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

## Penalty for Delinquent Taxes

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, fifty percent (50%) of the property tax due or fifty dollars (\$50.00), whichever is greater, shall be added as a penalty.

## Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47, NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to Section 7-38-65, NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to Section 7-38-53, NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

## **THE DISTRICT**

The District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries.

Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles.

The District is the fifth largest district in the State with a 2019-20 student enrollment of 11,724, which includes charter school enrollment of 383. The District operates 30 school sites - 2 comprehensive high schools, 3 alternative high schools, an International Baccalaureate (IB) school which serves grades 7-12, 3 middle schools, 15 elementary schools and 5 K-8 community schools. In addition, within the District there is 1 district charter school and 5 State charter schools. The District's educational program additionally includes vocational, technical and occupational training.

### **School District Powers**

The District's powers are subject to regulations adopted by the New Mexico Public Education Department ("PED"). Pursuant to an amendment to Article XII, Section 6 of the New Mexico Constitution, adopted at a special election held September 23, 2003, the Secretary of Education (the "Secretary") is the governing authority and has control, management, and direction of all public schools pursuant to power provided by law. The Secretary further exercises supervision and authority over the PED. Generally, the powers of the Secretary and the PED include determining policy regarding operations of all public schools, designating courses of instruction, adopting regulations, determining qualifications for teachers, counselors and their assistants, and prescribing minimum educational standards. The Secretary may order the creation or consolidation of school districts.

### **Management**

The District Board (the "Board"), subject to regulations of PED, develops educational policies for the District. The Board employs a superintendent of schools, delegates administrative and supervisory functions to the superintendent, fixes the superintendent's salary, has the capacity to sue and be sued, contracts, leases, purchases and sells property for the District, acquires and disposes of all property, provides for the repair and maintenance of the District's property, and adopts regulations pertaining to the administration of all powers or duties of the Board. Members serve without compensation for four-year terms of office and are elected in non-partisan elections held every two years on the first Tuesday in November. The current District Board members are:

Kate I. Noble, President  
Term expires December 31, 2021

Lorraine Price, Vice President  
Term expires December 31, 2021

Rudy N. Garcia, Secretary  
Term expires December 31, 2023

Sarah Boses, Member  
Term expires December 31, 2023

Carmen Gonzales, Member  
Term expires December 31, 2023

The Superintendent of Schools is selected by and serves at the discretion of the Board. All other staff members are selected by the Superintendent. The current administrative staff is:

*Dr. Veronica C. Garcia, Superintendent.* Dr. Veronica C. Garcia has extensive experience working in the policy arena in various capacities, including serving as Executive Director for NM Voices for Children, Executive Director of the New Mexico Coalition

of School Administrators, and New Mexico's first Cabinet Secretary of Education. As Cabinet Secretary of Education, she advocated for the passage of many educational reforms including the state's Pre-K Act, Hispanic Education Act, programs that extend the school year for at-risk children (K-3 Plus), and rigorous academic standards that were recognized nationally. She also pushed for a comprehensive approach to educational reform by advocating for increased funding for programs such as school-based health clinics, breakfast in the schools, and elementary physical education. Under her leadership, the State garnered top rankings for school reform, accountability systems, increased teacher quality, data quality, health and wellness policies, parental involvement, and college and career readiness.

Dr. Garcia has also served as the Executive Director of NM Voices for Children, a State children's advocacy organization that champions policies meant to improve child well-being in the areas of education, health, family economic security, and racial and ethnic equity. During her time as Executive Director of NM Voices for Children, she fully integrated the organization's two major work areas—the KIDS COUNT program and the Fiscal Policy Project—which resulted in the creation of the NM KIDS are COUNTing on Us policy campaign, a blueprint for improving child well-being. Her decades of work within the state's K-12 education system has also included teaching in the classroom, serving as principal and regional superintendent in the Albuquerque Public Schools, and serving as associate superintendent and superintendent of the District. Dr. Garcia has received numerous awards including: the National Governor's Association Award for Excellence in State Government, New Mexico Superintendent of the Year, New Mexico Coalition of Educational Leaders Hall of Fame, and the Life Time Achievement Award in Education from Hispanic Magazine. She is a native Spanish speaker and received her doctorate in Educational Leadership from the University of New Mexico. She is a local, national and international keynote speaker having delivered more than a thousand speeches and addresses in her career. Her dissertation, "Ethical Relational Leadership: A New Framework for the Professional Development of Educational Leaders," has been used by many in the field. Dr. Garcia has written a chapter ("Education 2050") in the soon-to-be released book titled *New Mexico 2050*, published by the University of New Mexico Press.

*German Martinez, Chief Financial Officer.* German received his Bachelor's Degree from the University of Utah in 2009, and his Master's Degree in Business Administration with a focus in Finance from NM Highlands University in 2015. He is a licensed Business Manager for the state of New Mexico, and is certified as an Administrator for School Finance and Operations by the International Association of School Business Officials. German has worked in public finance for education for the past 9 years as an accountant, business manager, and director of finance. He is proficient in various accounting software applications as well as multilingual (Spanish and Portuguese).

## **Insurance**

The District is a member of the New Mexico State Public School Insurance Authority (the "Insurance Authority") which was established to provide a comprehensive liability and casualty insurance program for school districts, board members and public school employees in the State. The Insurance Authority provides risk-related insurance to the District such as workman's compensation, property and casualty insurance, general automobile and fire insurance and general liability insurance for the District, its property, the Board, and employees.

## **Energy Obligations**

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

## **Intergovernmental Agreements**

The District has entered into various joint powers' agreements with other governmental entities in the State which permit all the governmental entities to jointly provide certain equipment purchases and other services cooperatively. The agreements allow the District to "piggyback" onto price agreements and use Cooperative Purchasing entities such as CES (Cooperative Educational Services) and multi-district agreements to purchase food for the District's Student Nutrition Program. Without these procurement vehicles, the District would have to procure these services on their own and most likely would not receive the same discounts as they do when collaborating with other districts.

## School Property

Currently, the District operates and maintains a variety of facilities in meeting its obligations to provide an educational program for the school-aged children residing within its boundaries. The District operates 30 school sites - 2 comprehensive high schools, 3 alternative high schools, an International Baccalaureate (IB) school which serves grades 7-12, 3 middle schools, 15 elementary schools and 5 K-8 community schools. In addition, within the District there is 1 district charter school and 5 state charter schools. The District owns the land upon which school buildings and facilities are located which includes two district administration buildings, a maintenance shop and custodial center, a student nutrition warehouse and numerous vehicles. The District owns a fleet of buses which are used only to transport students to and from school and school activity events. The replacement value of all school facilities and equipment for insurance purposes is estimated to be over \$261 million.

## Student Enrollment

The District's student enrollment for the current and previous four years is detailed below.

	2015-16	2016-17	2017-18	2018-19 <sup>(1)</sup>	2019-20
Elementary	6,915	6,714	6,444	6,157	5,196
Middle School	2,849	2,857	2,893	2,921	2,905
High School	3,254	3,224	3,255	3,285	3,240
Sub-Total:	13,018	12,795	12,592	12,363	11,341
Charter Schools	364	378	392	390	383
<b>Total</b>	<b>13,382</b>	<b>13,173</b>	<b>12,984</b>	<b>12,753</b>	<b>11,724</b>

Source: New Mexico Public Education Department.

1) The decline in enrollment is expected to be from the Recession of 2007, which resulted in less babies being born and in turn have seen enrollment steadily decline ever since.

## Accreditation

All of the District's high schools are accredited by the North Central Association of Schools and Colleges (the "Association") A voluntary organization of school improvement agencies that is also known as Cognia (previously known as AdvancED.) They serve approximately 32,000 public and private schools and school systems with over 20 million students across the United States and 70 countries. The District is subject to periodic monitoring by the Association to ensure continued compliance with accreditation standards.

## FINANCES OF THE EDUCATIONAL PROGRAM

The basic format for the financial operation of the District is provided by the PED through the School Budget Planning Division which is directed by State law to supervise and control the preparation of all budgets of all school districts. The District receives revenue from a variety of local, State, and federal sources, the most important of which are described below. The State's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. As a result, the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

## District Budget Process

Each year, the school district budget process begins with the educational appropriations passed by the State Legislature and signed into law by the Governor. The actual budget process follows specific steps set by the PED.

- Pursuant to instruction by the PED, the District must submit an operating budget for the next school year to the PED. If the District fails to submit a budget, the PED must prepare a District budget for the ensuing year. Upon written approval of the state superintendent, the date for the submission of the operating budget may be extended to a later date fixed by the state superintendent (Section 22-8-6).

- Before May 31 of each year, the District Board must hold a public hearing to fix the estimated budget for the next school year.
- Before June 20 of each year, the District must submit a balanced budget to the PED.
- On or before July 1 of each year, the PED must approve and certify an approved operating budget for use by the District Board.

No school board, officer or employee of a school district may make an expenditure or incur any obligation for the expenditure of public funds unless that expenditure is made in accordance with an operating budget approved by the PED. This requirement, however, does not prohibit the transfer of funds between line items within a series of a budget. Final budgets may not be altered or amended after approval by the PED except upon the District's request to the PED. An instance in which such requests will be approved include a change within the budget that does not increase the total amount of the budget. Additional budget items may also be approved if the District is to receive unanticipated revenues. Finally, if it becomes necessary to increase the District's budget by more than \$1,000 for any reason other than those listed above, the PED may order a special public hearing to consider the requested increase.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Fund with appropriations lapsing at year end. Total expenditures of any function category may not exceed categorical appropriations.

To conform with PED's requirements, budgets for all funds of the District are adopted on the cash basis of accounting except for State instructional material credit. State instructional material funds provide for free textbooks from the PED. As a result, budgets are not prepared in conformity with generally accepted accounting principles (GAAP), and budgetary comparisons are presented on the cash basis of accounting.

### **Sources of Revenue for General Fund**

The General Fund is the primary operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. The sources of revenue for the District's General Fund are:

Local Revenues. Local revenues are a minor source of revenue to the District composed, in part, by a property tax annually levied on and against all of the taxable property within the District for operational purposes. The levy is limited by State law to a rate of 50 cents for each \$1,000 of net taxable value of taxable property. Other sources of local revenues include interest income earned on the District's investments, rentals and sale of property and charges for service. In fiscal year 2019, the District received \$5,900,714 from local sources.

Federal Revenues. Another minor source of annual revenue for the District's General Fund is derived from federal grant funds related to vocational, special education, and various other programs and federal impact funds paid to the District in lieu of taxes on federal land located in the District. In fiscal year 2019, the District received \$193,778 in federal revenues for its General Fund.

State Revenues. The District's largest source of annual revenue is derived from the SEG payments described below. During fiscal year 2019, the District received \$99,186,776 from State sources. Such payments represented approximately 95% of actual fiscal year 2019 General Fund revenues.

### **State Equalization Guarantee**

The State Legislature enacted State's current public school funding formula in 1974. Designed to distribute operational funds to local school districts in an objective manner, the funding formula is based upon the educational needs of individual students and costs of the programs designed to meet those needs. Program cost differentials are based upon nationwide data regarding the relative costs of various school programs, as well as data specific to the State. 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 formula is divided into three basic parts:

1. Educational program units that reflect the different costs of identified programs;



2. Training and experience units that attempt to provide additional funds so that districts may hire and retain better educated and more experienced instructional staff; and
3. Size adjustment units that recognize local school and community needs, economies of scale, types of students, marginal costs increases for growth in enrollment from one year to the next, and adjustments for the creation of new districts.

SEG payments are made monthly and prior to June 30 each fiscal year. The calculation of the distribution is also based on the local and federal revenues received from June 1 of the previous fiscal year through May 31 of the fiscal year for which the SEG payment is being computed. In the event that a district receives more SEG funds than its entitlement, the district must make a refund to the State's general fund.

Even though the current public school funding formula has been in place for more than three decades, some districts have indicated a concern about the fact that some districts receive less revenue per pupil compared to others. In response to these concerns, the State Legislature, the Governor, and the State Board of Education authorized an independent, comprehensive study of the formula that was conducted in 1996. In its principal finding the independent consultant concluded: "When evaluated on the basis of generally accepted standards of equity, the New Mexico public school funding formula is a highly equitable formula . . . [S]pending disparities are less than in other states and statistically insignificant."

Despite the acknowledged equity of the formula, the independent consultant pointed out a strong perception of unfairness in the so-called "density" factor and in the training and experience computations of some districts. As a result, the State Legislature enacted the following changes to the funding formula:

- Required that special education students be counted with regular students with "add-on" weights assigned depending upon the severity of the disability;
- Changed weights for special education ancillary services and included diagnosticians in ancillary services computations; and
- Repealed the so-called "density" factor and replaced it with an at-risk factor that is available to all school districts.

SEG payments to the District for the current and previous four fiscal years are as follows:

School Year	Program Unit Value	Number of Program Units	SEG Amount
2019-20	\$4,565.00	24,778.26	\$113,112,774
2018-19	4,159.23	23,745.92	98,764,735
2017-18	4,053.55	24,328.87	98,618,303
2016-17	3,979.63	24,464.14	97,358,241
2015-16	4,027.75	24,890.73	100,253,622

*Includes Santa Fe Charters.*

*Source: New Mexico Public Education Department.*

School Year	Program Unit Value	Number of Program Units	SEG Amount
2019-20	\$4,565.00	24,095.41	\$109,995,569
2018-19	4,159.23	23,075.96	95,978,217
2017-18	3,939.48	24,328.00	95,839,720
2016-17	3,979.63	24,464.14	94,621,374
2015-16	4,027.75	24,890.73	97,680,187

*Does Not Include Santa Fe Charters.*

*Source: New Mexico Public Education Department.*

PED receives federal mineral-leasing funds from which it makes annual allocations to the District for purchasing instructional materials. In fiscal year 2019, the District received \$425,947 for textbook purchases.

The District is also reimbursed by the State for the costs of transporting pupils to and from school. These payments are based upon a formula consisting of the number of students per square mile that are transported. In fiscal year 2019, the District received \$4,161,230 for transportation purposes.

## Statement of Net Position

Below is a five-year history of the Statement of Net Position for the District. See financial statements for the fiscal year ending June 30, 2019 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2019 and the prior four fiscal years can be downloaded from the State Auditor's website.

<b><u>Statement of Net Assets (Governmental Activities)</u></b>					
Fiscal Year Ending June 30	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
<b>Assets</b>					
Cash and Equivalents	\$23,674,651	\$10,842,427	\$16,721,058	\$14,404,677	\$26,195,015
Due from other component unit	20,000	15,000	10,000		-
Receivables	14,334,621	14,092,131	8,772,894	8,669,159	10,792,900
Inventories	<u>343,112</u>	<u>343,112</u>	<u>343,112</u>	<u>416,960</u>	<u>416,960</u>
<b>Total Current Assets</b>	<b>38,372,384</b>	<b>25,292,670</b>	<b>25,847,064</b>	<b>23,490,796</b>	<b>37,404,875</b>
Restricted cash and cash equivalents	78,185,000	79,250,000	112,850,000	96,600,000	78,640,200
Investments	2,002,858	2,669	-	-	-
Internal balances	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital Assets	<u>388,589,697</u>	<u>394,909,894</u>	<u>388,918,690</u>	<u>387,850,791</u>	<u>408,328,176</u>
<b>Total Assets</b>	<b>\$507,149,939</b>	<b>\$499,455,233</b>	<b>\$527,615,754</b>	<b>\$507,941,587</b>	<b>\$524,373,251</b>
<b>Deferred Outflow of Resources</b>					
Deferred outflow of resources related to pensions <sup>(1) (2)</sup>	\$10,396,099 <sup>(1)</sup>	\$22,996,660	\$33,540,952	\$101,019,326	\$78,530,595
<b>Liabilities</b>					
Accounts payable	\$9,756,078	\$6,849,783	\$1,642,731	\$5,999,858	\$8,181,545
Other Accrued Liabilities	4,234,986	6,048,597	6,294,344	6,130,364	8,621,535
Deferred Income	3,625,745	2,560,032	2,770,688	3,420,363	3,771,274
Cash Overdraft	-	1,700,582	-	-	-
Compensated Absences	746,688	796,960	712,249	723,829	850,754
Unamortized Bond Premium	16,783,923	13,577,528	13,914,449	12,046,516	13,751,105
Short-term Liabilities	26,200,000	24,725,000	25,413,580	30,642,014	31,615,199
Due to Primary Government	65,421	101,972	-		
Due to Agency Funds					78,840
Net Pension Liability	142,279,821 <sup>(1)</sup>	170,512,077	193,348,739	291,658,526	312,561,256
Net OPEB Liability <sup>(2)</sup>				78,936,306	74,247,724
Accrued Liabilities			93,116	79,440	-
Long-term Liabilities	<u>190,100,000</u>	<u>176,375,000</u>	<u>204,920,767</u>	<u>174,278,753</u>	<u>184,625,334</u>
<b>Total Liabilities</b>	<b>\$393,792,662</b>	<b>\$403,247,531</b>	<b>\$449,110,663</b>	<b>\$603,915,969</b>	<b>\$638,304,566</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow of resources related to pensions	\$15,579,838	\$4,272,334	\$1,999,861	\$25,512,971	\$28,588,253
<b>Net Assets</b>					
Invested in capital assets, net of related debt	\$172,289,697	\$193,809,894	\$145,140,101	\$170,883,508	\$178,336,538
Restricted	16,070,703	39,255,500	84,525,031		
Restricted for Debt Service	11,717,455	57,350,785	37,427,042	41,603,328	44,330,124
Capital Projects				50,473,076	39,953,699
Other				3,775,269	4,688,555
Unrestricted	<u>(91,904,317) <sup>(3)</sup></u>	<u>(175,484,150)</u>	<u>(156,575,785)</u>	<u>(287,203,208) <sup>(3) (4)</sup></u>	<u>(331,297,889)</u>
<b>Total Net Position</b>	<b>\$108,173,538</b>	<b>\$114,932,028</b>	<b>\$110,046,182</b>	<b>(\$20,468,027)</b>	<b>(\$63,988,973)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$517,546,038</b>	<b>\$522,451,893</b>	<b>\$561,156,706</b>	<b>\$608,960,913</b>	<b>\$602,903,846</b>

(1) Attributable to GASB #68

(2) Attributable to GASB #75

(3) Reduction primarily due to implementation of GASB #68

(4) Reduction primarily due to implementation of GASB #75

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2019 is attached as Appendix B.

## Statement of Activities

Below is a five-year history of the Statement of Activities for the District. See financial statements for the fiscal year ending June 30, 2019 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2019 and the prior four fiscal years can be downloaded from the State Auditor's website.

<b><i>Statement of Activities</i></b>					
Fiscal Year Ending June 30	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
<b>Governmental Activities:</b>					
Direct Instruction	(\$62,746,829)	(\$68,968,076)	(\$71,856,695)	(\$102,122,695)	(\$107,208,006)
Instructional support					
Student Support Services	(14,427,796)	(14,336,145)	(13,179,861)	(13,574,188)	(15,157,099)
Instruction Support Services	(2,900,332)	(4,413,691)	(4,783,095)	(4,766,014)	(5,429,452)
General Administration Support Services	(2,500,755)	(2,945,570)	(2,865,594)	(2,773,048)	(3,098,120)
School Administration Support Services	(2,709,029)	(4,775,858)	(4,286,492)	(4,167,457)	(4,592,629)
Other Support Services	(433,465)	(261,206)	(20,737)	(12,974)	(100,145)
Administration	-	-	-	-	-
Business/Support services	-	-	-	-	-
Central services	(2,940,233)	(2,702,604)	(2,580,937)	(2,765,841)	(3,005,788)
Operation & maintenance of plant	(6,856,638)	(5,726,468)	(7,927,719)	(7,974,123)	(9,994,886)
Pupil Transportation	64,034	(1,832,406)	(1,421,638)	(756,046)	(515,440)
Food services	(90,813)	(668,193)	(269,141)	(90,697)	(124,301)
Community services	(51,822)	(56,893)	(29,002)	(34,974)	(25,829)
Unallocated depreciation	-	-	-	-	-
Interest on long-term debt	(4,066,460)	(4,506,714)	(7,178,449)	(6,012,556)	(6,981,648)
Facilities, Materials, Supplies & Other Services	<u>(46,449,903)</u>	<u>(33,840,321)</u>	<u>(37,121,065)</u>	<u>(52,003,435)</u>	<u>(52,353,313)</u>
Total governmental activities	<u>(\$146,110,041)</u>	<u>(\$145,034,145)</u>	<u>(\$153,520,425)</u>	<u>(\$197,054,048)</u>	<u>(\$208,586,656)</u>
Component Units	(13,542,720)	(3,196,619)	(3,882,506)	(4,199,963)	(4,802,799)
<b>Revenues:</b>					
State Equalization Guarantee	94,302,436	96,721,999	93,911,186	97,786,569	99,074,207
Taxes					
Property Taxes for general purposes	1,438,171	1,441,978	1,466,662	1,472,456	1,494,030
Property Taxes for debt services	29,849,309	29,246,612	31,530,536	36,985,680	38,282,228
Property taxes for capital projects	20,134,515	18,592,448	18,871,672	19,231,490	20,131,944
Grants & contributions not restricted	-	-	-	-	-
Interest and investment earnings	43,097	111,087	302,215	1,135,577	1,883,826
Loss on disposal of capital assets				(517,101)	-
Miscellaneous	<u>696,168</u>	<u>5,678,512</u>	<u>3,022,513</u>	<u>3,738,732</u>	<u>4,199,475</u>
<b>Subtotal, general revenues</b>	<b>146,463,696</b>	<b>151,792,636</b>	<b>149,104,784</b>	<b>159,833,403</b>	<b>165,065,710</b>
Changes in net assets	353,655	6,758,491	(4,415,641)	(37,220,645)	(43,520,946)
Net assets, beginning	256,012,171	108,173,538	114,932,029	110,516,388	(20,468,028)
GASB 68 Implementation	(148,192,288)				
GASB 75 Implementation				(93,763,771)	-
Nets assets, ending	<u>\$108,173,538</u> <sup>(1)</sup>	<u>\$114,932,029</u>	<u>\$110,516,388</u>	<u>(\$20,468,028)</u> <sup>(2)</sup>	<u>(\$63,988,974)</u>

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2019 is attached as Appendix B.

(1) In June 2012, the Government Accounting Standards Board ("GASB") issued Statement No. 68 Accounting and Financial Reporting for Pensions, which was later amended by GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date, each in an effort to improve accounting and financial reporting by state and local governments related to pensions. GASB Statement No. 68 requires reporting entities, such as the District, to recognize their proportionate share of the net pension liability and operating statement activity (Other Than Pension Plans) effective for the year ended June 30, 2019. The implementation of GASB 75 has created a restatement of the District's net position.

(2) GASB issued a new accounting pronouncement (Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefit Plans

## Balance Sheet – General Fund

Below is a five-year history of the Balance Sheet for the General Fund for the District. See financial statements for the fiscal year ending June 30, 2019 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2019 and the prior four fiscal years can be downloaded from the State Auditor's website.

GENERAL FUND*					
Fiscal Year Ending June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>ASSETS:</b>					
Cash & cash equivalent	\$5,016,365	\$5,959,725	\$6,998,086	\$3,434,303	\$9,334,887
Investments	-	-	-	-	-
Accounts receivable					
Taxes	182,094	133,881	131,409	115,400	117,031
Due from other governments	-	-	-	10,000	-
Interfund receivables	8,806,241	7,147,183	4,595,260	12,207,169 <sup>(2)</sup>	6,180,682
Other	23,599	5,325	15,206	-	-
Due from component unit <sup>(1)</sup>	20,000	15,000	10,000	-	-
Inventory	<u>343,112</u>	<u>343,112</u>	<u>-</u>	<u>416,960</u>	<u>416,960</u>
<b>Total Assets</b>	<b><u>\$14,391,411</u></b>	<b><u>\$13,604,226</u></b>	<b><u>\$11,749,961</u></b>	<b><u>\$16,183,832</u></b>	<b><u>\$16,049,560</u></b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<i>Liabilities:</i>					
Accounts payable	\$3,997,102	\$3,248,428	\$269,971	\$193,636	\$165,665
Accrued liabilities	1,482,879	2,636,983	5,650,403	5,674,823	7,705,158
Interfund payables	256	-	-	-	130,569
Deferred revenue - property taxes	<u>142,286</u>	<u>98,939</u>	<u>97,328</u>	<u>73,412</u>	<u>77,669</u>
Total Liabilities	\$5,622,523	\$5,984,350	\$6,017,702	\$5,941,871	\$8,079,061
<i>Fund Balance:</i>					
Nonspendable	\$343,112	\$343,112	\$0	\$416,690	\$416,960
Reserved for instructional materials	125,008	82,475	-	-	-
Reserved for General Fund	-	-	-	-	-
Unreserved:					
Restricted:	-	-	-	-	73,007
Assigned	-	-	-	-	-
Unassigned	<u>8,300,768</u>	<u>7,194,289</u>	<u>5,732,259</u>	<u>9,825,001</u>	<u>7,480,532</u>
Total Fund Balance	<u>\$8,768,888</u>	<u>\$7,619,876</u>	<u>\$5,732,259</u>	<u>\$10,241,691</u>	<u>7,970,499</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$14,391,411</u></b>	<b><u>\$13,604,226</u></b> <sup>(3)</sup>	<b><u>\$11,749,961</u></b> <sup>(3)</sup>	<b><u>\$16,183,562</u></b> <sup>(3)</sup>	<b><u>\$16,049,560</u></b>

\*General Fund includes Operational, Teacherage, Transportation and Instructional Materials referenced in the independent audit report for the year ending June 30, 2019 attached as Appendix B

1) Academy for Technology and the Classics (the "Charter") is a component unit of the District, as defined by GASB, and has a separate governing board. This charter school does not issue separate financial statements. Charter schools, such as the Charter operate under the Senate Bill 192, Chapter 281, Laws of 1999 and are responsible for maintaining separate accounting records, and are component units of the school districts they

2) Includes amounts received from the Bond Building Fund, Capital Improvement's Education Tech Fund, Special Revenue Funds and Capital Projects Funds.

3) Prior to the 2014-15 fiscal year, the Santa Fe Public Schools adopted a Cash Balance policy to guarantee that the District has sufficient reserves to operate, yet did not withhold more than what was necessary to ensure a successful completion of its instructional mission. While a general decline in fund balance was observed within the last FY2018 increase in Fund Balance is attributable to increased State Funding and the sale of certain property of the District.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2019 is attached as Appendix B.

## Statement of Revenues & Expenditures & Changes in Fund Balances – General Fund

Below is a five-year history of the Statement of Revenues & Expenditures & Changes in Fund Balances (General Fund only) for the District. See financial statements for the fiscal year ending June 30, 2019 attached as APPENDIX B. The complete audit report for the fiscal year ending June 30, 2019 and the prior four fiscal years can be downloaded from the State Auditor's website.

GENERAL FUND*					
Fiscal Year Ending June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>					
Local sources	\$1,438,171	\$1,441,978	\$1,468,273	\$1,496,372	\$1,489,773
State sources	99,951,018	101,290,585	94,505,413	101,553,148	103,773,953
Federal sources	-	-	-	227,033	193,778
Charges for services	791,161	785,688	847,246	703,232	666,292
Investment income	19,437	22,347	20,843	96,111	3,713,174
Miscellaneous income	<u>1,192,768</u>	<u>2,505,637</u>	<u>2,375,317</u>	<u>3,128,546</u>	<u>31,475</u>
<b>Total Revenues</b>	<b><u>\$103,392,555</u></b>	<b><u>\$106,046,235</u></b>	<b><u>\$99,217,092</u></b>	<b><u>\$107,204,442</u></b>	<b><u>\$109,868,445</u></b>
<b>Expenditures:</b>					
Direct Instruction	\$66,009,020	\$68,840,544	\$66,377,589	\$66,128,237	\$68,285,833
Student Support Services	12,104,777	11,938,253	10,786,148	10,804,259	12,731,598
Instruction Support Services	2,991,395	3,161,793	3,412,239	3,327,269	3,796,701
General Administration Support Services	2,016,937	2,095,468	1,914,255	1,891,908	2,230,467
School Administration Support Services	5,974,488	6,318,971	6,714,166	6,742,227	7,361,202
Central Services	2,398,254	2,476,387	2,168,401	2,558,659	2,721,288
Operation/Plant Maintenance	7,868,542	8,390,691	8,682,620	8,064,216	10,450,991
Student Transportation	4,115,575	3,344,098	274,354	3,439,628	4,193,548
Other Support Services	384,067	261,206	294,800	12,974	100,155
Food Service Operations	-	-	-	250,570	263,074
<b>Total Expenditures</b>	<b><u>\$103,863,055</u></b>	<b><u>\$106,827,411</u></b>	<b><u>\$100,624,572</u></b>	<b><u>\$103,219,947</u></b>	<b><u>\$112,134,857</u></b>
Excess (deficiency) of revenue over (under) expenditures	<u>(\$470,500)</u>	<u>(\$781,176)</u>	<u>(\$1,407,480)</u>	<u>\$3,984,495</u>	<u>(\$2,266,412)</u>
Other financing sources (uses)					
Operating transfers out	(\$30,108)	(\$367,836)	(\$54,550)	\$0	(\$5,050)
Net changes in fund balances	(\$500,608)	(\$1,149,012)	(\$1,462,030)	\$3,984,495	(\$2,271,462)
Fund balance at beginning of year	\$9,269,496	\$8,768,888	\$7,194,289	\$6,257,466	\$10,241,961
<b>Fund Balance at Year End</b>	<b><u>\$8,768,888</u></b>	<b><u>\$7,619,876</u></b> <sup>(1)</sup>	<b><u>\$5,732,259</u></b> <sup>(1)</sup>	<b><u>\$10,241,961</u></b> <sup>(1)</sup>	<b><u>\$7,970,499</u></b>
<b>General Fund Balance as % of Revenues</b>	<b><u>8.48%</u></b>	<b><u>7.19%</u></b>	<b><u>5.78%</u></b>	<b><u>9.55%</u></b>	<b><u>7.25%</u></b>

\* General Fund includes Operational, Teacherage, Transportation and Instructional Materials referenced in the independent audit report for the year ending June 30, 2019 attached as Appendix B

1) Prior to the 2014-15 fiscal year, the Santa Fe Public Schools adopted a Cash Balance policy to guarantee that the District has sufficient reserves to operate, yet did not withhold more than what was necessary to ensure a successful completion of its instructional mission. While a general decline in fund balance was observed within the last five years, there was not a single year where this occurred unintentionally and/or without the knowledge and direction of the board. FY2019 increase in Fund Balance is attributable to increased State Funding and the sale of certain property of the District. The District hit their cash balance target each of these years, including FY2018.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ending June 30, 2019 is attached as Appendix B.

## **Debt Service Funds**

The County Treasurer levies and collects debt service funds sufficient to retire bonded debt as it becomes due and payable. Such funds are distributed to the District and accounted for separately from operating funds. The District is allowed to utilize any lawfully available District funds if the collections are insufficient but such borrowings must be repaid from tax collections. Debt service funds may not be used for general operating purposes.

## **Capital Projects Funds**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

a) Public School Capital Improvements Act

The Capital Projects Fund is used to account for revenues received under provisions of the Public School Capital Improvements Act Section 22-25-1 et seq., NMSA 1978 for a period up to six years. The Act provides for imposition of a property tax to produce revenue for maintenance of capital improvements. The Act further provides that funds will be distributed by the State from the Public School Capital Improvements Fund to those school districts that impose the special property tax, provided that local collections are less than \$35 per mill imposed times the number of units generated by full-time equivalent students.

b) Public School Buildings Act

The Capital Projects Fund is also used to account for the costs relating to erecting, remodeling, making additions to, providing equipment for, or furnishing public school buildings and purchasing or improving school grounds. Financing is provided through property taxes authorized by the voters for a period up to six years, as specified by the Public School Buildings Act Sections 22-26-1 et seq., NMSA 1978.

c) Special Building State Appropriations

The State Legislature appropriates general fund and severance tax bond moneys on an annual basis to school districts throughout the state. This money is used for various capital outlay projects. The District accounts for the revenues received and corresponding expenditures in the Capital Projects Fund.

d) General Obligation Debt Obligations

The Capital Projects Fund is used to account for the proceeds of bond issues such as the Bonds and the Notes. Bond and Note proceeds may be used to pay costs associated with the erecting, remodeling, making additions to, and furnishing school buildings and purchasing and improving school grounds, and purchasing computer software and hardware for student use in public school classrooms.

## **Fiduciary Funds**

The District acts as an agent for the various organizations by facilitating collection of revenues and payments of expenses. Agency funds are custodial in nature and do not involve measurement of results of operations. These funds relate primarily to the various activities of the individual high schools, middle schools and elementary schools. While these funds are under the supervision of the District and enhance the District's educational programs, these are funds of the individual schools and/or their student bodies and are not available for use by the District.

## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. In accordance with 6 NMAC 2.2, the District prepares financial information utilizing a standard chart of accounts. A list of specific funds may be obtained by requesting a copy of the complete 2018 Audited Financial Statements from the District.

## **Employees and Retirement Plan**

The District employs 1,831 permanent employees of which 900 are certified educational staff (teachers/counselors) and 201 are classroom educational assistants for a total of 1,101 direct classroom employees.

### Education Retirement Board Pension Plan

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board ("ERB") is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by written request to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

### Contributions

The contribution requirements of defined benefit plan members and the District are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the State Legislature. For the fiscal years ended June 30, 2019 and 2018, the District paid employee and employer contributions of \$18,719,238 and \$17,818,308, respectively, which equal the amount of the required contributions for each fiscal year. For the fiscal years ended June 30, 2019 and 2018, the Charter paid employee and employer contributions of \$464,707 and \$419,156, which equal the amount of the required contributions for each fiscal year.

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

At June 30, 2019, the District reported a liability of \$312,561,256 for its proportionate share of the net pension liability. At June 30, 2019, the Charter reported a liability of \$7,316,736 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the ERB Board on April 21, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Therefore, the District's and Charter's portion was established as of the measurement date of June 30, 2018. The District's and Charter's proportion of the net pension liability was based on a projection of the District and Charter long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2018, actuarially determined. At June 30, 2018, the District's proportion was 2.62848%, which was an increase of 0.00411% from its proportion measured at June 30, 2017. At June 30, 2018, the Charter's proportion was 0.06153%, which was a decrease of 0.00044% from its proportion measured at June 30, 2017. For the year ended June 30, 2019, the District recognized pension expense of \$43,742,162. For the year ended June 30, 2019, the Charter recognized pension expense of \$963,370.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 ("Statement No. 68") which addresses accounting and financial reporting for pensions that are provided to employees of State and local government employers through pension plans that are administered through trusts and also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. According to Statement No. 68, the District, as a contributor to ERB, is required to recognize its proportionate share of the collective net pension liability, pension expense, and deferred inflows or outflows of resources of the cost-sharing, multi-employer plan with ERB. The District continues to assess the full extent of the effect of Statement No. 68 on the District's audited financial statements. Statement No. 68 was effective beginning with the fiscal year ending June 30, 2016 for the District.

In July 2012, the ERB adopted goals of achieving 95%, plus or minus 5% funded ratio by the year 2042. To achieve this goal, the State Legislature amended the Educational Retirement Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The amendments increased employee contributions for members whose salary exceeds \$20,000 per year to 10.1% in Fiscal Year 2014 and 10.7% in Fiscal Year 2015 (ERB members who make less than \$20,000 contribute 7.9% of their gross salary). The legislation also kept in place scheduled increases in employer contribution rates, created a new tier membership for persons who become members of the ERB Fund on or after July 1, 2013, created certain actuarial limitations

on benefits of new tier members, placed limitations on future cost of living adjustments (“COLA”) for current and future retirees which are tied to the future funded ratios of the Fund, and made certain other clarifying and technical changes.

In December 2013, the New Mexico Supreme Court (the “Court”) in, *Barlett v. Cameron*, 316 P.3d 889 (N.M. 2013), rejected the claims of certain retired teachers, professors and other public education employees challenging the State constitutionality of Senate Bill 115 to the extent that it reduces the future amounts that all education retirees might receive as annual COLA. The Court held that Article XX, Section 22 of the New Mexico Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement for the entirety of their retirement. The Court held that in the absence of any contrary indication from the State Legislature, any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the New Mexico Constitution. Once paid, the COLA, by statute, becomes part of the retirement benefit, and a property right subject to those constitutional protections.

### **Pension Plan Statistics**

Following is a 5-year history of employer and employee contributions statewide and net asset balance held in trust:

<b>Fiscal Year Ending June 30</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>	<b>Net Assets Held in Trust</b>
2015	395,129,621	294,560,840	11,642,543,051
2016	396,988,557	295,946,396	11,755,860,387
2017	395,843,795	292,809,008	12,509,355,910
2018	388,723,983	287,323,804	12,970,300,855
2019	406,549,056	303,442,092	13,544,691,114

*Source: State of New Mexico Educational Retirement Board.*

### **Post-Employment Benefits**

The Retiree Health Care Act (“RHCA”) issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment healthcare plan. That report and further information can be obtained via written request to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107 or online at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

Section 10-7C-13 NMSA 1978 of the RHCA authorizes the RHCA 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 if the eligible participant retired prior to the employer’s RHCA 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 RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA 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 RHCA fund in the amount determined to be appropriate by the Board.

Section 10-7C-15 NMSA 1978 of the RHCA 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 plan 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, 2013, 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 retirement plan during the fiscal year ended June 30, 2013, the statute required each



participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G), NMSA 1978, at the first session of the State Legislature following July 1, 2013, the State 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 RHCA.

Contributions to the Fund from the District were \$1,530,874 for the year ended June 30, 2019. Contributions to the Fund from the Charter were \$37,285 for the year ended June 30, 2019.

The District believes it does not have any liability should the plan be underfunded. In the future, the District's on-going contribution percentage may be increased.

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

As a cost-share employer participating the Retiree Health Care Authority (Plan or "RHCA"), the District is required to, and has included, in its June 30, 2019 financial statements, the pro rata share of the Plan's collective "Net Retiree Healthcare Liability". This share represents the difference between the Plan's "Total Plan Liability" and the Plan's "Net Plan Position", reported at the market value of the investment assets.

## **TAX MATTERS**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants made by the District, the interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the Bonds and Notes, and the income from the Bonds and Notes, are exempt from all taxation by the State or any political subdivision of the State. Bond Counsel will express no opinion regarding other federal or State income tax consequences resulting from the receipt or accrual of interest on the Bonds and Notes. Forms of Bond Counsel Opinions are attached hereto as APPENDIX D.

The opinion on federal tax matters will be based on and will assume continuous compliance with certain covenants of the District to be contained in respective transcripts of proceedings and that are intended to evidence and assure that the Bonds and Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of any of the certifications and representations made by the District.

The Code prescribes a number of qualifications that must be met and conditions that must be satisfied in order for the interest on state and local government obligations such as the Bonds and Notes to be and remain excluded from gross income for federal income tax purposes. Some of these provisions, including provisions for the rebate by the issuer of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds and Notes to be included in gross income for federal income tax purposes and thus to be subject to regular federal income taxes. The District covenants in the Bond Resolution and the Note Resolution to take all actions that may be required of it in order for the interest on the Bonds and Notes to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under the Code, the exclusion of interest from gross income for federal income tax purposes can result in certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax exempt obligations. The applicability and extent of those or other tax

consequences will depend upon the particular tax status or other items of income and expense of the owners of the Bonds and Notes. Bond Counsel expresses no opinion regarding such consequences.

### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds and/or Notes. If an audit is commenced, under current procedures the Service will treat the District as the taxpayer and the Bond and Note owners may have no right to participate in such procedure. None of the District, the Financial Advisor, Underwriter, Underwriter's Counsel, Disclosure Counsel, or Bond Counsel is obligated to defend the tax-exempt status of the Bonds and Notes. However, the District has covenanted in the Bond Resolution and the Note Resolution not to take any action that would cause the interest on the Bonds and Notes to lose its exclusion from gross income, except to the extent described above, for the owners thereof for federal income tax purposes. None of the District, the Financial Advisor, Underwriter, Underwriter's Counsel, Disclosure Counsel, or Bond Counsel is responsible to pay or reimburse the costs of any Bond and Note owner with respect to any audit or litigation relating to the Bonds and Notes.

Existing law may change to reduce or eliminate the benefit to Bondholders and Noteholders of the exclusion of interest on the Bonds and Notes from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes should consult with their own tax advisors with respect to any proposed or future changes in tax law.

### **Original Issue Discount**

The Bonds and Notes may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond and Note accrues periodically over the term of the Bond and Note as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holders' tax basis in the Bond and Note for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds and Notes offered at original issue discount should consult their tax advisor for an explanation of the accrual rules.

### **Original Issue Premium**

The Bonds and Notes may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond and Note through reductions in the holders' tax basis in the Bond and Note for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond and Note rather than creating a deductible expense or loss. Holders of Bonds and Notes offered at an original issue premium should consult their tax advisor for an explanation of the amortization rules.

## **LITIGATION**

In the opinion of various officials of the District, except as disclosed in this Official Statement, there is no litigation or other proceeding pending against or, to their knowledge, threatened against the District in any court, agency, or administrative body contesting the validity of the Bonds and Notes or the use of Bond and Note proceeds, the corporate existence of the District or the titles of its officers or contesting or affecting the District's ability to receive taxes that could be used for Bond and Note payments.

At the time of the original delivery of the Bonds and Notes, the District will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds and Notes, the effectiveness of the Bond Resolution and Note Resolution, the levying or collection of taxes to pay the principal of and interest on the Bonds and Notes or contesting or questioning the proceedings and authority under which the Bonds and Notes have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds and Notes.

## **Legal Matters Relating to State education System**

Two lawsuits have been filed challenging the funding of the State's primary and secondary education system. In March 2014, individual plaintiffs in New Mexico District Court in McKinley County brought suit against the State, among others, alleging, among other things, that the State's educational funding formula violates the sufficiency of education and uniform system of public schools provision of the New Mexico Constitution and asks the court for injunctive relief ordering the State to develop a budget and funding formula that sufficiently, uniformly and equitably funds the public school system. In April 2014, individual plaintiffs in New Mexico District Court in Santa Fe County brought suit against the State, among others, alleging, among other things, that the State has failed to provide a sufficient and uniform system of education in violation of the sufficiency, uniformity, equal protection and due process provisions of the New Mexico Constitution because of an inadequate and arbitrary funding system.

The two lawsuits were consolidated in 2015. The lawsuits asked for a declaratory judgment and injunctive relief requiring the adoption of a school finance system to remedy these violations. Neither lawsuit asked for a specific award of damages. The consolidated cases were tried in 2017. On July 20, 2018 the District Court entered its Decision which concluded that the State has failed to provide educational funding sufficient to meet its obligations under Article XII, §1 of the New Mexico Constitution, the state Constitution's Equal Protection Clause and its Due Process Clause with respect to "at risk" students. The District Court entered a Declaratory Judgment as to the Constitutional violations and an Injunction directing the state to take immediate steps, prior to April 15, 2019, to provide sufficient resources to "at risk" students. In response, during the 2019 Regular Session, the Legislature increase public school funding by approximately \$400 million. The court has not indicated whether this will be sufficient to satisfy the requirements of the Judgment. The Decision is expected to continue to affect future funding for all school age students. It is premature to assess what ongoing effect these lawsuits may have on the State's school financing system, or the District.

## **RATINGS**

S&P Global Ratings ("S&P") assigned a rating of "\_\_\_" with a stable outlook to Bonds and Notes, without regard to any enhancement program. These ratings reflect only the views of such rating agencies, and an explanation of the significance of the ratings may be obtained only from each rating agency. There is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward, upward or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an effect on the market price or marketability of the Bonds and/or Notes.

## **UNDERWRITING**

Stifel, Nicolaus & Company, Incorporated ("Stifel"), as the sole book-running managing underwriter (the "Underwriter"), has agreed, subject to certain conditions, to purchase the Bonds from the District at the prices indicated on the inside front cover of this Official Statement, less an underwriting discount of \$\_\_\_\_\_, and no accrued interest. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriter.

Stifel, as the sole book-running managing underwriter, has agreed, subject to certain conditions, to purchase the Notes from the District at the prices indicated on the inside front cover of this Official Statement, less an underwriting discount of \$\_\_\_\_\_, and no accrued interest. The Underwriter will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Notes into investment trusts) at prices lower than the public offering prices of such Notes, and such public offering prices may be changed, from time to time, by the Underwriter.

Stifel provided a scholarship in 2020 to a graduating senior attending one of the high schools in the District.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

## **THE FINANCIAL ADVISOR**

RBC Capital Markets, LLC (“RBC CM”) is employed as Financial Advisor to District in connection with the issuance of the Bonds and Notes. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds and Notes is contingent upon the issuance and delivery of the Bonds and Notes. RBC CM, in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the Bond and Note documentation with respect to the federal income tax status of the Bonds and the Notes. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the District for the investment of proceeds or other funds of the District upon the request of the District.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

## **LEGAL MATTERS**

The opinions of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, approving the legality of the Bonds and Notes and relating to the tax-exempt status of the Bonds and Notes will be furnished upon issuance of the Bonds and Notes. The forms of opinions of Bond Counsel are attached hereto as APPENDIX D.

The District will furnish to the Underwriter complete transcripts of proceedings incident to the authorization and issuance of the Bonds and the Notes. Although it may represent the Financial Advisor and the Underwriter from time to time in matters unrelated to the issuance of the Bonds and the Notes, Bond Counsel has been engaged by and only represents the District in the issuance of the Bonds and the Notes. Such firm has reviewed the information appearing herein this Official Statement and Bond Counsel is of the opinion that the information relating to the Bonds and Notes and legal matters contained herein is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds and Notes, such information conforms to the Bond Resolution and the Note Resolution, respectively. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds and Notes is contingent upon the sale and delivery of the Bonds and Notes. Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas whose fee is contingent upon the sale and delivery of the Bonds and the Notes.

The various legal opinions to be delivered concurrently with the delivery of the Bonds and Notes express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **CONTINUING DISCLOSURE UNDERTAKINGS**

For the benefit of Bondholders and the Noteholders and to enable a broker, dealer or municipal securities dealer to comply with requirements of Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”), the District has undertaken to provide to MSRB through EMMA, its audited financial statements and certain financial and operating information. The District will update and provide this information no later than March 31 of each year, commencing March 31, 2021, for the fiscal year ending on the preceding June 30. Forms of the Continuing Disclosure Undertakings are attached hereto as APPENDIX E.

## **Compliance with Prior Undertakings**

For the past five years, the District has complied in all material respects with its existing continuing disclosure agreements in accordance with the Rule. The District has implemented procedures to assure compliance with its continuing disclosure undertakings.

## **DISCLOSURE CERTIFICATES**

The final certificates included in the respective transcripts of legal proceedings will include the following: At closing the Superintendent of Schools and the Executive Director of Finance & Administration will sign certificates stating, after reasonable investigation, that to the best of their knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of their knowledge, threatened in any way contesting the completeness or accuracy of this Official Statement, (b) this Official Statement, as it pertains to the District, the Bonds and Notes, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (c) no event affecting the District has occurred since the date of this Official Statement, which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

## **OTHER PERTINENT INFORMATION**

### **Authenticity of Financial Information**

The financial data and other information contained herein have been obtained from the District's records, audited financial statements and other sources, which are believed to be reliable. All of the summaries of the statutes, documents and orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and orders. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

### **Registration and Qualification of Bonds and Notes for Sale**

No registration statement relating to the Bonds or the Notes has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). Neither the Bonds nor the Notes have been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. Neither the Bonds nor the Notes have been registered or qualified under the Securities Act of the State in reliance upon various exemptions contained therein, nor have the Bonds or the Notes been registered or qualified under the securities act of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds or Notes under the securities laws of any jurisdiction in which the Bonds or the Notes may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds or the Notes shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Underwriter to register or qualify the sale of the Bonds and the Notes under the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the Underwriter's written request and sole expense, in registering or qualifying the Bonds and Notes or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the District shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

## **ADDITIONAL MATTERS**

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to

be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the District located at the School Administration Office, or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard, NE, Suite 110, Albuquerque, New Mexico 87110.

## **FORWARD LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. It is important to note that the District's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

## **CONCLUDING STATEMENTS**

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District.

This Official Statement has been approved by the Board for distribution in accordance with provisions of the Rule codified at 17 C.F.R. Section 240.15c2-12, as amended.

The respective Resolutions approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds and the Notes by the Underwriter.

Neither this Official Statement nor any other written or oral information is to be construed as a contract with the holders of the Bonds and Notes.

The District has duly authorized the execution and delivery of this Official Statement.

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President, Board of Education

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Secretary, Board of Education

## **APPENDIX A**

### **ECONOMIC & DEMOGRAPHIC INFORMATION**

IT IS IMPORTANT TO NOTE THAT THE INFORMATION AVAILABLE IN THIS APPENDIX A AS OF THE DATE HEREOF PREDATES THE COVID-19 OUTBREAK. CERTAIN INFORMATION IN THIS APPENDIX A MAY HAVE CHANGED MATERIALLY SINCE MARCH 1, 2020. SEE “COVID-19” IN THE PRELIMINARY OFFICIAL STATEMENT.

**General**

The District is geographically situated in the north central part of the State. The District’s boundaries encompass all of the City plus unincorporated portions of the County. The District covers 1,016 square miles and served 11,724 students in 2019-20. The District is crossed by Interstate Highways 25 and is served by the Burlington North and Santa Fe railroad and the Sunport International Airport and Santa Fe Regional Airport. The District is also bisected by the Rio Grande River, which provides irrigation to support continued agriculture despite increased urbanization.

The area within the District is part of the Santa Fe Metropolitan Statistical Area (“Santa Fe MSA”) which includes the County and Los Alamos County. The Santa Fe MSA represents one of the largest commercial and industrial centers in the State. The area is economically dynamic as evidenced by strong population growth, continued residential and non-residential construction, and income levels above both the State as a whole and the nation.

**Population**

The following chart sets forth historical and projected population data for the County and the State.

<b>Census Year</b>	<b>Santa Fe County</b>	<b>State of New Mexico</b>
1960	44,970	951,023
1970	54,774	1,017,055
1980	75,519	1,303,143
1990	98,928	1,515,069
2000	129,292	1,826,280
2010	144,170	2,065,826
2018	150,056	2,081,363
2019 <sup>(1)</sup>	150,878	2,087,058
2025 <sup>(2)</sup>	153,725	2,110,892
<b>Projected Growth 2019-2025<sup>(2)</sup></b>	<b>1.89%</b>	<b>1.14%</b>

Source: United States Census Bureau

1) Estimates. Source: Spotlight, April 2020

2) Projected. Source: Spotlight, April 2020



## Age Distribution

The following table sets forth a comparative age distribution profile for Santa Fe MSA, the State and the United States.

Age Group	Percent of Population		
	Santa Fe MSA	New Mexico	United States
0 - 17	18.00%	23.90%	22.80%
18 - 24	7.70%	9.80%	9.80%
25 - 34	10.90%	13.30%	13.40%
35 - 44	11.20%	11.87%	12.60%
45 - 54	12.10%	11.90%	13.10%
55 and Older	40.10%	29.23%	28.30%

Source: Spotlight, April 2020

## Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income (“EBI”) and a five-year comparison of the estimated median household income as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors’ income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, State and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. During the period shown in the following chart, the estimated median household income level for Santa Fe MSA compares favorably with the United States and has been consistently higher than the State level over the last 4 years.

Effective Buying Income Group	Santa Fe MSA	New Mexico	United States
Under \$25,000	17.92%	26.42%	20.37%
\$25,000 - \$34,999	9.99%	10.20%	9.21%
\$35,000 - \$49,999	12.67%	13.62%	12.87%
\$50,000 - \$74,999	18.43%	17.14%	17.09%
\$75,000 & Over	40.99%	32.62%	40.46%
2017 Est. Median Household Income	\$56,475	\$46,783	\$56,672
2018 Est. Median Household Income	\$60,373	\$48,044	\$60,133
2019 Est. Median Household Income	\$58,832	\$49,654	\$60,336

Source: Spotlight, April 2020

## Gross Receipts

The following table shows the total reported gross receipts generated (both in retail trade only and in total) in the City, the County and the State. For the purposes of this table, gross receipts means the total amount of money received from selling property in the State of New Mexico, from leasing property employed in the State and from performing services in the State. Gross receipts includes, among other things, food sales and services such as legal and medical services.

Fiscal Year 30-Jun	City of Santa Fe		Santa Fe County		State of New Mexico	
	Retail Trade	Total	Retail Trade	Total	Retail Trade	Total
2019	\$2,034,874,659	\$5,889,744,947	\$2,288,764,041	\$7,801,033,932	\$28,911,739,542	\$132,882,566,114
2018	1,873,902,064	5,530,310,162	2,141,086,017	6,698,526,433	27,425,036,916	123,237,757,807
2017	1,670,318,156	4,776,520,462	1,934,682,248	6,528,263,382	25,581,479,749	109,612,798,146
2016	1,749,481,963	4,748,616,839	2,136,907,970	6,185,403,050	22,456,725,617	97,151,637,472
2015	2,256,457,016	5,851,139,929	2,300,270,704	6,667,684,125	24,091,261,309	106,229,575,340
2014	1,904,870,941	4,997,226,203	2,139,843,626	6,071,042,366	24,395,913,091	107,584,699,939
2013	1,654,142,992	4,822,742,019	1,877,184,450	5,884,347,249	24,239,671,094	108,060,633,566
2012	1,647,249,743	4,885,399,257	1,867,655,937	5,911,392,010	23,914,774,353	104,221,140,556
2011	1,642,668,308	4,832,778,101	1,862,958,009	6,279,234,548	23,789,930,180	102,715,750,442
2010	1,592,200,186	4,602,114,106	1,814,632,032	6,178,139,544	24,608,799,717	94,722,576,401

Source: New Mexico Taxation & Revenue Department and UNM Bureau of Business & Economic

## Employment

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within the Santa Fe MSA, the State and United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and does not reflect monthly or seasonal trends.

Year <sup>(1)</sup>	Santa Fe MSA		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2020 <sup>(2)</sup>	75,919	4.50%	966,489	5.90%	4.50%
2019	76,226	3.50%	966,863	4.50%	3.40%
2018	74,720	3.90%	951,378	4.50%	3.50%
2017	72,851	5.10%	929,567	6.20%	4.40%
2016	72,574	5.40%	927,355	6.70%	4.90%
2015	71,658	5.40%	919,889	6.60%	5.30%
2014	71,564	5.60%	918,206	6.50%	6.20%
2013	72,592	5.60%	922,960	6.90%	7.40%
2012	73,156	5.80%	928,050	7.10%	8.10%
2011	73,079	6.30%	929,862	7.60%	8.90%

1) - Numbers are annual averages.

2) - Data for the month of April 2020; numbers are preliminary

Source: U.S. Bureau of Labor Statistics, April 2020

## Non-Agricultural Wage and Salary Employment by Major Sector

The New Mexico Department of Workforce Solutions publishes reports of non-agricultural wages and salary employment according to the North American Industry Classification System ("NAICS"). Detailed below is the report for Santa Fe MSA.

Santa Fe County					
	2015	2016	2017	2018	2019 <sup>(1)</sup>
<b>Grand Total</b>	<b>61,229</b>	<b>60,850</b>	<b>60,850</b>	<b>61,705</b>	<b>62,815</b>
Total Private	44,481	45,340	46,026	46,275	47,895
Accommodation and Food Services	8,703	9,206	9,680	9,514	10,259
Administrative and Waste Services	1,845	1,889	2,116	1,918	2,361
Agriculture, Forestry, Fishing & Hunting	166	173	256	340	354
Arts, Entertainment, and Recreation	1,116	1,173	1,548	1,408	1,835
Construction	2,588	2,639	2,799	2,789	2,873
Educational Services	1,624	1,698	1,372	1,417	1,330
Finance and Insurance	1,583	1,558	1,527	1,532	1,483
Health Care and Social Assistance	8,693	8,865	8,838	9,069	8,928
Information	816	849	809	885	913
Management of Companies and Enterprises	230	229	238	259	261
Manufacturing	865	851	912	832	857
Mining	146	141	98	75	77
Other Services, Ex. Public Admin	2,555	2,570	2,632	2,568	2,750
Professional and Technical Services	2,432	2,394	2,489	2,697	2,758
Real Estate and Rental and Leasing	798	837	822	853	886
Retail Trade	8,648	8,592	8,238	8,392	8,215
Transportation and Warehousing	558	540	530	605	614
Utilities	131	136	120	118	122
Wholesale Trade	985	1000	1001	1,005	1,019
Total Government	16,748	15663	14581	15,429	14,920

(1) Data as of Third Quarter of 2019

Note: Figures shown here are annual averages of quarterly data.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages program.

## Major Employers

The following are the largest employers located in the Santa Fe MSA:

Employer	Type	# of Employees
State of New Mexico	Government	26,280
Los Alamos National Laboratory	Government	11,956
Christus St. Vincent Hospital	Health Care	2,365
Santa Fe School District	Education	1,800
City of Santa Fe	Government	1,500
Santa Fe Community College	Education	1,200
County of Santa Fe	Government	894
Santa Fe Opera	Fine Arts	715
Peters Corporation	Retail	565
Santa Fe Ski Company	Outdoor Recreation	450
<b>Total Top 10</b>		<b>47,725</b>

Source: Santa Fe Chamber of Commerce, 2020

## **APPENDIX B**

### **AUDITED FINANCIAL STATEMENTS – JUNE 30, 2019**

The information contained in this appendix consists of the Santa Fe Public School District Audited Financial Statements (the "Report") for the fiscal year ended June 30, 2019.

The information presented represents only a part of the Report and does not purport to be a complete statement of the District's financial condition. Reference is made to the complete Report for additional information.



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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2019**

## INTRODUCTORY SECTION

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
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SANTA FE PUBLIC SCHOOLS  
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**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
OFFICIAL ROSTER  
JUNE 30, 2019**

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

**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Santa Fe Public Schools (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents. We have also audited the financial statements of the governmental activities of the discretely presented component unit, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining financial statements as of and for the year ended June 30, 2019, as listed in the Table of Contents. We have also audited each major fund, the aggregate remaining fund information, and the respective budgetary comparisons of the following discretely presented component unit: Academy for the Technologies and the Classics, presented as supplementary information, as defined by the Government Accounting Standards Board, in accompanying combining and individual nonmajor fund financial statements as listed in the Table of Contents as of and for the year ended June 30, 2019.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

The Board of Education  
Santa Fe Public Schools and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information and the respective budgetary comparisons of the following component unit (Academy of Technology and Classics) as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America requires the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of the District's Retiree Health Care Contributions on pages 56 - 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Education  
Santa Fe Public Schools and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

*Other Information*

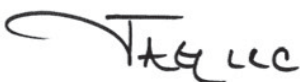
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, and the Schedule of Cash Reconciliation), and other information, such as the Introductory Section and Corrective Action Plan, which are presented for 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 the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, and the Schedule of Cash Reconciliation), 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 the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, and the Schedule of Cash Reconciliation), are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

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



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Governmental Activities	
	Primary Government	Component Unit
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 26,195,015	\$ 1,374,465
Investments	-	-
Receivables	10,792,900	47,286
Inventory	416,960	-
Prepaid expenses	-	129,946
<b>Total current assets</b>	<b>37,404,875</b>	<b>1,551,697</b>
<b>Non-current assets</b>		
Restricted investments	78,640,200	-
Capital assets, net of accumulated depreciation	408,328,176	4,830,465
<b>Total non-current assets</b>	<b>486,968,376</b>	<b>4,830,465</b>
<b>Total assets</b>	<b>524,373,251</b>	<b>6,382,162</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to pensions and OPEB	78,530,595	1,874,671
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	8,181,545	25,075
Accrued liabilities	8,621,535	(1,814)
Current portion of compensated absences	850,754	10,418
Due to Agency Funds	78,840	-
Accrued interest	3,771,274	-
Current portion of long-term debt	31,615,199	149,030
<b>Total current liabilities</b>	<b>53,119,147</b>	<b>182,709</b>
<b>Non-current liabilities</b>		
Bond premiums, net of amortization	13,751,105	-
Net pension liability	312,561,256	7,316,736
Net OPEB liability	74,247,724	1,718,035
Long-term portion of debt	184,625,334	3,436,618
<b>Total non-current liabilities</b>	<b>585,185,419</b>	<b>12,471,389</b>
<b>Total liabilities</b>	<b>638,304,566</b>	<b>12,654,098</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions and OPEB	28,588,253	702,120
<b>NET POSITION</b>		
Net investment in capital assets	178,336,538	1,244,817
Restricted for		
Debt service	44,330,124	-
Capital projects	39,953,699	-
Other	4,688,555	446,332
Unrestricted (deficit)	(331,297,889)	(6,790,534)
<b>Total net position (deficit)</b>	<b>\$ (63,988,973)</b>	<b>\$ (5,099,385)</b>

See Accompanying Notes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	Component Unit
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary Government</b>						
Governmental activities						
Instruction	\$ 118,877,840	\$ 666,292	\$11,003,542	\$ -	\$ (107,208,006)	
Support services						
Students	16,641,364	152,956	1,331,309	-	(15,157,099)	
Instruction	5,429,452	-	-	-	(5,429,452)	
General administration	3,161,347	-	63,227	-	(3,098,120)	
School administration	7,654,381	-	3,061,752	-	(4,592,629)	
Other	100,145	-	-	-	(100,145)	
Central services	3,005,788	-	-	-	(3,005,788)	
Operation & maintenance of plant	10,467,905	-	-	473,019	(9,994,886)	
Student transportation	4,676,670	-	4,161,230	-	(515,440)	
Food services operation	6,145,494	494,348	5,526,845	-	(124,301)	
Community services operations	25,829	-	-	-	(25,829)	
Facilities, materials, supplies, and other	52,353,313	-	-	-	(52,353,313)	
Interest/amortization and bond cost on long-term debt	6,981,648	-	-	-	(6,981,648)	
<b>Total governmental activities</b>	<b>\$ 235,521,177</b>	<b>\$ 1,313,596</b>	<b>\$ 25,147,905</b>	<b>\$ 473,019</b>	<b>\$ (208,586,656)</b>	
<b>Component Unit:</b>	<b>\$ 5,204,050</b>	<b>\$ 37,020</b>	<b>\$ 83,535</b>	<b>\$ 280,696</b>		<b>\$ (4,802,799)</b>
<b>General Revenues</b>						
Property taxes						
Levied for general purposes						
				1,494,030	547,717	
Levied for debt service						
				38,282,228	-	
Levied for capital projects						
				20,131,944	-	
State Equalization Guarantee Revenue						
				99,074,207	2,772,580	
Unrestricted investment earnings						
				1,883,826	-	
Loss on disposal of capital assets						
				-	-	
Miscellaneous						
				4,199,475	804,787	
<b>Total general revenues</b>				<b>165,065,710</b>	<b>4,125,084</b>	
<b>Changes in net position</b>				<b>(43,520,946)</b>	<b>(677,715)</b>	
Net position - beginning (deficit)						
				(20,468,027)	(4,514,437)	
Retatement						
				-	92,767	
Net position - beginning (deficit) as restated						
				(20,468,027)	(4,421,670)	
<b>Net position - ending (deficit)</b>				<b>\$ (63,988,973)</b>	<b>\$ (5,099,385)</b>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General Fund			
	General 11000	Pupil Transportation 13000	Instructional Materials 14000	Title I IASA 24101
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 8,924,641	\$ 337,239	\$ 73,007	\$ -
Investments	-	-	-	-
Accounts receivable				
Taxes	117,031	-	-	-
Due from other governments	-	-	-	2,117,542
Interfund receivable	6,173,545	7,137	-	-
Other receivables	-	-	-	-
Inventory	-	416,960	-	-
<b>Total current assets</b>	<u>\$ 15,215,217</u>	<u>\$ 761,336</u>	<u>\$ 73,007</u>	<u>\$ 2,117,542</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 132,323	\$ 33,342	\$ -	\$ -
Cash overdraft	-	-	-	-
Due to other governments	-	-	-	-
Accrued expenses	7,452,724	252,434	-	200,347
Unspent grant revenue	-	-	-	-
Interfund payables	38,772	91,797	-	1,917,195
<b>Total current liabilities</b>	<u>7,623,819</u>	<u>377,573</u>	<u>-</u>	<u>2,117,542</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	77,669	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	416,960	-	-
Restricted for transportation	-	-	-	-
Restricted for instructional materials	-	-	73,007	-
Restricted for debt service	-	-	-	-
Restricted by grantor	-	-	-	-
Restricted for capital projects	-	-	-	-
Unassigned	7,513,729	(33,197)	-	-
<b>Total fund balances</b>	<u>7,513,729</u>	<u>383,763</u>	<u>73,007</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 15,215,217</u>	<u>\$ 761,336</u>	<u>\$ 73,007</u>	<u>\$ 2,117,542</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2019**

	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements Educ. Tech. 31900	Debt Service 41000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 4,144,432	\$ 1,253,482	\$ 1,771,789	\$ 255
Investments	20,000,000	10,000,000	5,000,200	32,589,000
Accounts receivable				
Taxes	-	502,512	-	1,550,546
Due from other governments	-	-	-	-
Interfund receivable	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 24,144,432</u>	<u>\$ 11,755,994</u>	<u>\$ 6,771,989</u>	<u>\$ 34,139,801</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 3,669,252	\$ 1,566,822	\$ 2,025,260	\$ -
Cash overdraft	-	-	-	-
Due to other governments	-	-	-	-
Accrued expenses	-	-	75,697	-
Unspent grant revenue	-	-	-	-
Interfund payables	-	-	-	-
<b>Total current liabilities</b>	<u>3,669,252</u>	<u>1,566,822</u>	<u>2,100,957</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	333,498	-	1,029,040
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for transportation	-	-	-	-
Restricted for instructional materials	-	-	-	-
Restricted for debt service	-	-	-	33,110,761
Restricted by grantor	-	-	-	-
Restricted for capital projects	20,475,180	9,855,674	4,671,032	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>20,475,180</u>	<u>9,855,674</u>	<u>4,671,032</u>	<u>33,110,761</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 24,144,432</u>	<u>\$ 11,755,994</u>	<u>\$ 6,771,989</u>	<u>\$ 34,139,801</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2019**

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 9,690,170	\$ 26,195,015
Investments	11,051,000	78,640,200
Accounts receivable		
Taxes	1,175,403	3,345,492
Due from other governments	5,329,866	7,447,408
Interfund receivable	51,727	6,232,409
Other receivables	-	-
Inventory	-	416,960
	<u>                    </u>	<u>                    </u>
<b>Total current assets</b>	<b><u>\$ 27,298,166</u></b>	<b><u>\$ 122,277,484</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 754,546	\$ 8,181,545
Cash overdraft	-	-
Due to other governments	-	-
Accrued expenses	640,333	8,621,535
Unspent grant revenue	-	-
Interfund payables	4,263,485	6,311,249
	<u>                    </u>	<u>                    </u>
<b>Total current liabilities</b>	<b><u>5,658,364</u></b>	<b><u>23,114,329</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes	780,071	2,220,278
	<u>                    </u>	<u>                    </u>
<b>FUND BALANCES</b>		
Nonspendable	-	416,960
Restricted for transportation	-	-
Restricted for instructional materials	-	73,007
Restricted for debt service	11,219,363	44,330,124
Restricted by grantor	4,688,555	4,688,555
Restricted for capital projects	4,951,813	39,953,699
Unassigned	-	7,480,532
	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<b><u>20,859,731</u></b>	<b><u>96,942,877</u></b>
	<u>                    </u>	<u>                    </u>
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 27,298,166</u></b>	<b><u>\$ 122,277,484</u></b>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

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

Fund balances - total governmental funds	\$ 96,942,877
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	408,328,176
Deferred outflow of resources related to pensions and OPEB	78,530,595
Deferred inflow of resources related to pensions and OPEB	(28,588,253)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property taxes	2,220,278
Original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds	
Bond issuance premiums, net of accumulated amortization	(13,751,105)
Accrued interest	(3,771,274)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension and OPEB liability	(386,808,980)
Accrued compensated absences	(850,754)
Long-term debt	<u>(216,240,533)</u>
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b><u>\$ (63,988,973)</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund			
	General	Pupil	Instructional	Title I
	11000	Transportation 13000	Materials 14000	IASA 24101
<b>REVENUES</b>				
Property taxes	\$ 1,489,773	\$ -	\$ -	\$ -
State grants	99,186,776	4,161,230	425,947	-
Federal grants	193,778	-	-	3,266,391
Charges for services	666,292	-	-	-
Miscellaneous	3,713,174	-	-	-
Interest	31,475	-	-	-
<b>Total revenues</b>	<u>105,281,268</u>	<u>4,161,230</u>	<u>425,947</u>	<u>3,266,391</u>
<b>EXPENDITURES</b>				
Current				
Instruction	67,932,893	-	352,940	2,521,864
Support services				
Students	12,731,598	-	-	29,111
Instruction	3,796,701	-	-	598,848
General administration	2,230,467	-	-	58,386
School administration	7,361,202	-	-	5,960
Central services	2,721,288	-	-	26,403
Operation & maintenance of plant	10,450,991	-	-	-
Student transportation	16,086	4,177,462	-	-
Other support services	100,145	-	-	-
Food services operations	263,074	-	-	-
Community service	10	-	-	25,819
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>107,604,455</u>	<u>4,177,462</u>	<u>352,940</u>	<u>3,266,391</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,323,187)</u>	<u>(16,232)</u>	<u>73,007</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Bond issuance premiums	-	-	-	-
Proceeds from loans and bonds	-	-	-	-
Operating transfers	(5,050)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(5,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(2,328,237)	(16,232)	73,007	-
Fund balances, beginning of year	9,841,966	399,995	-	-
<b>Fund balances, end of year</b>	<u>\$ 7,513,729</u>	<u>\$ 383,763</u>	<u>\$ 73,007</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements Educ. Tech. 31900	Debt Service 41000
<b>REVENUES</b>				
Property taxes	\$ -	\$ 8,407,298	\$ -	\$ 28,103,671
State grants	1,418	4,000	-	211,791
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	1,064,565	-	292,259	279,659
<b>Total revenues</b>	<u>1,065,983</u>	<u>8,411,298</u>	<u>292,259</u>	<u>28,595,121</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	84,308	-	282,058
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	48,913,762	7,113,677	10,397,260	-
Debt service				
Principal	-	-	-	21,651,491
Interest	-	-	-	7,856,558
<b>Total expenditures</b>	<u>48,913,762</u>	<u>7,197,985</u>	<u>10,397,260</u>	<u>29,790,107</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(47,847,779)</u>	<u>1,213,313</u>	<u>(10,105,001)</u>	<u>(1,194,986)</u>
<b>Other financing sources (uses)</b>				
Bond issuance premiums	-	-	-	3,146,867
Proceeds from loans and bonds	30,000,000	-	11,000,000	-
Operating transfers	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>30,000,000</u>	<u>-</u>	<u>11,000,000</u>	<u>3,146,867</u>
<b>Net changes in fund balances</b>	(17,847,779)	1,213,313	894,999	1,951,881
Fund balances, beginning of year	38,322,959	8,642,361	3,776,033	31,158,880
<b>Fund balances, end of year</b>	<u>\$ 20,475,180</u>	<u>\$ 9,855,674</u>	<u>\$ 4,671,032</u>	<u>\$ 33,110,761</u>

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>		
Property taxes	\$ 21,554,122	\$ 59,554,864
State grants	4,481,298	108,472,460
Federal grants	13,458,175	16,918,344
Charges for services	647,304	1,313,596
Miscellaneous	547,507	4,260,681
Interest	215,868	1,883,826
<b>Total revenues</b>	<b>40,904,274</b>	<b>192,403,771</b>
<b>EXPENDITURES</b>		
Current		
Instruction	6,119,327	76,927,024
Support services		
Students	3,874,082	16,634,791
Instruction	1,033,903	5,429,452
General administration	503,844	3,159,063
School administration	287,219	7,654,381
Central services	256,608	3,004,299
Operation & maintenance of plant	16,914	10,467,905
Student transportation	68,348	4,261,896
Other support services	-	100,145
Food services operations	5,823,476	6,086,550
Community service	-	25,829
Capital outlay	6,931,240	73,355,939
Debt service		
Principal	8,999,203	30,650,694
Interest	864,152	8,720,710
<b>Total expenditures</b>	<b>34,778,316</b>	<b>246,478,678</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,125,958</b>	<b>(54,074,907)</b>
<b>Other financing sources (uses)</b>		
Bond issuance premiums	646,987	3,793,854
Proceeds from loans and bonds	130,296	41,130,296
Operating transfers	5,050	-
<b>Total other financing sources (uses)</b>	<b>782,333</b>	<b>44,924,150</b>
<b>Net changes in fund balances</b>	6,908,291	(9,150,757)
Fund balances, beginning of year	13,951,440	106,093,634
<b>Fund balances, end of year</b>	<b>\$ 20,859,731</b>	<b>\$ 96,942,877</b>

See Accompanying Notes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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

Net changes in fund balances - total governmental funds	\$ (9,150,757)
District pension and OPEB contributions	12,251,305
Additional GASB 68 and 75 pension and OPEB expenses	(54,030,366)
Increase in accrued compensated absences	(47,485)
Decrease in unavailable revenue related to property tax receivable	353,338

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

Depreciation expense	(20,528,877)
Capital expenditures recorded in capital outlays	41,006,263
Loss on disposal of capital assets	-

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

Proceeds of Long Term Debt	(44,924,150)
Adjustment to Long Term Debt Proceeds	(840,962)
Change in bond premiums	2,090,164
Decrease in accrued interest payable	(350,113)
Principal payments on debt	<u>30,650,694</u>

**Changes in Net Position - Total Governmental Activities** **\$ (43,520,946)**

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND (11000)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ 1,491,817	\$ 1,491,817	\$ 1,492,399	\$ 582
State grants	98,607,879	99,365,192	99,186,776	(178,416)
Federal grants	252,000	252,000	193,778	(58,222)
Charges for services	665,000	665,000	666,291	1,291
Miscellaneous	4,223,025	6,643,309	3,713,174	(2,930,135)
Interest	80,000	80,000	31,475	(48,525)
<b>Total revenues</b>	<u>105,319,721</u>	<u>108,497,318</u>	<u>105,283,893</u>	<u>(3,213,425)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	71,505,736	69,556,131	68,000,473	1,555,658
Support services		-		
Students	11,564,720	13,527,862	12,720,622	807,240
Instruction	3,788,843	4,034,251	3,750,806	283,445
General administration	2,132,875	2,551,848	2,200,659	351,189
School administration	7,538,716	7,305,129	7,361,181	(56,052)
Central services	2,539,705	2,829,815	2,723,006	106,809
Operation & maintenance of plant	8,958,297	11,318,097	10,513,510	804,587
Student transportation	-	10,000	16,086	(6,086)
Other support services	2,850,409	2,888,765	100,145	2,788,620
Food services operations	240,420	275,420	263,074	12,346
Community services	-	-	10	(10)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>111,119,721</u>	<u>114,297,318</u>	<u>107,649,572</u>	<u>6,647,746</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,800,000)</u>	<u>(5,800,000)</u>	<u>(2,365,679)</u>	<u>3,434,321</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(5,800,000)	(5,800,000)	(2,365,679)	3,434,321
Fund balances - beginning of year	<u>(13,899,988)</u>	<u>(13,807,970)</u>	<u>18,131,226</u>	<u>31,939,196</u>
<b>Fund balances - end of year</b>	<u>\$ (19,699,988)</u>	<u>\$ (19,607,970)</u>	<u>\$ 15,765,547</u>	<u>\$ 35,373,517</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			(7,676)	
Adjustments to expenditures			45,118	
<b>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</b>			<u>(2,328,237)</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
PUPIL TRANSPORTATION FUND (13000)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,161,230	4,161,230	4,161,230	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>4,161,230</u>	<u>4,161,230</u>	<u>4,161,230</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	4,161,230	4,161,376	4,161,376	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>4,161,230</u>	<u>4,161,376</u>	<u>4,161,376</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(146)</u>	<u>(146)</u>	<u>-</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	(146)	(146)	-
Fund balances - beginning of year	-	-	292	292
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ (146)</u>	<u>\$ 146</u>	<u>\$ 292</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			(16,086)	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ (16,232)</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	425,947	450,257	425,947	(24,310)
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>425,947</u>	<u>450,257</u>	<u>425,947</u>	<u>(24,310)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	461,697	450,257	352,940	97,317
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>461,697</u>	<u>450,257</u>	<u>352,940</u>	<u>97,317</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(35,750)</u>	<u>-</u>	<u>73,007</u>	<u>73,007</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(35,750)	-	73,007	73,007
Fund balances - beginning of year	(834,784)	(955,794)	(99,458)	856,336
<b>Fund balances - end of year</b>	<u>\$ (870,534)</u>	<u>\$ (955,794)</u>	<u>\$ (26,451)</u>	<u>\$ 929,343</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ 73,007</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
TITLE I FUND (24101)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	3,128,400	3,605,385	2,216,174	
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>3,128,400</u>	<u>3,605,385</u>	<u>2,216,174</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	2,151,581	2,620,040	2,521,865	98,175
Support services				
Students	159,570	159,570	29,111	130,459
Instruction	633,478	633,478	598,848	34,630
General administration	53,279	61,805	58,386	3,419
School administration	12,355	12,355	5,960	6,395
Central services	78,137	78,137	26,403	51,734
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	40,000	40,000	25,819	14,181
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>3,128,400</u>	<u>3,605,385</u>	<u>3,266,392</u>	<u>338,993</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(1,050,218)</u>	<u>338,993</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	(1,050,218)	338,993
Fund balances - beginning of year	-	-	-	-
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,050,218)</u>	<u>\$ 338,993</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			1,050,218	
Adjustments to expenditures			-	
<b>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</b>			<u>\$ -</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
JUNE 30, 2019**

**ASSETS**

Cash and investments	\$ 1,101,846
Due from governmental funds	<u>78,841</u>

<b>Total assets</b>	<b><u>\$ 1,180,687</u></b>
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**LIABILITIES**

Accounts payable	\$ 25,530
Deposits held in trust for others	<u>1,155,157</u>

<b>Total liabilities</b>	<b><u>\$ 1,180,687</u></b>
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**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

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

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

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

**A. Reporting Entity**

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

Academy for Technology & the Classics is a Component Unit of the District, as defined by GASB Statement No. 14 and/or GASB Statement No. 39 and have a separate governing board. The Charter Schools do not issue separate financial statements. Charter schools operate under the Senate Bill 192, Chapter 281, Laws of 1999 and are responsible for maintaining separate accounting records, and are Component Units of the school districts they operate within. Academy for Technology & the Classics operates foundations as a Component Unit of the Charter School as defined by GASB Statements No. 14 and 39. See Note 16 for certain information on Charter School assets and liabilities.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

Governmental funds include:

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

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

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

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Each nonmajor special revenue fund is presented following the notes to the financial statements.

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

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

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

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

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

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There is no allowance for doubtful account in the current year. The District receives monthly income from a tax levy in Santa Fe County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Santa Fe County Treasurer in July 2019 and August 2019 is considered measurable and available and, accordingly, is recorded as revenue during the year ended June 30, 2019.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

**Inventory:** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No unearned revenue was recorded for unused commodity inventory as of June 30, 2019. Inventories in the Transportation Fund consisted of related supplies.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per Section 12-6-10 NMSA 1978, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide financial statements. However, infrastructure assets have not been included in the June 30, 2019 financial statements of Santa Fe Public Schools since the District did not own any infrastructure assets as of June 30, 2019. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally-developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2019.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

**Pensions:** For 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 Plan (ERP) and additions to/deductions from ERP’s fiduciary net position have been determined on the same basis as they are reported by ERP. 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  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

*Net investment in capital assets:* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

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

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financial statements include management's estimate of the useful lives of capital assets.

**E. Revenues**

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

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

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

**E. Revenues (Continued)**

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

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 70% is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while 30% of each allocation is available for purchases directly from vendors.

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

**Deferred Outflows/Inflows of Resources**

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

**Budgetary Information**

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

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

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

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

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

In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the PED.

In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

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

The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

**Budgetary Information (Continued)**

The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the PED.

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

Legal budget control for expenditures is by major function.

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

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

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

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

**NOTE 3. CASH AND TEMPORARY INVESTMENTS**

State statutes authorize the investment of District funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2019.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

	First National Bank of Santa Fe	Wells Fargo	Morgan Stanley	Total
Total amounts of deposits	\$ 26,707,372	\$ 778,450	\$ 217,447	\$ 27,703,269
FDIC coverage	(500,000)	(250,000)	(217,447)	(967,447)
<b>Total uninsured public funds</b>	26,207,372	528,450	-	26,735,822
Collateral requirement (50% of uninsured Public funds)	13,103,686	264,225	-	13,367,911
Pledged collateral held by pledging bank trust department or agent but not in District's name	33,795,779	56,278	-	33,852,057
<b>Total under (over) collateralized</b>	<u>\$ (20,692,093)</u>	<u>\$ 207,947</u>	<u>\$ -</u>	<u>\$ (20,484,146)</u>

*Custodial Credit Risk – Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, the District was exposed to custodial credit risk.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

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

Investment Type (Level 1 inputs)	Fair Value
New MexiGROW LGIP	<u>\$ 78,640,200</u>

The New MexiGROW LGIP is invested in the following at June 30, 2019: 45% in US government agencies (27% fixed rate; 18% floating rate), 21% in Treasuries, 28% in repurchase agreements, and 6% in collateralized demand deposit accounts with qualified banking institutions.

**Interest Rate Risk – Investments:** The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District’s investments were rated AAAM by Standard & Poors and have a weighted-average days to maturity (WAM) as follows: WAM(R) was 35 days and the WAM(F) was 112 days.

**Concentration Credit Risk – Investments:** For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investments in the State Pool LGIP Fund represent 100% of the investment portfolio. Since the District only purchases investment with the highest credit rating, the additional concentration is not viewed to be an additional risk by the District. The District’s policy related to concentration risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2019 are as follows:

	Operational	Title I IASA 24101	Bond Building	Capital Improvements Educ. Tech.	Debt Service	Other Governmental	Total
Property taxes	\$ 117,031	\$ -	\$ -	\$ 502,512	\$ 1,550,546	\$ 1,175,403	\$ 3,345,492
Intergovernmental - grants	-	2,117,542	-	-	-	5,329,866	7,447,408
Other	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 117,031</u>	<u>\$ 2,117,542</u>	<u>\$ -</u>	<u>\$ 502,512</u>	<u>\$ 1,550,546</u>	<u>\$ 6,505,269</u>	<u>\$ 10,792,900</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 4. RECEIVABLES (CONTINUED)**

The above receivables are deemed 100% collectible. Property tax revenue recognized on property tax receivables in the governmental fund financial statements are net of deferred inflows-property taxes of \$2,220,278.

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

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for reimbursements. The composition of interfund balances as of June 30, 2019 is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds		
General Fund	\$ 6,173,545	\$ 38,772
Pupil Transportaion	7,137	91,797
Title I IASA	-	1,917,195
Capital Improvements Educ. Tech.	-	-
Nonmajor Funds		
Special Revenue Funds	51,727	3,728,179
Capital Project Funds		535,306
Agency Funds	<u>78,840</u>	<u>-</u>
<b>Total</b>	<u>\$ 6,311,249</u>	<u>\$ 6,311,249</u>

Operating transfers have primarily been recorded when expenditures were not moved from one fund to another and reimbursement was received for those expenditures.

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds		
General Fund	\$ -	\$ 5,050
Nonmajor Funds		
Special Revenue Funds	5,050	-
Agency Funds	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 5,050</u>	<u>\$ 5,050</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land is not subject to depreciation.

	Balance June 30, 2018	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2019
<b>Governmental Activities</b>					
Capital Assets not depreciated					
Construction in progress	\$ 49,897,673	\$ 40,106,777	\$ (68,939,955)	\$ -	\$ 21,064,495
Land	2,969,852	-	-	-	2,969,852
Total Capital Assets not being depreciated	<u>52,867,525</u>	<u>40,106,777</u>	<u>(68,939,955)</u>	<u>-</u>	<u>24,034,347</u>
Capital Assets subject to depreciation					
Land improvements	34,713,401	-	-	-	34,713,401
Buildings and building improvements	518,333,705	68,939,955	-	-	587,273,660
Furniture, fixtures and equipment	33,266,837	899,485	-	-	34,166,322
Total Capital Assets being depreciated	<u>586,313,943</u>	<u>69,839,440</u>	<u>-</u>	<u>-</u>	<u>656,153,383</u>
Accumulated Depreciation					
Land improvements	(18,000,186)	(1,393,033)	-	-	(19,393,219)
Buildings and building improvements	(210,070,888)	(16,158,561)	-	-	(226,229,449)
Furniture, fixtures and equipment	(23,259,603)	(2,977,283)	-	-	(26,236,886)
Total accumulation depreciation	<u>(251,330,677)</u>	<u>(20,528,877)</u>	<u>-</u>	<u>-</u>	<u>(271,859,554)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 387,850,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,328,176</u>

Depreciation expense for the year ended June 30, 2019 was charged to governmental activities as follows:

Instruction	\$ 46,743
Support Services - Students	1,008
Support Services - General Administration	2,283
Central Services	1,489
Transportation	414,774
Food Services	58,944
Capital Outlay	<u>20,003,636</u>
<b>Total</b>	<u>\$ 20,528,877</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 7. LONG-TERM DEBT**

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the District's government-wide Statement of Net Position:

	Balance <u>June 30, 2018</u>	Additions	Deletions	Balance <u>June 30, 2019</u>	Due Within <u>One Year</u>
Bonds/notes payable	\$ 204,920,767	\$ 41,971,258	\$ (30,651,492)	<b>\$ 216,240,533</b>	\$ 31,615,199
Compensated absences	<u>803,269</u>	<u>722,942</u>	<u>(675,457)</u>	<b><u>850,754</u></b>	<u>850,754</u>
<b>Total</b>	<b><u>\$ 205,724,036</u></b>	<b><u>\$ 42,694,200</u></b>	<b><u>\$ (31,326,949)</u></b>	<b><u>\$ 217,091,287</u></b>	<b><u>\$ 32,465,953</u></b>

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

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

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

Please see Note 16.D. for detail on the Component Unit's long-term debt.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

The requirements to amortize the General Obligation Bonds, Education Technology Notes, and Solar Array Note Payable as of June 30, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 31,615,199	\$ 8,380,608	\$ 39,995,807
2021	29,002,175	7,123,758	36,125,933
2022	24,702,276	5,889,008	30,591,284
2023	21,799,499	4,810,050	26,609,549
2024	18,199,605	2,820,013	21,019,618
2025-2029	75,423,456	7,904,044	83,327,500
2030-2034	13,587,100	1,549,840	15,136,940
2035-2039	1,051,411	503,257	1,554,668
2040-2044	859,812	66,541	926,353
<b>Total</b>	<u>\$ 216,240,533</u>	<u>\$ 39,047,119</u>	<u>\$ 255,287,652</u>

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

**NOTE 8. RISK MANAGEMENT**

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

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$25,000 deductible per occurrence with a maximum annual deductible of 100,000. General liability coverage is afforded to all employees, volunteers, and Board members, and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$250,000 applies to Money and Securities, which include a \$750 deductible.

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2019:

None

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2019:

None

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

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

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

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

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

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

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

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

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

**Benefit Options.** The Plan has three benefit options available:

- **Option A – Straight Life Benefit.** The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

- **Option B – Joint 100% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit.** The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

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

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

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

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

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  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

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

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

**Contributions.** For the fiscal years ended June 30, 2019 and 2018, educational employers contributed to the Plan based on the following rate schedule:

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2019	7-1-18 to 6-30-19	Over \$20K	10.70%	13.90%	24.60%	0.00%
2019	7-1-18 to 6-30-19	\$20K or less	7.90%	13.90%	21.80%	0.00%
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2019 and 2018, the District paid employee and employer contributions of \$18,719,238 and \$17,818,308, respectively, which equal the amount of the required contributions for each fiscal year. For the fiscal years ended June 30, 2019 and 2018, the Charter paid employee and employer contributions of \$464,707 and \$419,156, which equal the amount of the required contributions for each fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2019, the District reported a liability of \$312,561,256 for its proportionate share of the net pension liability. At June 30, 2019, the Charter reported a liability of \$7,316,736 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the ERB Board on April 21, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Therefore, the District's and Charter's portion was established as of the measurement date of June 30, 2018. The District's and Charter's proportion of the net pension liability was based on a projection of the District and Charter long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2018, actuarially determined. At June 30, 2018, the District's proportion was 2.62848%, which was an increase of 0.00411% from its proportion measured at June 30, 2017. At June 30, 2018, the Charter's proportion was 0.06153%, which was a decrease of 0.00044% from its proportion measured at June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$43,742,162. For the year ended June 30, 2019, the Charter recognized pension expense of \$963,370.

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

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

**District:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ 228,118	\$ 5,948,543
Net difference between projected and actual earnings on Pension plan investments	691,931	-
Changes in assumptions	64,417,397	-
Changes in proportion and differences between District contributions and proportionate share of contributions	941,935	1,876,790
District contributions subsequent to the measurement date	<u>10,720,340</u>	<u>-</u>
<b>Total</b>	<u>\$ 76,999,721</u>	<u>\$ 7,825,333</u>

**Charter:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ 5,340	\$ 139,249
Net difference between projected and actual earnings on Pension plan investments	1,507,945	-
Changes in assumptions	16,197	-
Changes in proportion and differences between District contributions and proportionate share of contributions	42,443	45,514
District contributions subsequent to the measurement date	<u>265,461</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,837,386</u>	<u>\$ 184,763</u>

The District reported \$10,720,340 and the Charter reported \$265,461 as deferred outflows of resources related to pensions resulting from the District's and Charter's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

<b>District:</b>		<b>Charter:</b>	
<u>Year Ending June 30,</u>		<u>Year Ending June 30,</u>	
2020	\$ 22,711,972	2020	\$ 553,602
2021	(378,575)	2021	(15,629)
2022	9,107	2022	213
2023	<u>-</u>	2023	<u>-</u>
Total	<u>\$ 22,342,504</u>	Total	<u>\$ 538,186</u>

**Actuarial assumptions.** The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

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

Inflation	2.50%												
Salary increases	3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.												
Investment rate of return	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.												
Average of expected remaining service lives	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Fiscal year</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2016</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Service life in years</td> <td style="text-align: center;">3.56</td> <td style="text-align: center;">3.65</td> <td style="text-align: center;">3.77</td> <td style="text-align: center;">3.92</td> <td style="text-align: center;">3.88</td> </tr> </tbody> </table>	Fiscal year	2018	2017	2016	2015	2014	Service life in years	3.56	3.65	3.77	3.92	3.88
Fiscal year	2018	2017	2016	2015	2014								
Service life in years	3.56	3.65	3.77	3.92	3.88								
Mortality	<p><b>Healthy males:</b> Based on the RP-2000 Combined Healthy Mortality Table with White Collar adjustments, not set back. Generational mortality improvements with Scale BB from the table’s base year of 2000.</p> <p><b>Healthy females:</b> Based on GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with Scale BB from the table’s base year of 2012.</p> <p><b>Disabled males:</b> RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p><b>Disabled females:</b> RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p><b>Active members:</b> RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table’s base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>												
Retirement age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.												
Cost-of-living increases	1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.												
Payroll growth	3.00% per year (with no allowance for membership growth).												
Contribution accumulation	The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in the past as well as the future.												
Disability incidence	Approved rates are applied to eligible members with at least 10 years of service.												



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

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

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

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

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

**Discount rate.** A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This rate is .21% less than the 5.90% discount rate used for June 30, 2017.

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

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

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

**Sensitivity of the District’s and Charter’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.69%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.69%) or 1-percentage-point higher (6.69%) than the current rate.

	1 % Decrease 4.69%	Current Discount Rate 5.69%	1 % Increase 6.69%
District's proportionate share of the net pension liability	<u>\$406,209,923</u>	<u>\$312,561,256</u>	<u>\$236,149,789</u>
Charter's proportionate share of the net pension liability	<u>\$ 9,508,954</u>	<u>\$ 7,316,736</u>	<u>\$ 5,528,022</u>

**Pension Plan Fiduciary Net Position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for the years ended June 30, 2019 and 2018, which are publicly available at [www.nmerb.org](http://www.nmerb.org).

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

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

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

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

**Employees covered by benefit terms.** At June 30, 2018, the Fund’s measurement date, the following State of New Mexico employees were covered by the benefit terms:

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

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District were \$1,530,874 for the year ended June 30, 2019. Contributions to the Fund from the Charter were \$37,285 for the year ended June 30, 2019.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2019, the District reported a liability of \$74,247,724 for its proportionate share of the net OPEB liability. At June 30, 2019, the Charter reported a liability of \$1,718,035 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The District’s and Charter’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the District’s proportion was 1.70749%. The Charter’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the Charter’s proportion was 0.03951%.

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

For the year ended June 30, 2019, the District recognized OPEB income of \$433,155. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,395,941
Differences between actual and projected earnings on OPEB plan investments	-	926,584
Changes of assumptions	-	15,440,395
Contributions made after the measurement date	<u>1,530,874</u>	<u>-</u>
Total	<u>\$ 1,530,874</u>	<u>\$ 20,762,920</u>

For the year ended June 30, 2019, the Charter recognized OPEB income of \$17,845. At June 30, 2019, the Charter reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 101,719
Differences between actual and projected earnings on OPEB plan investments	-	21,440
Changes of assumptions	-	320,750
Contributions made after the measurement date	<u>37,285</u>	<u>-</u>
Total	<u>\$ 37,285</u>	<u>\$ 517,357</u>

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

Deferred outflows of resources totaling \$1,530,874 represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 5,208,768
2021	5,208,768
2022	4,098,658
2023	<u>1,037,958</u>
Total	<u>\$ 15,554,152</u>

Deferred outflows of resources totaling \$37,285 represent Charter contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 128,349
2021	128,349
2022	102,662
2023	<u>29,648</u>
Total	<u>\$ 389,008</u>

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

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

Valuation Date	June 30, 2018
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

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

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

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.7%
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%

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

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

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

1% Decrease <u>(2.81%)</u>	Current Discount <u>(3.81%)</u>	1% Increase <u>(4.81%)</u>
\$ 89,857,229	\$ 74,247,724	\$ 61,943,954

The following presents the net OPEB liability of the Charter, as well as what the Charter’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the **current discount rate**:

1% Decrease <u>(2.81%)</u>	Current Discount <u>(3.81%)</u>	1% Increase <u>(4.81%)</u>
\$ 2,079,227	\$ 1,718,035	\$ 1,433,335

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

1% Decrease <u></u>	Current Trend <u>Rates</u>	1% Increase <u></u>
\$ 62,765,358	\$ 74,247,724	\$ 83,250,157

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

1% Decrease <u></u>	Current Trend <u>Rates</u>	1% Increase <u></u>
\$ 1,452,342	\$ 1,718,035	\$ 1,926,344

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

***OPEB plan fiduciary net position.*** Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2019.

**NOTE 12. CONTINGENT LIABILITIES**

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

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



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**NOTE 13. JOINT POWERS AGREEMENTS**

<b>Participants:</b>	Santa Fe Public Schools, NM Health Services Dept.	Cooperative Educational Services	National Joint Powers Alliance	High Plain Regional Education Cooperative	US Communities	Buy Board Nat'l Purchasing Cooperative
<b>Responsible Party:</b>	SFPS and NMHSD	N/A	N/A	N/A	N/A	N/A
<b>Description:</b>	To improve the health and development outcomes of children and youth in New Mexico by providing quality health care and service through the program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements.	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement	Cooperative purchasing agreement
<b>Begin Date:</b>	5/9/2003	12/18/1984	11/4/2009	7/26/2007	9/23/2014	5/26/2010
<b>End Date:</b>	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely
<b>Total Estimated Amount of the Project and Portion Applicable to the District:</b>	Not to exceed \$500,000 each fiscal year	N/A	N/A	N/A	N/A	N/A
<b>Amount Contributed in Fiscal Year:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Audit Responsibility:</b>	SFPS	N/A	N/A	N/A	N/A	N/A
<b>Name of Govt Agency Report Rev &amp; Exp:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiscal Agent:</b>	N/A	N/A	N/A	N/A	N/A	N/A

**NOTE 14. DEFERRED COMPENSATION PLAN**

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

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**NOTE 15. TAX ABATEMENTS**

GASB Statement No. 77, Tax Abatement Disclosures, has been implemented by governmental entities for the fiscal year ended June 30, 2019. The District does not abate taxes and has not been materially impacted by any tax abatement agreements entered into by other governmental entities.

**NOTE 16. COMPONENT UNIT**

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

Academy for Technology & the Classics (ATC)

District management has determined that the charter school is a Component Unit under GASB Statement No. 61 since their operating budget and charter are presented and approved by the District's board and a financial burden exists upon closure of a school or when the school is in need of financial assistance. The charter school is considered a legally separate entity and has a separate board from the District board. The District does not appoint members of the charter school board. The New Mexico State Auditor has determined that a charter school is a major Component Unit of their respective Districts. Refer to previous footnotes for significant policies of the charter schools, as they are subject to the same State and Federal regulations and follow the same policies as the District. The following are summarized details of the charter school balances and transactions as of June 30, 2019 and for the year then ended:

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

**A. Cash and Temporary Investments**

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 16. COMPONENT UNIT (CONTINUED)**

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

	<u>Academy for Technology and the Classics</u>		
	<u>Enterprise</u>	<u>Charles</u>	
	<u>Bank and Trust</u>	<u>Schwab</u>	<u>Total</u>
Total amounts of deposit	\$ 1,454,231	\$ 2,513	\$ 1,456,744
FDIC coverage	<u>(250,000)</u>	<u>(2,513)</u>	<u>(252,513)</u>
<b>Total uninsured public funds</b>	<b><u>\$ 1,204,231</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,204,231</u></b>
Collateral requirement (50% of uninsured public funds)	\$ 602,116	\$ -	\$ 602,116
Pledged security	<u>1,092,246</u>	<u>-</u>	<u>1,092,246</u>
<b>Total under (over) collateralized</b>	<b><u>\$ (490,131)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (490,131)</u></b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, none of the Charter School's bank was exposed to custodial credit risk.

**B. Accounts Receivable**

As of June 30, 2019, the Charter had accounts receivable due from other governments in the amount of \$47,286 all in non-major funds.

**C. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
<b>Academy for Technology and the Classics</b>				
Construction in Progress	\$ -	\$ 149,118		<b>149,118</b>
Furniture, fixtures and equipment	219,335	-	-	<b>219,335</b>
Land and land improvements	537,007	-	-	<b>537,007</b>
Building and building improvements	5,818,482	-	-	<b>5,818,482</b>
Accumulated depreciation	<u>(1,704,865)</u>	<u>(188,612)</u>	<u>-</u>	<u><b>(1,893,477)</b></u>
<b>Capital assets, net</b>	<b><u>\$ 4,869,959</u></b>	<b><u>\$ (39,494)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,830,465</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 16. COMPONENT UNIT (CONTINUED)**

**C. Capital Assets (Continued)**

Depreciation expense for the year ended June 30, 2019 was charged to governmental activities as follows:

Charter	\$	41,986
Foundation		146,626
<b>Total</b>	<b>\$</b>	<b>188,612</b>

**D. Commitment and Liabilities**

*Academy for Technology & the Classics* – The Charter leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2019 was \$348,000. The Charter had a compensated absences balance of \$10,418 at the beginning of the fiscal year. Additions to the balance were \$0, which resulted in an ending balance of \$10,418. Of this balance, \$10,418 is considered to be current.

Five year Payout-For Footnote Disclosure for Rent Expense

2020	2021	2022	2023	2024
\$ 378,000	\$ 378,000	\$ 378,000	\$ 378,000	\$ 378,000

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

The long-term mortgage payable for ATC Foundation as of June 30, 2019 is as follows:

Los Alamos National Bank Mortgage; interest rate 4.25%; matures December 2041, secured by building	<u>\$3,585,648</u>
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**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019**

**NOTE 16. COMPONENT UNIT (CONTINUED)**

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

The requirements to amortize the mortgage note payable as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 149,030	\$ 216,351	\$ 365,381
2021	48,584	213,411	261,995
2022	51,709	210,318	262,027
2023	55,034	206,972	262,006
2024-2028	333,053	205,354	538,407
2029-2033	454,859	873,528	1,328,387
2034-2038	621,216	677,076	1,298,292
2039-2041	<u>1,872,163</u>	<u>351,394</u>	<u>2,223,557</u>
<b>Total</b>	<u>\$ 3,585,648</u>	<u>\$ 2,954,404</u>	<u>\$ 6,540,052</u>

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

During fiscal year 2019, RHC remitted by the School was \$37,283 in employer contributions as well as \$18,642 in employee contributions.

**F. Other Required Individual Fund Disclosures**

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

- A. Excess of expenditures over appropriations.
- B. Receivables and payables from interfund transactions as of June 30, 2019, with funds which interfund transactions.
- C. Deficit fund balance of individual funds.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

**NOTE 16. COMPONENT UNIT (CONTINUED)**

**F. Other Required Individual Fund Disclosures (Continued)**

*Academy for Technology & the Classics:*

A. Excess of expenditures over budgeted appropriations:

IDEA-B Entitlement (Fund 24106)		
Instruction	\$	9,580

B. Receivables and payables from interfund transactions as of June 30, 2019 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented:

	Due To Other Funds	Due From Other Funds
General (Fund 11000)	\$ 47,282	\$ -
IDEA-B Entitlement (Fund 24106)	-	35,726
Teacher/Principal Training & Recruiting (Fund 24154)	-	11,556
<b>Total</b>	<u>\$ 47,282</u>	<u>\$ 47,282</u>

C. There are no funds reporting a deficit fund balance at June 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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

Fiscal Year Measurement Date	<b>2019</b> <b>2018</b>	2018 2017	2017 2016	2016 2015	2015 2014
District's proportion of the net pension liability	<b>2.62848%</b>	2.62437%	2.68673%	2.63247%	2.49363%
District's proportionate share of the net pension liability	<b>\$ 312,561,256</b>	\$ 291,658,526	\$ 193,348,739	\$ 170,512,077	\$ 142,279,821
District's covered employee payroll	<b>\$ 77,096,798</b>	\$ 73,444,754	\$ 74,686,466	\$ 71,874,864	\$ 68,733,558
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>405%</b>	397%	259%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>52.17%</b>	52.95%	61.58%	63.97%	66.54%

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



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

	June 30,				
	2019	2018	2017	2016	2015
Contractually required contributions	<b>\$10,720,340</b>	\$ 10,209,684	\$ 10,381,419	\$ 10,655,553	\$ 10,401,683
Contributions in relation to contractually required contributions	<b><u>\$10,720,340</u></b>	<u>\$ 10,209,684</u>	<u>\$ 10,381,419</u>	<u>\$ 10,655,553</u>	<u>\$ 10,401,683</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	<b>\$77,096,798</b>	\$ 73,444,754	\$ 74,686,466	\$ 71,874,864	\$ 68,733,558
Contributions as a percentage of covered employee payroll	<b>13.91%</b>	13.90%	13.90%	14.83%	14.47%

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

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

	Fiscal Year Measurement Date	<b>2019 2018</b>	2018 2017
		<u>          </u>	<u>          </u>
District's proportion of the net OPEB liability		<b>1.70749%</b>	1.74188%
District's proportionate share of the net OPEB liability		<b>\$ 74,247,724</b>	\$ 78,936,306
District's covered-employee payroll		<b>\$ 73,261,852</b>	\$ 72,560,578
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		<b>101.35%</b>	108.79%
RHCA Plan fiduciary net position as a percentage of the total pension liability		<b>13.14%</b>	11.34%

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

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

	June 30,	
	<b>2019</b>	2018
Contractually required contribution	\$ <b>2,668,239</b>	\$ 5,531,287
Contributions in relation to the contractually required	\$ <b><u>2,635,660</u></b>	\$ <u>2,776,090</u>
District's proportion of the net OPEB liability	\$ <b><u>32,579</u></b>	\$ <u>2,755,197</u>
Employer's covered-employee payroll	\$ <b>73,261,852</b>	\$ 72,560,578
Contributions as a percentage of covered-employee payroll	<b>3.60%</b>	3.83%

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2019**

**ERB PLAN**

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

***Changes in assumptions and methods.*** There were no modifications to the actuarial assumptions and methods reflected in the actuarial valuation at June 30, 2018.

**RHCA Plan**

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

***Changes in assumptions and methods.*** The actuary removed 4,010 members that were deemed participants of non-participating employers. There were no other modifications to the assumptions and methods that were reflected in the actuarial valuation at June 30, 2018.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 4,106,180	\$ 5,583,869	\$ 121	\$ 9,690,170
Investments	-	-	11,051,000	11,051,000
Receivables				
Taxes	-	675,186	500,217	1,175,403
Due from other governments	4,926,023	403,843	-	5,329,866
Interfund receivables	51,727	-	-	51,727
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current assets</b>	<b><u>\$ 9,083,930</u></b>	<b><u>\$ 6,662,898</u></b>	<b><u>\$ 11,551,338</u></b>	<b><u>\$ 27,298,166</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 26,863	\$ 727,683	\$ -	\$ 754,546
Cash overdraft	-	-	-	-
Due to government	-	-	-	-
Accrued payroll liabilities	640,333	-	-	640,333
Interfund payables	3,728,179	535,306	-	4,263,485
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current liabilities</b>	<b><u>4,395,375</u></b>	<b><u>1,262,989</u></b>	<b><u>-</u></b>	<b><u>5,658,364</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	448,096	331,975	780,071
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	4,688,555	4,951,813	11,219,363	20,859,731
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<b><u>4,688,555</u></b>	<b><u>4,951,813</u></b>	<b><u>11,219,363</u></b>	<b><u>20,859,731</u></b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 9,083,930</u></b>	<b><u>\$ 6,662,898</u></b>	<b><u>\$ 11,551,338</u></b>	<b><u>\$ 27,298,166</u></b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 11,602,680	\$ 9,951,442	\$ 21,554,122
State grants	4,013,697	467,601	-	4,481,298
Federal grants	13,458,175	-	-	13,458,175
Charges for services	647,304	-	-	647,304
Miscellaneous	547,507	-	-	547,507
Interest	408	75,649	139,811	215,868
<b>Total revenues</b>	<u>18,667,091</u>	<u>12,145,930</u>	<u>10,091,253</u>	<u>40,904,274</u>
<b>EXPENDITURES</b>				
Current				
Instruction	6,119,327	-	-	6,119,327
Support services				
Students	3,874,082	-	-	3,874,082
Instruction	1,033,903	-	-	1,033,903
General administration	287,529	116,345	99,970	503,844
School administration	287,219	-	-	287,219
Central services	256,608	-	-	256,608
Operation & maintenance of plant	16,914	-	-	16,914
Student transportation	68,348	-	-	68,348
Other support services	-	-	-	-
Food services operations	5,823,476	-	-	5,823,476
Community service	-	-	-	-
Capital outlay	121,745	6,809,495	-	6,931,240
Debt service				
Principal	-	-	8,999,203	8,999,203
Interest	-	-	864,152	864,152
<b>Total expenditures</b>	<u>17,889,151</u>	<u>6,925,840</u>	<u>9,963,325</u>	<u>34,778,316</u>
<b>Excess of revenues over expenditures</b>	<u>777,940</u>	<u>5,220,090</u>	<u>127,928</u>	<u>6,125,958</u>
<b>Other financing sources</b>				
Operating transfers	5,050	-	-	5,050
Proceeds from loans and bonds	130,296	-	-	130,296
Bond issuance premiums	-	-	646,987	646,987
<b>Total other financing sources</b>	<u>135,346</u>	<u>-</u>	<u>646,987</u>	<u>782,333</u>
<b>Net changes in fund balances</b>	913,286	5,220,090	774,915	6,908,291
Fund balances, beginning of year	<u>3,775,269</u>	<u>(268,277)</u>	<u>10,444,448</u>	<u>13,951,440</u>
<b>Fund balances, end of year</b>	<u>\$ 4,688,555</u>	<u>\$ 4,951,813</u>	<u>\$ 11,219,363</u>	<u>\$ 20,859,731</u>

See Accompanying Notes.

**NONMAJOR SPECIAL REVENUE FUNDS**



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019**

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

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

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

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

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

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

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

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

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

**English Language Acquisition (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

**Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

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

**Title I School Improvement (24162)** – (same as 24101) - To provide supplemental educational opportunity for academically disadvantaged children in the area residing. Campuses are identified for program participation by the percentage of students on free or reduced-price lunches. Any school with a free and reduced-price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Carl D. Perkins Special Projects – Current (24171)** - The objective of this grant is to provide secondary and postsecondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

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

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

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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JUNE 30, 2019**

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

**ASSIST Tobacco DOH (28122)** – To account for monies received from the State of New Mexico to be used for the implementation of prevention and intervention programs for student use of tobacco, including professional development for teachers.

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

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

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

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

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

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

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

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

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

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

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NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019**

	Food Services 21000	Athletics 22000	IDEA-B Entitlement 24106	NM Autism Project 24108
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,877,766	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	542,781	-	1,625,857	6,956
Interfund receivables	33,722	14,114	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 2,454,269</u>	<u>\$ 14,114</u>	<u>\$ 1,625,857</u>	<u>\$ 6,956</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 13,058	\$ 1,159	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	292,482	-	60,435	-
Interfund payables	7,137	12,955	1,565,422	6,956
	<u>312,677</u>	<u>14,114</u>	<u>1,625,857</u>	<u>6,956</u>
<b>Total current liabilities</b>	<u>312,677</u>	<u>14,114</u>	<u>1,625,857</u>	<u>6,956</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	2,141,592	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>2,141,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,454,269</u>	<u>\$ 14,114</u>	<u>\$ 1,625,857</u>	<u>\$ 6,956</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
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COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	IDEA-B Preschool 24109	Education of Homeless 24113	IDEA-B Private School 24115	21st Century Community Learning Centers 24119
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	15,147	31,718	493,511
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 15,147</u>	<u>\$ 31,718</u>	<u>\$ 493,511</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	841	-	-
Interfund payables	-	14,306	31,718	493,511
	<u>-</u>	<u>14,306</u>	<u>31,718</u>	<u>493,511</u>
<b>Total current liabilities</b>	<u>-</u>	<u>15,147</u>	<u>31,718</u>	<u>493,511</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 15,147</u>	<u>\$ 31,718</u>	<u>\$ 493,511</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
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NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	IDEA-B Results Plan 24132	Enhancing Education thru Technology 24149	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	53,457	-	28,135	125,917
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 53,457</u>	<u>\$ -</u>	<u>\$ 28,135</u>	<u>\$ 125,917</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	3,679	3,776
Interfund payables	53,457	-	24,456	122,141
<b>Total current liabilities</b>	<u>53,457</u>	<u>-</u>	<u>28,135</u>	<u>125,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 53,457</u>	<u>\$ -</u>	<u>\$ 28,135</u>	<u>\$ 125,917</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
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NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Title I School Improvement 24162	Carl D. Perkins Special Projects 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	-	143,468	2,402
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,468</u>	<u>\$ 2,402</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	143,468	2,402
	<u>-</u>	<u>-</u>	<u>143,468</u>	<u>2,402</u>
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>143,468</u>	<u>2,402</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,468</u>	<u>\$ 2,402</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
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NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	USHHS/CDC School Health 24186	Title I Student Support and Academic Enrichment 24189	Title I Comprehensive Support & Improvement 24190	Title I Direct Student Services 24193
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	75,912	23,044	23,630
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 75,912</u>	<u>\$ 23,044</u>	<u>\$ 23,630</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	5,497	-	-
Interfund payables	-	70,415	23,044	23,630
<b>Total current liabilities</b>	<u>-</u>	<u>75,912</u>	<u>23,044</u>	<u>23,630</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 75,912</u>	<u>\$ 23,044</u>	<u>\$ 23,630</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Johnson O'Malley 25131	Title XIX Medicaid 3/21 Years 25153	Santa Fe Underage Drinking Alliance 25181	Indian Education Formula Grant 25184
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ 1,247,715	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	22,726	315,804	32,265	26,986
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 22,726</u>	<u>\$ 1,563,519</u>	<u>\$ 32,265</u>	<u>\$ 26,986</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ 4,145	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	54,817	-	2,238
Interfund payables	22,726	-	32,265	24,748
<b>Total current liabilities</b>	<u>22,726</u>	<u>58,962</u>	<u>32,265</u>	<u>26,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	1,504,557	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>1,504,557</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 22,726</u>	<u>\$ 1,563,519</u>	<u>\$ 32,265</u>	<u>\$ 26,986</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	ROTC 25200	GEAR UP 25205	Safe Drug Free School Comm 25243	LANL Foundation 26113
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 30,283	\$ -	\$ 143	\$ 657,830
Receivables				
Taxes	-	-	-	-
Due from other governments	-	48,525	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 30,283</u>	<u>\$ 48,525</u>	<u>\$ 143</u>	<u>\$ 657,830</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	6,542	-	-
Interfund payables	-	41,983	-	-
<b>Total current liabilities</b>	<u>-</u>	<u>48,525</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	30,283	-	143	657,830
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>30,283</u>	<u>-</u>	<u>143</u>	<u>657,830</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 30,283</u>	<u>\$ 48,525</u>	<u>\$ 143</u>	<u>\$ 657,830</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	PNM Foundation, Inc. 26123	Dual Credit Instructional Materials/HB2 27103	2012 GO Bonds Student Library SB-66 27107	Reads to Lead K-3 27114
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 10,000	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	6,062	5,825	47,324
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 10,000</u>	<u>\$ 6,062</u>	<u>\$ 5,825</u>	<u>\$ 47,324</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	5,555
Interfund payables	-	6,062	5,825	41,769
	<u>-</u>	<u>6,062</u>	<u>5,825</u>	<u>47,324</u>
<b>Total current liabilities</b>	<u>-</u>	<u>6,062</u>	<u>5,825</u>	<u>47,324</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	10,000	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 10,000</u>	<u>\$ 6,062</u>	<u>\$ 5,825</u>	<u>\$ 47,324</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Excellence In Teaching Awards 27125	Truancy Initiative PED 27141	Pre K Initiative 27149	Indian Educational Act 27150
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	-	55,888	574,242	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 55,888</u>	<u>\$ 574,242</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	13,115	176,665	-
Interfund payables	-	42,773	397,577	-
	<u>-</u>	<u>55,888</u>	<u>574,242</u>	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>	<u>55,888</u>	<u>574,242</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 55,888</u>	<u>\$ 574,242</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Breakfast for Elementary Students 27155	Legislative Appropriations Math Grant 27165	Kindergarten - Three Plus 27166	School Bus Replacement 27178
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	827	-	304,629	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>827</u>	<u>-</u>	<u>304,629</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 304,629</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	827	-	304,629	-
	<u>827</u>	<u>-</u>	<u>304,629</u>	<u>-</u>
<b>Total current liabilities</b>	<u>827</u>	<u>-</u>	<u>304,629</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 304,629</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	NM Grown FVV 27183	Teacher and Leader Incentive Pay Program 27188	K3 Plus 4&5 Pilot 27198	ASSIST Tobacco DOH 28122
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 84,929
Receivables				
Taxes	-	-	-	-
Due from other governments	754	-	160,448	3,750
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 754</u>	<u>\$ -</u>	<u>\$ 160,448</u>	<u>\$ 88,679</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 8,501	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	754	-	151,947	-
<b>Total current liabilities</b>	<u>754</u>	<u>-</u>	<u>160,448</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	88,679
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,679</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 754</u>	<u>\$ -</u>	<u>\$ 160,448</u>	<u>\$ 88,679</u>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Substance Abuse Ed/Prev DOH 28142	GRADS - Child Care 28189	GRADS - Instruction 28190	State Underage Drinking Prevention DOT 28196
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 7,823	\$ 7	\$ -	\$ 3,875
Receivables				
Taxes	-	-	-	-
Due from other governments	20,127	-	4,090	-
Interfund receivables	-	-	3,891	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u>\$ 27,950</u>	<u>\$ 7</u>	<u>\$ 7,981</u>	<u>\$ 3,875</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	3,891	-
	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>-</u>
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	27,950	7	4,090	3,875
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>27,950</u>	<u>7</u>	<u>4,090</u>	<u>3,875</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 27,950</u>	<u>\$ 7</u>	<u>\$ 7,981</u>	<u>\$ 3,875</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	Energy Minerals and Nat Resources Grant 28197	GRADS Plus 28203	Private Dir Grants (Categorical) 29102	Teen Pregnancy 29103
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 143,554	\$ -
Receivables				
Taxes	-	-	-	-
Due from other governments	22,831	19,779	-	-
Interfund receivables	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
<b>Total current assets</b>	<b>\$ 22,831</b>	<b>\$ 19,779</b>	<b>\$ 143,554</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to government	-	-	-	-
Accrued payroll liabilities	-	2,315	813	-
Interfund payables	14,280	11,433	-	-
	14,280	13,748	813	-
<b>Total current liabilities</b>	<b>14,280</b>	<b>13,748</b>	<b>813</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	-
	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	8,551	6,031	142,741	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	8,551	6,031	142,741	-
<b>Total fund balances</b>	<b>8,551</b>	<b>6,031</b>	<b>142,741</b>	<b>-</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 22,831</b>	<b>\$ 19,779</b>	<b>\$ 143,554</b>	<b>\$ -</b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2019**

	City/County Grants 29107	McCune Charitable Foundation 29114	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ -	\$ 42,255	\$ 4,106,180
Receivables			-
Taxes	-	-	-
Due from other governments	61,206	-	4,926,023
Interfund receivables	-	-	51,727
Other receivables	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current assets</b>	<u>\$ 61,206</u>	<u>\$ 42,255</u>	<u>\$ 9,083,930</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 26,863
Due to government	-	-	-
Accrued payroll liabilities	8,031	3,532	640,333
Interfund payables	29,672	-	3,728,179
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current liabilities</b>	<u>37,703</u>	<u>3,532</u>	<u>4,395,375</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	23,503	38,723	4,688,555
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>23,503</u>	<u>38,723</u>	<u>4,688,555</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 61,206</u>	<u>\$ 42,255</u>	<u>\$ 9,083,930</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Food Services 21000	Athletics 22000	IDEA-B Entitlement 24106	NM Autism Project 24108	IDEA-B Preschool 24109	Education of Homeless 24113
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	455	-	-	-	-	-
Federal grants	5,526,390	-	2,685,845	6,956	21,962	57,919
Charges for services	494,348	152,956	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	408	-	-	-	-	-
<b>Total revenues</b>	<u>6,021,601</u>	<u>152,956</u>	<u>2,685,845</u>	<u>6,956</u>	<u>21,962</u>	<u>57,919</u>
<b>EXPENDITURES</b>						
Current						
Instruction	-	180,150	541,350	6,956	-	888
Support services						
Students	-	-	1,963,599	-	-	-
Instruction	-	-	-	-	-	57,031
General administration	-	-	48,009	-	393	-
School administration	-	-	-	-	21,569	-
Central services	-	-	132,887	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	5,777,752	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>5,777,752</u>	<u>180,150</u>	<u>2,685,845</u>	<u>6,956</u>	<u>21,962</u>	<u>57,919</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>243,849</u>	<u>(27,194)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	1,159	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>1,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	243,849	(26,035)	-	-	-	-
Fund balances, beginning of year	<u>1,897,743</u>	<u>26,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,141,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	IDEA-B Private School 24115	21st Century Community Learning Centers 24119	IDEA-B Results Plan 24132	Enhancing Education thru Technology 24149	English Language Acquisition 24153
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	31,719	1,065,143	92,110	-	237,930
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total revenues</b>	<u>31,719</u>	<u>1,065,143</u>	<u>92,110</u>	<u>-</u>	<u>237,930</u>
<b>EXPENDITURES</b>					
Current					
Instruction	-	823,793	92,110	-	121,139
Support services					
Students	31,719	64,707	-	-	-
Instruction	-	-	-	-	105,816
General administration	-	51,539	-	-	4,253
School administration	-	111,104	-	-	6,722
Central services	-	14,000	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<u>31,719</u>	<u>1,065,143</u>	<u>92,110</u>	<u>-</u>	<u>237,930</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>					
Operating transfers	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Teacher/Principal Training & Recruiting 24154	Title I School Improvement 24162	Carl D. Perkins Special Projects 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176	USHHS/CDC School Health 24186
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-
Federal grants	481,093	84,520	-	145,586	17,029	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<u>481,093</u>	<u>84,520</u>	<u>-</u>	<u>145,586</u>	<u>17,029</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current						
Instruction	280,560	84,520	-	144,219	16,878	-
Support services						
Students	-	-	-	-	-	-
Instruction	180,378	-	-	-	-	-
General administration	8,599	-	-	1,367	151	-
School administration	-	-	-	-	-	-
Central services	11,556	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>481,093</u>	<u>84,520</u>	<u>-</u>	<u>145,586</u>	<u>17,029</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Title I Student Support and Academic Enrichment 24189	Title I Comprehensive Support & Improvement 24190	Title I Direct Student Services 24193	Johnson O'Malley 25131	Title XIX Medicaid 3/21 Years 25153	Santa Fe Underage Drinking Alliance 25181
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-
Federal grants	144,978	165,980	179,911	27,691	1,949,465	116,221
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<u>144,978</u>	<u>165,980</u>	<u>179,911</u>	<u>27,691</u>	<u>1,949,465</u>	<u>116,221</u>
<b>EXPENDITURES</b>						
Current						
Instruction	56,693	164,674	162,711	21,399	-	-
Support services						
Students	85,694	671	-	-	972,405	114,162
Instruction	-	-	-	5,797	175,430	-
General administration	2,591	635	3,216	495	125,299	2,059
School administration	-	-	13,984	-	-	-
Central services	-	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>144,978</u>	<u>165,980</u>	<u>179,911</u>	<u>27,691</u>	<u>1,273,134</u>	<u>116,221</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,331</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,331</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,226</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,504,557</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Indian Education Formula Grant 25184	ROTC 25200	GEAR UP 25205	Safe Drug Free School Comm 25243	LANL Foundation 26113	PNM Foundation, Inc. 26123
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-
Federal grants	81,153	100,733	237,841	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<u>81,153</u>	<u>100,733</u>	<u>237,841</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current						
Instruction	19,422	89,646	118,211	-	43,835	-
Support services						
Students	-	-	1,877	-	-	-
Instruction	60,280	-	113,535	-	-	-
General administration	1,451	-	4,218	-	-	-
School administration	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>81,153</u>	<u>89,646</u>	<u>237,841</u>	<u>-</u>	<u>43,835</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>11,087</u>	<u>-</u>	<u>-</u>	<u>(43,835)</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>11,087</u>	<u>-</u>	<u>-</u>	<u>(43,835)</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>19,196</u>	<u>-</u>	<u>143</u>	<u>701,665</u>	<u>10,000</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 30,283</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 657,830</u>	<u>\$ 10,000</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Dual Credit Instructional Materials/HB2 27103	2012 GO Bonds - Student Library SB-66 27107	Reads to Lead K-3 27114	Excellence In Teaching Awards 27125	Truancy Initiative PED 27141	Pre K Initiative 27149
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	19,881	5,825	134,340	214,917	168,016	2,074,031
Federal grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<b>19,881</b>	<b>5,825</b>	<b>134,340</b>	<b>214,917</b>	<b>168,016</b>	<b>2,074,031</b>
<b>EXPENDITURES</b>						
Current						
Instruction	19,881	-	131,939	204,152	-	1,803,294
Support services						
Students	-	-	-	-	168,016	-
Instruction	-	5,825	-	-	-	202,707
General administration	-	-	2,401	-	-	19,912
School administration	-	-	-	-	-	-
Central services	-	-	-	10,765	-	-
Operation & maintenance of plant	-	-	-	-	-	15,440
Student transportation	-	-	-	-	-	32,678
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>19,881</b>	<b>5,825</b>	<b>134,340</b>	<b>214,917</b>	<b>168,016</b>	<b>2,074,031</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Indian Educational Act 27150	Breakfast for Elementary Students 27155	Legislative Appropriations Math Grant 27165	Kindergarten - Three Plus 27166	School Bus Replacement 27178	NM Grown FVV 27183
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	23,974	-	861,522	-	21,750
Federal grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>23,974</u>	<u>-</u>	<u>861,522</u>	<u>-</u>	<u>21,750</u>
<b>EXPENDITURES</b>						
Current						
Instruction	-	-	-	715,814	-	-
Support services	-	-	-	-	-	-
Students	-	-	-	9,734	-	-
Instruction	-	-	-	-	-	-
General administration	-	-	-	-	-	-
School administration	-	-	-	105,230	-	-
Central services	-	-	-	-	-	-
Operation & maintenance of plant	-	-	-	1,474	-	-
Student transportation	-	-	-	29,270	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	23,974	-	-	-	21,750
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>23,974</u>	<u>-</u>	<u>861,522</u>	<u>-</u>	<u>21,750</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Teacher and Leader Incentive Pay Program 27188	K3 Plus 4&5 Pilot 27198	ASSIST Tobacco DOH 28122	Substance Abuse Ed/Prev DOH 28142	GRADS - Child Care 28189	GRADS - Instruction 28190
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	160,448	38,750	225,840	-	7,864
Federal grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>160,448</u>	<u>38,750</u>	<u>225,840</u>	<u>-</u>	<u>7,864</u>
<b>EXPENDITURES</b>						
Current						
Instruction	-	121,106	-	-	-	-
Support services						
Students	-	4,332	30,720	220,044	-	7,864
Instruction	-	-	-	-	-	-
General administration	-	-	618	4,008	-	-
School administration	-	28,610	-	-	-	-
Central services	-	-	3,230	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	6,400	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>160,448</u>	<u>34,568</u>	<u>224,052</u>	<u>-</u>	<u>7,864</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>4,182</u>	<u>1,788</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	3,891
Proceeds from loans and bonds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,891</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>4,182</u>	<u>1,788</u>	<u>-</u>	<u>3,891</u>
Fund balances, beginning of year	-	-	84,497	26,162	7	199
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,679</u>	<u>\$ 27,950</u>	<u>\$ 7</u>	<u>\$ 4,090</u>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	State Underage Drinking Prevention DOT 28196	Energy Minerals and Nat Resources Grant 28197	GRADS Plus 28203	Private Dir Grants (Categorical) 29102	Teen Pregnancy 29103	City/County Grants 29107
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	3,875	-	52,209	-	-	-
Federal grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	179,800	-	284,880
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,875</b>	<b>-</b>	<b>52,209</b>	<b>179,800</b>	<b>-</b>	<b>284,880</b>
<b>EXPENDITURES</b>						
Current						
Instruction	-	-	41,131	80,472	-	32,384
Support services						
Students	-	-	11,078	-	-	187,460
Instruction	-	-	-	20,095	-	107,009
General administration	-	-	-	366	-	5,949
School administration	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Capital outlay	-	121,745	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>121,745</b>	<b>52,209</b>	<b>100,933</b>	<b>-</b>	<b>332,802</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,875</b>	<b>(121,745)</b>	<b>-</b>	<b>78,867</b>	<b>-</b>	<b>(47,922)</b>
<b>Other financing sources</b>						
Operating transfers	-	-	-	-	-	-
Proceeds from loans and bonds	-	130,296	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>130,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>3,875</b>	<b>8,551</b>	<b>-</b>	<b>78,867</b>	<b>-</b>	<b>(47,922)</b>
Fund balances, beginning of year	-	-	6,031	63,874	-	71,425
<b>Fund balances, end of year</b>	<b>\$ 3,875</b>	<b>\$ 8,551</b>	<b>\$ 6,031</b>	<b>\$ 142,741</b>	<b>\$ -</b>	<b>\$ 23,503</b>

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	McCune Charitable Foundation 29114	Total
<b>REVENUES</b>		
Property taxes	\$ -	\$ -
State grants	-	4,013,697
Federal grants	-	13,458,175
Charges for services	-	647,304
Miscellaneous	82,827	547,507
Interest	-	408
<b>Total revenues</b>	<u>82,827</u>	<u>18,667,091</u>
<b>EXPENDITURES</b>		
Current		
Instruction	-	6,119,327
Support services		
Students	-	3,874,082
Instruction	-	1,033,903
General administration	-	287,529
School administration	-	287,219
Central services	84,170	256,608
Operation & maintenance of plant	-	16,914
Student transportation	-	68,348
Other support services	-	-
Food services operations	-	5,823,476
Community service	-	-
Capital outlay	-	121,745
Debt service		
Principal	-	-
Interest	-	-
<b>Total expenditures</b>	<u>84,170</u>	<u>17,889,151</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,343)</u>	<u>777,940</u>
<b>Other financing sources</b>		
Operating transfers	-	5,050
Proceeds from loans and bonds	-	130,296
<b>Total other financing sources</b>	<u>-</u>	<u>135,346</u>
<b>Net changes in fund balances</b>	(1,343)	913,286
Fund balances, beginning of year	<u>40,066</u>	<u>3,775,269</u>
<b>Fund balances, end of year</b>	<u>\$ 38,723</u>	<u>\$ 4,688,555</u>

See Accompanying Notes.

**NONMAJOR CAPITAL PROJECTS FUNDS**

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

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

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

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Special Capital Outlay State 31400	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local 31701	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 5,583,869	\$ 5,583,869
Investments	-	-	-	-
Accounts receivable				
Taxes	-	-	675,186	675,186
Due from other governments	403,843	-	-	403,843
Interfund receivables	-	-	-	-
Other	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
<b>Total current assets</b>	<u>\$ 403,843</u>	<u>\$ -</u>	<u>\$ 6,259,055</u>	<u>\$ 6,662,898</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 727,683	\$ 727,683
Due to government	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	446,843	88,463	-	535,306
<b>Total current liabilities</b>	<u>446,843</u>	<u>88,463</u>	<u>727,683</u>	<u>1,262,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	448,096	448,096
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	(43,000)	(88,463)	5,083,276	4,951,813
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>(43,000)</u>	<u>(88,463)</u>	<u>5,083,276</u>	<u>4,951,813</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 403,843</u>	<u>\$ -</u>	<u>\$ 6,259,055</u>	<u>\$ 6,662,898</u>

See Accompanying Notes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Capital Outlay State 31400	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local 31701	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 11,602,680	\$ 11,602,680
State grants	318,206	277	149,118	467,601
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	75,649	75,649
<b>Total revenues</b>	<u>318,206</u>	<u>277</u>	<u>11,827,447</u>	<u>12,145,930</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	116,345	116,345
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	361,206	43,209	6,405,080	6,809,495
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>361,206</u>	<u>43,209</u>	<u>6,521,425</u>	<u>6,925,840</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(43,000)</u>	<u>(42,932)</u>	<u>5,306,022</u>	<u>5,220,090</u>
<b>Other financing sources</b>				
Proceeds from loans and bonds	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(43,000)	(42,932)	5,306,022	5,220,090
Fund balances, beginning of year	-	(45,531)	(222,746)	(268,277)
<b>Fund balances, end of year</b>	<u>\$ (43,000)</u>	<u>\$ (88,463)</u>	<u>\$ 5,083,276</u>	<u>\$ 4,951,813</u>

See Accompanying Notes.

**NONMAJOR DEBT SERVICE FUND**

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
DEBT SERVICE FUND  
JUNE 30, 2019

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

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET -  
NON-MAJOR DEBT SERVICE FUND  
JUNE 30, 2019

	Education Technology Debt <u>43000</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 121
Investments	11,051,000
Accounts receivable	
Taxes	500,217
Due from other governments	-
Interfund receivables	-
Other	-
Inventory	-
	<u>                    </u>
<b>Total current assets</b>	<u><u>\$ 11,551,338</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	\$ -
Cash overdraft	-
Due to government	-
Accrued expenses	-
Accrued compensated absences	-
Interfund payables	-
	<u>                    </u>
<b>Total current liabilities</b>	<u>                    </u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes	<u>331,975</u>
 <b>FUND BALANCES</b>	
Nonspendable	-
Restricted for debt service	11,219,363
Unassigned	-
	<u>                    </u>
<b>Total fund balances</b>	<u>11,219,363</u>
 <b>Total liabilities, deferred inflows and fund balances</b>	 <u><u>\$ 11,551,338</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
NONMAJOR DEBT SERVICE FUND  
FOR THE YEAR ENDING JUNE 30, 2019**

	Education Technology Debt <u>43000</u>
<b>REVENUES</b>	
Property taxes	\$ 9,951,442
State grants	-
Federal grants	-
Miscellaneous	-
Interest	<u>139,811</u>
<b>Total revenues</b>	<u>10,091,253</u>
<b>EXPENDITURES</b>	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	99,970
School administration	-
Cenertal services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community service	-
Facilities, materials, supplies, and other	-
Capital outlay	-
Debt service	
Principal	8,999,203
Interest	<u>864,152</u>
<b>Total expenditures</b>	<u>9,963,325</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>127,928</u>
<b>Other financing sources</b>	
Operating transfers in	-
Operating transfers out	-
Bond issuance premiums	<u>646,987</u>
<b>Total other financing sources</b>	<u>646,987</u>
<b>Net changes in fund balances</b>	774,915
Fund balances- beginning of year	<u>10,444,448</u>
<b>Fund balances - end of year</b>	<u>\$ 11,219,363</u>

See Accompanying Notes.

**OTHER SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Deletions	Adjustments / Transfers	Balance June 30, 2019
Academy	\$ 5,374	\$ 6,063	\$ 6,490	\$ -	\$ 4,948
Acequia Madre	(1,713)	3,216	200	-	1,303
Administrative	210,631	125,895	89,043	-	247,483
Administrative - HSP	133	107	-	-	240
Amy Biehl	5,860	6,474	4,704	-	7,630
Aspen	5,192	3,007	3,281	-	4,919
Atalaya	33,335	39,828	46,281	-	26,882
BF Young Coke Funding	2,671	-	104	-	2,567
Capital High	143,941	210,254	225,270	(2,085)	126,840
Carlos Gilbert	20,996	86,746	70,047	-	37,695
Cesar Chavez	19,167	24,688	21,239	-	22,616
Chaparral	19,873	5,043	9,284	-	15,633
District	783	-	471	-	312
Early College Opportunities	6,036	7,827	22,866	-	(9,003)
EJ Martinez	6,971	414	1,037	-	6,348
El Camino (was Agua Fria)	20,342	72,241	80,780	-	11,804
El Dorado	159,975	117,966	101,024	-	176,916
Gonzales	8,145	6,262	5,790	-	8,617
Human Resources Fingerprinting	1,531	320	1,407	-	444
Kearny	58,503	76,889	71,506	-	63,886
Milagro	23,630	28,974	25,073	-	27,531
Music Sunshine Club	1,802	452	515	-	1,739
Nava	13,363	5,496	5,881	-	12,978
Nelson Mandela	5,872	2,224	6,232	-	1,865
Nino Otero	9,426	36,350	36,060	-	9,717
NYE	16,039	5,948	13,725	-	8,263
Ortiz	8,818	11,608	10,409	-	10,017
Pinon	7,488	14,302	6,282	(500)	15,008
Ramirez Thomas	3,904	5,070	5,087	-	3,887
Salazar	7,812	19	6,028	-	1,802
Santa Fe High	231,054	256,851	264,464	891	224,332
Student Nutrition	437	9,032	323	-	9,146
Student Wellness	35,204	132,210	116,979	-	50,435
Students Assistance	-	-	-	-	-
Summer School	19,812	17,550	19,219	-	18,142
Superintendent	19	10,046	88,698	-	(78,633)
Sweeney	50,789	45,385	39,693	-	56,481
Tech Coke Funding	1,399	22	197	-	1,224
Tesuque	11,774	11,258	13,428	-	9,604
Transportation	11,746	438,131	446,667	(79,218)	(76,008)
Truancy	1,138	1,970	-	-	3,108
Wood Gormley	19,118	141,784	145,794	-	15,108
Zia	548	-	-	-	548
	<b>1,208,940</b>	<b>\$ 1,967,921</b>	<b>\$ 2,011,578</b>	<b>\$ (80,912)</b>	<b>1,084,371</b>
Held checks	<b>13,977</b>				<b>17,475</b>
Total cash and investments	<b>1,222,917</b>				<b>1,101,846</b>
Due from governmental funds	-				<b>78,841</b>
<b>Total assets</b>	<b>\$ 1,222,917</b>				<b>\$ 1,180,687</b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY  
FOR PUBLIC FUNDS  
JUNE 30, 2019**

Name of Depository	Description of Pledged Collateral	Type	Maturity	CUSIP Number	Face Value or Fair Market Value
<b><u>First National Bank of Santa Fe</u></b>					
First National Bank of Denver	FNMA FNRM	Bond	2/25/2026	3136ALBY6	2,560,634
First National Bank of Denver	FNMA FNRM	Bond	8/25/2030	3136AP2V3	2,383,254
First National Bank of Denver	FNMA FNRM	Bond	8/25/2046	3136AYC27	4,337,115
First National Bank of Denver	FNMA FNRM	Bond	11/15/2043	3137F5KP3	4,400,683
First National Bank of Denver	FNMA FNRM	Bond	4/15/2044	3137FAB56	4,275,809
First National Bank of Denver	FNMA FNRM	Bond	3/15/2044	3137FACG1	2,573,635
First National Bank of Denver	FNMA FNRM	Bond	12/15/2044	3137FGY7	5,007,308
First National Bank of Denver	FNMA FNRM	Bond	3/15/2040	3137FGNE1	4,185,777
First National Bank of Denver	GNMA GNRM	Bond	4/20/2047	38380GGK4	<u>4,071,564</u>
<b>Total First National Bank of Santa Fe</b>					<b>\$ <u>33,795,779</u></b>
<b><u>Wells Fargo Bank</u></b>					
Bank of New York Mellon	FNMA	Bond	7/1/2031	3140EXJ61	<u>\$ 56,278</u>
<b>Total Wells Fargo Bank</b>					<b>\$ <u>56,278</u></b>



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
JUNE 30, 2019**

Bank Account Type	First National Bank of Santa Fe	Wells Fargo	Morgan Stanley	Total
Checking - Accounts Payable Clearing	\$ 3,420,422	\$ -	\$ -	\$ 3,420,422
Checking - Capital Projects	3,988,065	-	-	3,988,065
Checking - Debt Service	377	-	-	377
Checking - Operational Account	11,313,310	-	-	11,313,310
Checking - Payroll Clearing	6,388,450	-	-	6,388,450
Checking - Payroll ACH	-	-	-	-
Checking - Student Nutrition Fund (Cafeteria)	1,596,748	-	-	1,596,748
Checking - Activity	-	778,450	-	778,450
Investment Accounts	-	-	217,447	217,447
<b>Total on Deposit</b>	<b>26,707,372</b>	<b>778,450</b>	<b>217,447</b>	<b>27,703,269</b>
Reconciling Items	(7,050,466)	88,474	-	(6,961,992)
<b>Reconciled Balance, June 30, 2019</b>	<b><u>\$ 19,656,906</u></b>	<b><u>\$ 866,924</u></b>	<b><u>\$ 217,447</u></b>	<b>20,741,277</b>
Checks held at year-end				6,555,584
Investments with State of New Mexico Treasurer's Office				<u>78,640,200</u>
				<b><u>\$ 105,937,061</u></b>
Fiduciary Assets & Liabilities - Agency Funds				\$ 1,101,846
Cash and Investments per Government-Wide Financial Statements				<u>104,835,215</u>
				<b><u>\$ 105,937,061</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
JUNE 30, 2019**

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2018	\$ 3,291,660	\$ 142,643	\$ -	\$ 1,947,614
Add:				
2018-19 revenues	105,283,894	4,161,229	425,947	5,200,523
Receipt of prior year loans	12,207,169	-	-	-
Loans from other funds	<u>33,722</u>	<u>91,797</u>	-	<u>7,137</u>
<b>Total cash available</b>	120,816,445	4,395,669	425,947	7,155,274
Less:				
2018-19 expenditures	(107,649,573)	(4,161,376)	(352,940)	(5,353,168)
Change in accruals	11,062	-	-	-
Repayment of loans	-	-	-	-
Loans to other funds	<u>(6,173,545)</u>	<u>(7,137)</u>	-	<u>(33,722)</u>
Change due to held checks and payroll liabilities	<u>1,920,252</u>	<u>110,083</u>	-	<u>109,382</u>
<b>Cash, June 30, 2019</b>	<u><u>\$ 8,924,641</u></u>	<u><u>\$ 337,239</u></u>	<u><u>\$ 73,007</u></u>	<u><u>\$ 1,877,766</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	Athletics Account 22000	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2018	\$ 29,103	\$ -	\$ -	\$ 761,373
Add:				
2018-19 revenues	152,956	-	6,372,044	2,309,781
Receipt of prior year loans	-	-	-	-
Loans from other funds	<u>12,955</u>	-	<u>4,492,121</u>	<u>121,722</u>
<b>Total cash available</b>	195,014	-	10,864,165	3,192,876
Less:				
2018-19 expenditures	(182,060)	-	(8,685,071)	(1,819,663)
Change in accruals	-	-	49,983	(1,877)
Repayment of loans	-	-	(2,226,508)	(100,170)
Loans to other funds	(12,955)	-	-	-
Change due to held checks and payroll liabilities	<u>-</u>	<u>-</u>	<u>(2,569)</u>	<u>6,975</u>
<b>Cash, June 30, 2019</b>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 1,278,141</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	Local Grants 26000	State Flowthrough 27000	State Direct 28000	Local or State Fund 29000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2018	\$ 711,665	\$ -	\$ 87,565	\$ 104,791
Add:				
2018-19 revenues	-	3,811,389	1,364,964	629,152
Receipt of prior year loans	-	-	-	-
Loans from other funds	-	<u>952,163</u>	<u>29,604</u>	<u>29,672</u>
<b>Total cash available</b>	711,665	4,763,552	1,482,133	763,615
Less:				
2018-19 expenditures	(43,835)	(3,676,206)	(894,155)	(517,906)
Change in accruals	-	-	-	-
Repayment of loans	-	(1,165,779)	(493,658)	(61,621)
Loans to other funds	-	-	-	-
Change due to held checks and payroll liabilities	<u>-</u>	<u>78,433</u>	<u>2,315</u>	<u>1,721</u>
<b>Cash, June 30, 2019</b>	<u>\$ 667,830</u>	<u>\$ 0</u>	<u>\$ 96,634</u>	<u>\$ 185,809</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	Bond Building 31100	Special Capital Outlay State 31400	Capital Improvement HB 33 31600	Cap. Improv. SB9 - State 31700
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash, June 30, 2018	\$ 46,700,000	\$ -	\$ 8,758,297	\$ -
Add:				
2018-19 revenues	31,133,609	-	8,436,217	277
Receipt of prior year loans	-	-	-	-
Loans from other funds	-	<u>446,843</u>	-	<u>88,463</u>
<b>Total cash available</b>	<u>77,833,609</u>	<u>446,843</u>	<u>17,194,514</u>	<u>88,740</u>
Less:				
2018-19 expenditures	(49,190,767)	(361,206)	(5,937,702)	(53,740)
Change in accruals	-	-	-	-
Repayment of loans	(4,498,410)	(85,637)	-	(35,000)
Loans to other funds	-	-	-	-
Change due to held checks and payroll liabilities	<u>-</u>	<u>-</u>	<u>(3,329)</u>	<u>-</u>
<b>Cash, June 30, 2019</b>	<u><u>\$ 24,144,432</u></u>	<u><u>\$ (0)</u></u>	<u><u>\$ 11,253,482</u></u>	<u><u>\$ 0</u></u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2019**

	Cap. Improv. SB9 - Local 31701	Ed Tech Equip Act Fund 31900	Debt Service Fund 41000	Ed Tech Debt Service Fund 43000	Total
Cash, June 30, 2018	\$ 340,100	\$ 7,400,000	\$ 30,526,660	\$ 10,203,206	111,004,677
Add:					
2018-19 revenues	11,860,709	11,302,974	31,852,701	10,811,240	235,109,607
Receipt of prior year loans	-	-	-	-	12,207,169
Loans from other funds	-	-	-	-	6,306,199
<b>Total cash available</b>	<b>12,200,809</b>	<b>18,702,974</b>	<b>62,379,361</b>	<b>21,014,446</b>	<b>364,627,652</b>
Less:					
2018-19 expenditures	(6,616,940)	(8,425,407)	(29,790,056)	(9,963,325)	(243,675,098)
Change in accruals	-	-	(50)	-	59,118
Repayment of loans	-	(3,540,386)	-	-	(12,207,169)
Loans to other funds	-	-	-	-	(6,227,359)
Change due to held checks and payroll liabilities	-	34,808	-	-	2,258,071
<b>Cash, June 30, 2019</b>	<b><u>\$ 5,583,869</u></b>	<b><u>\$ 6,771,989</u></b>	<b><u>\$ 32,589,255</u></b>	<b><u>\$ 11,051,121</u></b>	104,835,215
			Agency Funds	<u>1,101,846</u>	
			Total	<u>\$ 105,937,061</u>	

## COMPONENT UNIT

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY OF TECHNOLOGY AND CLASSICS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 1,374,465
Accounts receivables	47,286
Prepaid expenses	129,946
<b>Total current assets</b>	1,551,697
<b>Non-current assets</b>	
Capital assets, net	4,830,465
<b>Total assets</b>	6,382,162
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	1,874,671
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	25,075
Accrued salaries and benefits	(1,814)
Compensated absences	10,418
Mortgage payable	149,030
<b>Total current liabilities</b>	182,709
<b>Non-current liabilities</b>	
Net pension liability	7,316,736
Net OPEB liability	1,718,035
Mortgage payable	3,436,618
<b>Total non-current liabilities</b>	12,471,389
<b>Total liabilities</b>	12,654,098
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	702,120
<b>NET POSITION</b>	
Net investment in capital assets	1,244,817
Restricted	446,332
Unrestricted (deficit)	(6,790,534)
<b>Total net position (deficit)</b>	\$ (5,099,385)



STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities</b>					
Instruction	\$ 2,906,675	\$ -	\$ 83,535	\$ -	\$ (2,823,140)
Support services					
Students	253,999	-	-	-	(253,999)
Instruction	1,728	-	-	-	(1,728)
General administration	239,056	-	-	-	(239,056)
School administration	133,346	-	-	-	(133,346)
Central services	231,464	-	-	-	(231,464)
Operation & maintenance of plant	242,993	-	-	-	(242,993)
Student transportation	-	-	-	-	-
Food services operation	38,000	37,020	-	-	(980)
Non-instructional support	-	-	-	-	-
Facilities materials, supplies and other	958,925	-	-	-	(958,925)
Interest/amortization	197,864	-	-	280,696	82,832
 <b>Total governmental activities</b>	 <u>\$ 5,204,050</u>	 <u>\$ 37,020</u>	 <u>\$ 83,535</u>	 <u>\$ 280,696</u>	 <u>(4,802,799)</u>

**General Revenues**

Property taxes	547,717
State Equalization Guarantee	2,772,580
Miscellaneous	804,787
<b>Total general revenues</b>	<u>4,125,084</u>

**Changes in net position**

	<u>(677,715)</u>
Net position, beginning (deficit)	(4,514,437)
Restatement	92,767
Net position, beginning, restated (deficit)	<u>(4,421,670)</u>
<b>Net position - ending (deficit)</b>	<u><u>\$ (5,099,385)</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Operational Fund				Title I IASA 24101
	General* 11000	Instructional Materials* 14000	Food Services 21000	Athletics 22000	
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 696,695	\$ 9,535	\$ 1,722	\$ 818	\$ -
Accounts receivable	-	-	-	-	-
Due from other funds	47,282	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total current assets</b>	<u>\$ 743,977</u>	<u>\$ 9,535</u>	<u>\$ 1,722</u>	<u>\$ 818</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 11,145	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	(7,247)	-	-	-	-
Interfund payables	-	-	-	-	-
<b>Total current liabilities</b>	<u>3,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	9,535	1,722	818	-
Unassigned	740,079	-	-	-	-
<b>Total fund balances</b>	<u>740,079</u>	<u>9,535</u>	<u>1,722</u>	<u>818</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 743,977</u>	<u>\$ 9,535</u>	<u>\$ 1,722</u>	<u>\$ 818</u>	<u>\$ -</u>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2019**

	IDEA-B Entitlement* 24106	Teacher / Principal Training & Recruiting* 24154	2012 GO Bond Student Library 27107	Excellence in Teaching 27125	Teacher and School Leader Incentive Pay 27188
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	35,730	11,556	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total current assets</b>	<u>\$ 35,730</u>	<u>\$ 11,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	4	-	-	-	-
Interfund payables	35,726	11,556	-	-	-
<b>Total current liabilities</b>	<u>35,730</u>	<u>11,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 35,730</u>	<u>\$ 11,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2019**

	School Leader Incentive Pay Group 27190	Private Dir Grants (Categorical) 29102	City/Country Grant 29107	Public School Capital Outlay 31200	Special Capital Outlay - State 31400
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ -	\$ 23,355	\$ 9,445	\$ 4,970	\$ -
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total current assets</b>	<u>\$ -</u>	<u>\$ 23,355</u>	<u>\$ 9,445</u>	<u>\$ 4,970</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	-	-	-
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	23,355	9,445	4,970	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>23,355</u>	<u>9,445</u>	<u>4,970</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 23,355</u>	<u>\$ 9,445</u>	<u>\$ 4,970</u>	<u>\$ -</u>

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

	Capital Improvements HB-33* 31600	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local 31701	Education Technology 31900	ATC Foundation *	Total Governmental Funds
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 260,198	\$ 41,035	\$ 107,628	\$ 52,190	\$ 166,874	\$ 1,374,465
Accounts receivable	-	-	-	-	-	47,286
Due from other funds	-	-	-	-	-	47,282
Prepaid expenses	-	-	-	-	129,946	129,946
<b>Total current assets</b>	<u>\$ 260,198</u>	<u>\$ 41,035</u>	<u>\$ 107,628</u>	<u>\$ 52,190</u>	<u>\$ 296,820</u>	<u>\$ 1,598,979</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 8,175	\$ -	\$ -	\$ 6,384	\$ (629)	\$ 25,075
Accrued payroll liabilities	4,199	-	-	-	1,230	(1,814)
Interfund payables	-	-	-	-	-	47,282
<b>Total current liabilities</b>	<u>12,374</u>	<u>-</u>	<u>-</u>	<u>6,384</u>	<u>601</u>	<u>70,543</u>
<b>FUND BALANCES</b>						
Restricted	247,824	41,035	107,628	-	-	446,332
Unassigned	-	-	-	45,806	296,219	1,082,104
<b>Total fund balances</b>	<u>247,824</u>	<u>41,035</u>	<u>107,628</u>	<u>45,806</u>	<u>296,219</u>	<u>1,528,436</u>
<b>Total liabilities and fund balances</b>	<u>\$ 260,198</u>	<u>\$ 41,035</u>	<u>\$ 107,628</u>	<u>\$ 52,190</u>	<u>\$ 296,820</u>	<u>\$ 1,598,979</u>

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 1,528,436
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,830,465
Pension and OPEB plans deferred outflows are not financial resources and, therefore, are not reported in the funds	1,874,671
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(10,418)
Accrued interest	-
Net pension and OPEB liability	(9,034,771)
Mortgage payable	(3,585,648)
Pension and OPEB plans deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds	<u>(702,120)</u>
<b>Net Position (Deficit) - Total Governmental Activities</b>	<b><u>\$ (5,099,385)</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Operational Fund			
	General*	Instructional	Food	Athletics
	11000	Materials* 14000	Services 21000	22000
<b>REVENUES</b>				
Interest income	\$ 17,457	\$ -	\$ -	\$ -
State grants	2,772,580	13,388	-	-
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	54,962	-	37,020	362
<b>Total revenues</b>	<u>2,844,999</u>	<u>13,388</u>	<u>37,020</u>	<u>362</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,951,030	11,091	-	-
Support services				
Students	221,503	-	-	-
Instruction	1,728	-	-	-
General administration	233,659	-	-	-
School administration	133,346	-	-	-
Central services	213,987	-	-	-
Operation & maintenance of plant	199,815	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	38,000	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>2,955,068</u>	<u>11,091</u>	<u>38,000</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(110,069)</u>	<u>2,297</u>	<u>(980)</u>	<u>362</u>
<b>Net changes in fund balances</b>	<u>(110,069)</u>	<u>2,297</u>	<u>(980)</u>	<u>362</u>
Fund balances, beginning of year	850,148	7,238	2,702	456
Restatement	-	-	-	-
Fund balances, beginning of year, as restated	<u>850,148</u>	<u>7,238</u>	<u>2,702</u>	<u>456</u>
<b>Fund balances, end of year</b>	<u>\$ 740,079</u>	<u>\$ 9,535</u>	<u>\$ 1,722</u>	<u>\$ 818</u>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Title I IASA 24101	IDEA-B Entitlement 24106 *	Teacher / Principal Training & Recruiting 24154 *	2012 GO Bond Student Library 27107
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	17,477	(1)	-	-
Property taxes	-	-	-	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<u>17,477</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	17,477	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>17,477</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-
Restatement	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>

\* Major fund



**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Excellence in Teaching 27125	Teacher and School Leader Incentive Pay 27188	School Leader Incentive Pay Group 27190	Private Dir Grants (Categorical) 29102
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous income	10,765	-	-	18,787
<b>Total revenues</b>	<b>10,765</b>	<b>-</b>	<b>-</b>	<b>18,787</b>
<b>EXPENDITURES</b>				
Current				
Instruction	10,765	-	-	4,417
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>10,765</b>	<b>-</b>	<b>-</b>	<b>4,417</b>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,370</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,370</b>
Fund balances, beginning of year	-	-	-	8,985
Restatement	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	8,985
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,355</b>

\* Major fund

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	City/Country Grant 29107	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
State grants	-	280,696	-	-
Federal grants	-	-	-	-
Property taxes	-	-	-	283,861
Miscellaneous income	9,445	-	-	-
<b>Total revenues</b>	<u>9,445</u>	<u>280,696</u>	<u>-</u>	<u>283,861</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	2,332
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	275,726	-	97,231
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>275,726</u>	<u>-</u>	<u>99,563</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>9,445</u>	<u>4,970</u>	<u>-</u>	<u>184,298</u>
<b>Net changes in fund balances</b>	<u>9,445</u>	<u>4,970</u>	<u>-</u>	<u>184,298</u>
Fund balances, beginning of year	-	-	-	63,526
Restatement	-	-	-	-
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,526</u>
<b>Fund balances, end of year</b>	<u>\$ 9,445</u>	<u>\$ 4,970</u>	<u>\$ -</u>	<u>\$ 247,824</u>

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Capital Improvements SB-9 State 31700	Capital Improvements SB-9 Local* 31701	Education Technology 31900	ATC Foundation *	Total Governmental Funds
<b>REVENUES</b>					
Interest income	\$ -	\$ -	\$ -	\$ 68	\$ 17,525
State grants	-	-	-	-	3,066,664
Federal grants	-	-	-	-	71,109
Property taxes	30,902	232,954	-	-	547,717
Miscellaneous income	-	-	295,206	396,774	823,321
<b>Total revenues</b>	<u>30,902</u>	<u>232,954</u>	<u>295,206</u>	<u>396,842</u>	<u>4,526,336</u>
<b>EXPENDITURES</b>					
Current					
Instruction	-	-	-	-	1,998,439
Support services					
Students	-	-	-	-	253,999
Instruction	-	-	-	-	1,728
General administration	-	3,065	-	-	239,056
School administration	-	-	-	-	133,346
Central services	-	-	-	-	231,464
Operation & maintenance of plant	-	-	-	43,413	243,228
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	38,000
Capital outlay	9,282	279,083	257,874	-	919,196
Debt service					
Principal	-	-	-	142,993	142,993
Interest	-	-	-	197,864	197,864
<b>Total expenditures</b>	<u>9,282</u>	<u>282,148</u>	<u>257,874</u>	<u>384,270</u>	<u>4,399,313</u>
<b>Other financing sources (uses)</b>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>21,620</u>	<u>(49,194)</u>	<u>37,332</u>	<u>12,572</u>	<u>127,023</u>
<b>Net changes in fund balances</b>	<u>21,620</u>	<u>(49,194)</u>	<u>37,332</u>	<u>12,572</u>	<u>127,023</u>
Fund balances, beginning of year	19,415	156,822	8,474	283,647	1,401,413
Restatement	-	-	-	-	-
Fund balances, beginning of year, as restated	<u>19,415</u>	<u>156,822</u>	<u>8,474</u>	<u>283,647</u>	<u>1,401,413</u>
<b>Fund balances, end of year</b>	<u>\$ 41,035</u>	<u>\$ 107,628</u>	<u>\$ 45,806</u>	<u>\$ 296,219</u>	<u>\$ 1,528,436</u>

\* Major fund

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ 127,023
Charter pension and OPEB contributions	302,746
Additional GASB 68 and 75 pension and OPEB expenses	(1,210,983)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Capital outlays	149,118
Depreciation expense	(188,612)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Decrease in accrued compensated absences	-
Principal payments on debt	<u>142,993</u>
<b>Changes in Net Position - Total Governmental Activities</b>	<u><u>\$ (677,715)</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS  
GENERAL FUND (11000)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ 737	\$ 13,111	\$ 17,457	\$ 4,346
State grants	2,797,981	2,819,252	2,772,580	(46,672)
Federal grants	-	-	-	-
Miscellaneous	66,070	66,070	29,383	(36,687)
<b>Total revenues</b>	<u>2,864,788</u>	<u>2,898,433</u>	<u>2,819,420</u>	<u>(79,013)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,941,378	1,953,752	1,951,030	2,722
Support services				
Students	235,006	235,006	221,503	13,503
Instruction	4,500	4,500	1,728	2,772
General administration	229,747	229,747	233,659	(3,912)
School administration	135,486	135,486	133,346	2,140
Central services	151,681	209,793	208,381	1,412
Operation & maintenance of plant	185,988	216,677	199,815	16,862
Student transportation	-	-	-	-
Other support services	50,000	50,000	-	50,000
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>2,933,786</u>	<u>3,034,961</u>	<u>2,949,462</u>	<u>85,499</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(68,998)</u>	<u>(136,528)</u>	<u>(130,042)</u>	<u>6,486</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	(68,998)	(136,528)	(130,042)	(130,042)
Fund balances, beginning of year	<u>(25,774)</u>	<u>(25,774)</u>	<u>850,148</u>	<u>850,148</u>
<b>Fund balances, end of year</b>	<u>\$ (94,772)</u>	<u>\$ (162,302)</u>	<u>\$ 720,106</u>	<u>\$ 720,106</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			25,579	
Adjustments to expenditures			<u>(5,606)</u>	
<b>Changes in fund balances</b>			<u>\$ (110,069)</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS  
INSTRUCTIONAL FUND (14000)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
State grants	13,388	14,204	13,388	(816)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>13,388</u>	<u>14,204</u>	<u>13,388</u>	<u>(816)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	13,388	14,204	11,091	3,113
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>13,388</u>	<u>14,204</u>	<u>11,091</u>	<u>3,113</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>2,297</u>	<u>2,297</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	-	2,297	-
Fund balances, beginning of year	<u>(10,770)</u>	<u>(10,770)</u>	<u>7,238</u>	<u>29,726</u>
<b>Fund balances, end of year</b>	<u>\$ (10,770)</u>	<u>\$ (10,770)</u>	<u>\$ 9,535</u>	<u>\$ 20,305</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>Changes in fund balances</b>			<u>\$ 2,297</u>	

See Accompanying Notes.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS  
IDEA-B ENTITLEMENT (24106)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	48,653	6,350	(42,303)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>48,653</u>	<u>6,350</u>	<u>(42,303)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	9,580	(9,580)
Support services				
Students	-	48,653	32,496	16,157
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>48,653</u>	<u>42,076</u>	<u>6,577</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(35,726)</u>	<u>(35,726)</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>(35,726)</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,726</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,726)</u>	<u>\$ (35,726)</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			35,726	
Adjustments to expenditures			<u>-</u>	
<b>Changes in fund balances</b>			<u>\$ -</u>	

See Accompanying Notes.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF BUDGET COMPARISONS - BUDGETARY BASIS  
TEACHER/PRINCIPAL TRAINING RECRUITING FUND (24154)  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	11,556	-	(11,556)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>11,556</u>	<u>-</u>	<u>(11,556)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	11,556	11,556	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>11,556</u>	<u>11,556</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(11,556)</u>	<u>(11,556)</u>
<b>Other financing sources</b>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>(11,556)</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,726</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,556)</u>	<u>\$ (11,556)</u>
<b>Reconciliation to GAAP Basis</b>				
Adjustments to revenues			11,556	
Adjustments to expenditures			<u>-</u>	
<b>Changes in fund balances</b>			<u>\$ -</u>	

See Accompanying Notes.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
JUNE 30, 2019**

**ASSETS**

Cash \$ 85,559

**Total assets** \$ 85,559

**LIABILITIES**

Accounts payable \$ 1,335

Deposits held in trust for others 84,224

**Total liabilities** \$ 85,559

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

Fiscal Year Measurement Date	<b>2019</b> <b>2018</b>	2018 2017	2017 2016	2016 2015	2015 2014
Charter's proportion of the net pension liability	<b>0.06153%</b>	0.06197%	0.06056%	0.06209%	0.10700%
Charter's proportionate share of the net pension liability	<b>\$ 7,316,736</b>	\$ 6,887,016	\$ 4,358,160	\$ 4,021,729	\$ 3,505,021
Charter's covered employee payroll	<b>\$ 1,860,810</b>	\$ 1,709,067	\$ 1,764,053	\$ 1,695,256	\$ 1,693,182
Charter's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>393%</b>	403%	247%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>52.17%</b>	52.95%	61.58%	63.97%	66.54%

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

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

	June 30,				
	<u>2019</u>	2018	2017	2016	2015
Contractually required contributions	<b>\$ 265,461</b>	\$ 238,559	\$ 245,203	\$ 240,351	\$ 332,508
Contributions in relation to contractually required contributions	<u><b>\$ 265,461</b></u>	<u>\$ 238,559</u>	<u>\$ 245,203</u>	<u>\$ 240,351</u>	<u>\$ 332,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter's covered employee payroll	<b>\$1,860,810</b>	\$1,709,067	\$1,764,053	\$1,695,256	\$ 1,693,182
Contributions as a percentage of covered employee payroll	<b>14.27%</b>	13.96%	13.90%	14.18%	14.47%

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

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

	Fiscal Year Measurement Date	<b>2019</b> <b>2018</b>	2018 2017
Charter's proportion of the net OPEB liability		<b>0.03951%</b>	0.04111%
Charter's proportionate share of the net OPEB liability		<b>\$ 1,718,035</b>	\$ 1,862,971
Charter's covered-employee payroll		<b>\$ 1,695,223</b>	\$ 1,712,498
Charter's proportionate share of the net OPEB liability as a percentage of its covered employee payroll		<b>101.35%</b>	108.79%
RHCA Plan fiduciary net position as a percentage of the total pension liability		<b>13.14%</b>	11.34%

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

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

	June 30,	
	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ <b>61,741</b>	\$ 130,543
Contributions in relation to the contractually required	<u>\$ <b>60,987</b></u>	<u>\$ 65,518</u>
Charter's proportion of the net OPEB liability	<u>\$ <b>754</b></u>	<u>\$ 65,025</u>
Employer's covered employee payroll	\$ <b>1,695,223</b>	\$ 1,712,498
Contributions as a percentage of covered employee payroll	<b>3.60%</b>	3.83%

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

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND THE CLASSICS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
JUNE 30, 2019

**ERB PLAN**

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

***Changes in assumptions and methods.*** There were no modifications to the actuarial assumptions and methods reflected in the actuarial valuation at June 30, 2018.

**RHCA Plan**

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

***Changes in assumptions and methods.*** The actuary removed 4,010 members that were deemed participants of non-participating employers. There were no other modifications to the assumptions and methods that were reflected in the actuarial valuation at June 30, 2018.

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CHANGES IN FIDUCIARY**  
**ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash in bank	\$ 74,345	\$ 140,477	\$ (129,263)	\$ 85,559
<b>Total assets</b>	<u>\$ 74,345</u>	<u>\$ 140,477</u>	<u>\$ (129,263)</u>	<u>\$ 85,559</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,760	\$ -	\$ (1,425)	\$ 1,335
Deposits held for others	<u>71,585</u>	<u>140,477</u>	<u>(127,838)</u>	<u>84,224</u>
<b>Total liabilities</b>	<u>\$ 74,345</u>	<u>\$ 140,477</u>	<u>\$ (129,263)</u>	<u>\$ 85,559</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2019**

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2019	Name & Location of Safekeeper
Los Alamos National Bank	FMAC 3.500% 11/2032	\$ 1,092,246	LANB
		<u>\$ 1,092,246</u>	



**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2019**

<u>Bank Account Type</u>	<u>Amount</u>
Enterprise-Operational Checking	\$ 1,294,682
Petty Cash	-
Foundation	
Enterprise-Checking and Savings	\$ 28,313
Enterprise-lockbox	131,236
Charles Schwab	<u>2,513</u>
<b>Total</b>	162,062
Reconciling Items	<u>3,280</u>
<b>Reconciled balance, June 30, 2019</b>	1,460,024
Less: Agency Funds	<u>85,559</u>
<b>Total governmental funds</b>	<u><u>\$ 1,374,465</u></u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION  
JUNE 30, 2019**

	Operational Account 11000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2018	\$ 877,227	\$ 7,238	\$ 2,702	\$ 456
Add:				
2018-19 revenues	2,844,999	13,388	37,020	362
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total cash available</b>	3,722,226	20,626	39,722	818
Less:				
2018-19 expenditures	(2,949,462)	(11,091)	(38,000)	-
Repayment of loans	-	-	-	-
Change in accruals	(28,787)	-	-	-
Loans to other funds	(47,282)	-	-	-
Change due to held checks and liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
<b>Cash, June 30, 2019</b>	<u>\$ 696,695</u>	<u>\$ 9,535</u>	<u>\$ 1,722</u>	<u>\$ 818</u>

**STATE OF NEW MEXICO**  
**SANTA FE PUBLIC SCHOOLS**  
**ACADEMY FOR TECHNOLOGY AND CLASSICS**  
**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**JUNE 30, 2019**

	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2018	\$ -	\$ -	\$ -	\$ -
Add:				
2018-19 revenues	-	23,827	-	-
Repayment of loans	-	-	-	-
Loans from other funds	-	47,282	-	-
Cash reclassified	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total cash available</b>	-	71,109	-	-
Less:				
2018-19 expenditures	-	(71,109)	-	-
Repayment of loans	-	-	-	-
Change in accruals	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash, June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	State Flowthrough 27000	State Direct 28000	Local or State Fund 29000	Bond Building 31100
Cash, June 30, 2018	\$ -	\$ -	\$ 8,985	\$ -
Add:				
2018-19 revenues	10,765	-	28,232	-
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	-	-	-	-
	<u>10,765</u>	<u>-</u>	<u>37,217</u>	<u>-</u>
<b>Total cash available</b>	<b>10,765</b>	<b>-</b>	<b>37,217</b>	<b>-</b>
Less:				
2018-19 expenditures	(10,765)	-	(4,417)	-
Repayment of loans	-	-	-	-
Change in accruals	-	-	-	-
Loans to other funds	-	-	-	-
Change due to held checks and liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2019</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 32,800</u></b>	<b><u>\$ -</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvement HB 33 31600	Cap. Improv. SB9 State 31700
Cash, June 30, 2018	\$ -	\$ -	\$ 65,754	\$ 19,415
Add:				
2018-19 revenues	280,696	-	283,861	30,902
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	-
Cash reclassified	-	-	-	-
	<u>280,696</u>	<u>-</u>	<u>349,615</u>	<u>50,317</u>
<b>Total cash available</b>	<b>280,696</b>	<b>-</b>	<b>349,615</b>	<b>50,317</b>
Less:				
2018-19 expenditures	(275,726)	-	(91,390)	(9,282)
Repayment of loans	-	-	-	-
Change in accruals	-	-	1,973	-
Loans to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change due to held checks and liabilities	-	-	-	-
<b>Cash, June 30, 2019</b>	<b><u>\$ 4,970</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 260,198</u></b>	<b><u>\$ 41,035</u></b>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
ACADEMY FOR TECHNOLOGY AND CLASSICS  
SCHEDULE OF CASH RECONCILIATION (CONTINUED)  
JUNE 30, 2019**

	Cap. Improv. SB9 Local 31701	Education Technology Account 31900	Activity Funds	Total
Cash, June 30, 2018	\$ 156,822	\$ 8,474	\$ 74,345	\$ 1,221,418
Add:				
2018-19 revenues	232,953	295,206	140,476	4,222,688
Repayment of loans	-	-	-	-
Loans from other funds	-	-	-	47,282
Cash reclassified	-	-	-	-
<b>Total cash available</b>	<b>389,775</b>	<b>303,680</b>	<b>214,821</b>	<b>5,491,388</b>
Less:				
2018-19 expenditures	(282,147)	(251,490)	(127,837)	(4,122,717)
Repayment of loans	-	-	-	-
Change in accruals	-	-	(1,425)	(28,239)
Loans to other funds	-	-	-	(47,282)
Change due to held checks and liabilities	-	-	-	-
<b>Cash, June 30, 2019</b>	<b>\$ 107,628</b>	<b>\$ 52,190</b>	<b>\$ 85,559</b>	<b>\$ 1,293,150</b>

**COMPLIANCE SECTION**



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

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of the Santa Fe Public Schools (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents. We have also audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the discretely presented component unit, presented as supplementary information, as defined by the Governmental Accounting Standards Board (GASB) as of and for the year ended June 30, 2019, as listed in the Table of Contents, and have issued our report thereon dated November 15, 2019.

**Internal Control Over Financial Reporting**

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

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

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



The Board of Education  
Santa Fe Public Schools and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2019-003, 2019-004, 2019-005, 2019-006, and 2019-007.

### **Compliance and Other Matters**

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

We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA Findings as items 2019-008, 2019-009, 2019-010, 2019-011, and 2019-012.

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

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

### **Purpose of this Report**

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

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019

**FEDERAL FINANCIAL ASSISTANCE**



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

The Board of Education  
Santa Fe Public Schools  
Santa Fe, New Mexico and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

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

We have audited Santa Fe Public Schools' (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

The Board of Education  
Santa Fe Public Schools and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

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

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

### **Other Matters**

The results of our auditing procedures disclosed instances of non-compliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as items 2019-004, 2019-005, 2019-006, and 2019-007. Our opinion on each major federal program is not modified with respect to these matters.

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

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

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

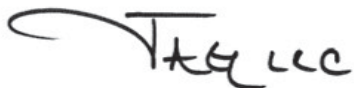
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement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

The Board of Education  
Santa Fe Public Schools and  
Mr. Brian Colón, Esq.  
New Mexico State Auditor

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2019-004, 2019-005, 2019-006, and 2019-007 that we consider to be a significant deficiency.

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

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

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

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 15, 2019

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor or Pass-Through Grantor / Program Title	Federal CFDA	Pass-through Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
Indian Education Grants to Local Educational Agencies	84.060		\$ -	\$ 81,153
Pass-through State of New Mexico Public Education Department Title I Grants to Local Educational Agencies	84.010	24101/24162/24190/24193	17,477	3,696,802
<i>Special Education Cluster</i>				
Special Education Grants to States	84.027	24106/24108/24115/24132	42,077	2,816,630
Special Education Preschool Grants	84.173	24109	-	21,962
<i>Total Special Education Cluster</i>			<u>42,077</u>	<u>2,838,592</u>
Education for Homeless Children and Youth	84.196	24113	-	57,919
21st Century Community Learning Centers	84.287	24119	-	1,065,143
English Language Acquisition State Grants	84.365	24153	-	237,930
Supporting Effective Instruction State Grants	84.367	24154	-	481,093
Student Support and Academic Enrichment Program	84.424	24189	-	144,978
Career and Technical Education - Basic Grants to States	84.048	24171/24174/24176	-	162,615
Subtotal - Pass-through State of New Mexico PED			<u>59,554</u>	<u>8,685,072</u>
Pass-through State of New Mexico Higher Education Department Gaining Early Awareness and Readiness for Undergraduate Program:	84.334	25205	-	237,839
<b>Total U.S. Department of Education</b>			<u>59,554</u>	<u>9,004,064</u>
<b>U.S. Department of Agriculture</b>				
<i>Child Nutrition Cluster</i>				
Pass-through State of Children, Youth, and Families Department Summer Food Service Program for Children	10.559	21000	-	228,865
Pass-through State of New Mexico Public Education Department School Breakfast Program	10.553	21000	-	1,131,448
National School Lunch Program	10.555	21000	-	3,728,148
Pass-through State of New Mexico Human Services Department Non-Cash Assistance National School Lunch Program (Commodities)	10.555	21000	-	437,929
<i>Total Child Nutrition Cluster</i>			<u>-</u>	<u>5,526,390</u>
Rural Development, Forestry and Communities	10.672		-	38,965
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>5,565,355</u>
<b>U.S. Department of Health and Human Services</b>				
Pass-through State of New Mexico Department of Health Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	24186	-	-
Drug-Free Communities Support Program Grants	93.276	25181	-	116,221
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>116,221</u>
<b>U.S. Department of Defense</b>				
ROTC Language and Culture Training Grants	12.357		-	89,646
<b>U.S. Department of Interior</b>				
Indian Education Assistance to Schools	15.130		-	27,691
<b>Total Federal Financial Assistance</b>			<u>\$ 59,554</u>	<u>\$ 14,802,977</u>

See Notes to Schedule of Expenditures  
of Federal Awards.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Santa Fe Public Schools (District) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

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

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

**NOTE 3. SUBRECIPIENTS**

During the year ended June 30, 2019, the District had the following subrecipients:

Academy for Technology and the Classics Charter (Component Unit)	84.010	Title I	\$17,477
Academy for Technology and the Classics Charter (Component Unit)	84.027	IDEA-B	\$42,077

**NOTE 4. NONCASH FEDERAL ASSISTANCE**

The District receives USDA Commodities for use in sponsoring the National School Lunch program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same CFDA number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2019 was \$437,929. Commodities are recorded as revenues and expenditures in the Food Service fund.

**NOTE 5. INDIRECT COST RATE**

During the year ended June 30, 2019, the New Mexico Public Education Department reimbursed the District for indirect costs at 1.82%.

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

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 14,802,977
District as contractor relationship:	
Medicaid (Fund 25153)	1,949,465
Indirect cost recovery (Fund 11000)	154,815
Advance reimbursement grant (ROTC - Fund 25200)	<u>11,087</u>
Federal revenue as reported in the financial statements	<u>\$ 16,918,344</u>

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Finding No.</b>	<b>Description</b>	<b>Current Year Status</b>
<b>PRIMARY GOVERNMENT SANTA FE PUBLIC SCHOOLS</b>		
<b>Financial Statement Findings</b>		
2015-003	Inventory Balance	Resolved
2016-002	Certification of Capital Asset Inventory and Capitalization Threshold	Resolved
2017-001	Internal Controls Over Cash Receipts & Segregation Of Duties	Resolved
2018-004	Bank Reconciliations and Clearing Accounts	Repeated and modified
2018-005	Training and Experience (T&E) State Audit and Findings	Resolved
<b>Federal Awards Findings</b>		
2017-003	21 <sup>st</sup> Century Payroll	Repeated and modified
2018-007	Student Nutrition Verification	Repeated and modified
<b>Section 12-6-5 NMSA 1978 Findings</b>		
2016-005	Budgetary Conditions	Resolved
2017-004	Compliance with School Personnel Act	Repeated and modified
<b>COMPONENT UNIT ACADEMY FOR TECHNOLOGY &amp; THE CLASSICS CHARTER SCHOOL</b>		
<b>Financial Statement Findings</b>		
2016-002A	IT General Controls	Resolved
2016-004A	Bank Reconciliations	Repeated and modified
2017-004A	Internal Controls Over Cash Receipts	Resolved
2017-005A	Internal Controls Over Cash Disbursements	Repeated and modified
2017-007A	Internal Controls Over Payroll	Resolved
2017-008A	Chief Procurement Officer	Resolved
2018-007A	Financial Close and Reporting – PP Restatement	Resolved
<b>Section 12-6-5 NMSA 1978 Findings</b>		
2015-001A	Budgetary Conditions	Repeated and modified



STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

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

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**Financial Statement:**

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

**Federal Awards:**

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

4. Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
84.010	Title I Grants to Local Educational Agencies
84.027 / 84.173	Special Education Cluster

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

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

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**2019-001 INTERNAL CONTROL OVER FINANCIAL CLOSE AND REPORTING - DISTRICT**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

During the fiscal year, there was turnover in key Finance employees. Although the District is committed to training these employees, hiring new employees, and implementing changes in systems, the timing made it difficult to accomplish. As a result, during the course of the audit, we identified that the District's year-end financial close and reporting process has the following weaknesses:

- The capital asset roll-forward starting with prior year financial statement balances and capital asset depreciation schedules were not timely produced timely after year-end. Current year additions and deletions to the schedule and transfers from Construction in Progress (CIP) had not been performed, and capital outlay had not been reconciled.
- Long term debt roll-forward was not performed by the District-the audit team performed this procedure, which was reviewed by the District.
- Year-end investment balances were not properly reconciled and not all current year investment activity was properly recorded, which required a \$5 million audit adjustment to correct.
- Cash accounts were again not properly reconciled during the year (Finding 2019-008) and required hiring an outside contractor and a \$2 million adjustment to correct.
- The District provided incomplete and inaccurate Accounts Receivable listings and subsequent receipts population reports. This resulted in our identification of over \$4 million in audit adjustments to the funds.
- It appears reconciliation of requests for reimbursement (RfRs) for federal funds is not performed timely and the District did not prepare the Schedule of Expenditures of Federal Awards (SEFA) timely.
- The District was unable to find out from NM PED how to record their debt and asset transactions for construction of the campus expansion at ATC Charter School. The construction costs on the uncompleted project are recorded in the District's CIP, pending resolution of this matter.
- The NM Energy Efficiency Bond debt transactions were incorrectly reported (in FY 17-18)-the District recorded State Grant revenues rather than bond proceeds.
- The District did not provide journal entries to rollforward fund balances and net assets on the modified accrual and full accrual basis.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

**2019-001 INTERNAL CONTROL OVER FINANCIAL CLOSE AND REPORTING - DISTRICT (CONTINUED)**

**CRITERIA**

NMAC 6.20.2.12 requires that the District “create and maintain ... financial reports which facilitate the discharge of assigned responsibilities and monitors activities at each level of the organizational structure.”

New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 5, Financial Statements. “The financial statements are the responsibility of the district. The IPA must provide the adjusting entries and supporting documentation to the district for any differences between the district’s records and the financial reports in the audit. The district should review and approve the audit draft prior to it being submitted to the state auditor.”

The State Auditor Rule (2.2.2, NMAC) requires the school district to maintain adequate accounting records to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP), and cooperate with the Independent Public Accountant (IPA) by providing in a timely manner the information required to express an opinion on the agency’s financial statements. Districts should familiarize themselves with the contents of the annual audit. If the IPA prepares the financial statements, this fact must be disclosed in notes to the financial statements and may result in an audit finding if there is “ineffective oversight of the financial reporting and internal control processes by those charged by governance.” (Statement of Auditing Standards, SAS 115).

Financial Standards for New Mexico Public Schools and School Districts, 6.20.2.14 NMAC. “In accordance with GASB 34, school districts shall use a full accrual basis of accounting in preparation of annual financial statements and cash basis of accounting for budgeting and reporting.”

New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 2, Internal Control Structure. “The Financial Management System (FMS) generally produces reports containing operational, financial, and compliance related information recorded on a cash basis of accounting, making it possible to efficiently manage the cash functions of the school district. Additional software is generally needed to convert from a cash basis to an accrual basis of accounting required by Generally Accepted Accounting Practices (GAAP) and Generally Accepted Governmental Auditing Standards (GAGAS).

**EFFECT**

There were material misstatements in the fund trial balances, and information submitted to PED. Additionally, bank reconciliations are key elements of internal control used to detect errors and to protect the assets of the District.

**CAUSE**

Turnover of key employees, lack of training, and ineffective internal controls relating to the financial close and reporting process.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

**2019-001 INTERNAL CONTROL OVER FINANCIAL CLOSE AND REPORTING - DISTRICT (CONTINUED)**

**RECOMMENDATION**

We recommend management evaluate all aspects of the financial close and reporting process and establish effective internal controls and procedures to ensure timely and accurate financial statements and supporting schedules. We highly recommend in-depth training on governmental accounting standards and systems such as GASB and COSO. We also recommend that the District track and record modified and full accrual entries separately for financial reporting purposes. Finally, we recommend reconciling all balance sheet accounts by fund every month and performing analytical reviews of the income statements within a week of the close of the previous month.

**MANAGEMENT RESPONSE**

Santa Fe Public Schools management worked diligently with the auditing firm to maintain milestones during the audit process. During audit committee meetings some items were identified as pending or not sufficient. However, progress was not deemed as a deficiency during audit committee meetings. Internal procedures have been developed to compile documentation related to reconciling worksheets, listings, and transactions that are required to maintain the quality of the audit process.

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

1. Develop a work plan for the audit process; include milestones and timelines for completion.
2. Compile documentation, worksheets, and draft templates during fiscal year prior to fiscal year end.
3. Timely review and submission of documents to auditor portal.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Chief Finance Director

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

**2019-002 (PREVIOUSLY REPORTED AS 2018-004) BANK RECONCILIATIONS AND CLEARING ACCOUNTS - DISTRICT - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Material Weakness

**CONDITION**

During our cash testing, we noted the following exceptions:

- The District did not reconcile and adjust all cash accounts monthly.
- The District did not have cash balances and schedules ready for audit timely.
- The payroll clearing account had not been reconciled properly during the fiscal year; the District contracted assistance for reconciling which led to an audit journal entry net total of over \$2 million.
- Investment accounts were overstated by \$5 million due to improper recording of transfer from the investment accounts to the checking accounts.
- The net unlocated difference in cash accounts, in aggregate, is \$52,604 (cash is under stated).

The District made limited progress in this area during FY19.

**CRITERIA**

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

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

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

**EFFECT**

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

**CAUSE**

The District experienced turnover in the Finance Department during the year. The District's controls over account reconciliations, review, and approval are not properly designed and implemented.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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

**2019-002 (PREVIOUSLY REPORTED AS 2018-004) BANK RECONCILIATIONS AND CLEARING ACCOUNTS - DISTRICT - REPEATED AND MODIFIED (CONTINUED)**

**RECOMMENDATION**

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

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. Variances of cash were a direct result of transactions between banks or journal entries incorrectly posted to reduce payroll liabilities and cash. These variances will be reviewed and reconciled according to bank reconciliation procedures.

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

1. Cross-functional training within Business Services to make the process more efficient, transparent and captures issues as they arise.
2. Management review of the work of the Comptroller, including renewed effort to enforce the requirement of signing off on all bank reconciliations on a monthly basis.
3. Timely submission of all bank transfers between accounts.
4. Implementation of procedures to properly process year end closing transactions.

**Due Date of Completion:** June 30, 2020

**Responsible Person:** Chief Financial Officer, Comptroller

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

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SECTION II B - FINANCIAL STATEMENT FINDINGS - COMPONENT UNIT FINDINGS

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**2019-003 (PREVIOUSLY REPORTED AS 2018-002A AND 2016-004A) BANK RECONCILIATIONS - ATC  
CHARTER - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Significant Deficiency

**CONDITION**

While progress was made on the timeliness of bank reconciliations, unreconciled differences between the general ledger and bank reconciliations existed on the months tested (March through June 2019). Through the audit testing, we identified that rent for June was recorded twice and the bank reconciliation process failed to detect the error, which was discovered by the audit process. The unreconciled differences in the operating account were reduced to \$2,032.

**CRITERIA**

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

**EFFECT**

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

**CAUSE**

Bank reconciliations were not properly performed.

**RECOMMENDATION**

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

**MANAGEMENT RESPONSE**

**Corrective Action:** We acknowledge there is a problem with the general ledger and bank balances and believe the problems have been remedied.

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

**Responsible Party:** Finance Director

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT**

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**2019-004 (PREVIOUSLY REPORTED AS 2018-006 AND 2017-003) 21<sup>ST</sup> CENTURY PAYROLL - DISTRICT - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Education  
Title: Twenty-First Century Learning Centers  
CFDA Number: 84.287

**CONDITION**

During our Allowable Costs testing, we noted that overtime is charged to the grant without required documentation in the employees' personnel files describing how overtime will be paid. Employees did not sign agreement forms in 2019.

The District did not make progress on this finding in fiscal years 2018 and 2019.

**CRITERIA**

Statutory language on computing overtime pay in §778.415 through §778.421 allows flexibility. However, rates for overtime need to be agreed upon before performance of the work.

Twenty-first CCLC funds must be used in a manner consistent with all requirements of the Educational Department General Administrative Regulations (EDGAR), and 2 CFR 200, to support activities allowable under the 21<sup>st</sup> CCLC program. Expenditures should be pre-approved in the Budget Justification Form submitted to and approved by the PED prior to receiving the fully executed IGA/PSC for the current year, or pre-approved by submitting a budget adjustment request (BAR).

**QUESTIONED COSTS**

None

**EFFECT**

Additional compensation which is not supported with documentation showing hourly rates that will be paid and overtime rates that will be paid could be legally challenged. The expenses may not be in compliance with the planning and budgeting for expenditures and the deliverables in the Statement of Work agreement between the District and the New Mexico Public Education Department.

**CAUSE**

The District has a computerized system that builds a blended rate when two different hour rates are paid. A decision was made to discontinue use of blended rate and pay the highest rate for overtime purposes. This is allowable, but overtime rates need to be agreed upon, documented, and approved in writing before the work is performed.



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-004 (PREVIOUSLY REPORTED AS 2018-006 AND 2017-003) 21<sup>ST</sup> CENTURY PAYROLL - DISTRICT - REPEATED AND MODIFIED (CONTINUED)**

**RECOMMENDATION**

We recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. All non-contractual pay will be planned and agreements will be established to ensure proper calculation of overtime.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable.
2. Ensure all applications to PED include overtime as part of the budget.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Human Resources

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-005 (PREVIOUSLY REPORTED AS 2018-007) STUDENT NUTRITION VERIFICATION - DISTRICT - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Agriculture  
Title: School Breakfast Program, National School Lunch Program  
CFDA Number: 10.553, 10.555

**CONDITION**

The District is not verifying applications that are submitted to the District with household income reported as zero. It was determined that the District accepts the applications, students are classified as free, and no subsequent verification is completed. The District violates Federal regulation by not completing verifications for cause.

The District did make significant progress on this finding. Verification calculation and completion issues discussed in the 2018 finding appear to be resolved in 2019.

**CRITERIA**

Children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or a reduced price. By November 15<sup>th</sup> of each school year, the District must verify the current free and reduced price eligibility of households from a sample of applications that it has approved for free and reduced price meals.

Per CFR 245 6a (c) (7), in addition to the required verification sample, the District must verify any questionable applications, and should, on a case-by-case basis when the District is aware of additional income or persons in the household, verify any application for cause, such as an application where a household reports zero income.

**QUESTIONED COSTS**

None

**EFFECT**

The District is not in compliance with program requirements. The proper use of Federal money in this program is fully dependent on the District correctly calculating income reported on applications, completing the required list of verifications, and questioning applications when required by Federal regulation. The result of improper classifications allows students to receive free and reduced meals when families do not qualify for benefits, and the District receives improper reimbursement amounts from Federal programs for the meals provided.

**CAUSE**

The District's continued non-compliance in this area results from not following federal regulations to verify questionable applications.

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-005 (PREVIOUSLY REPORTED AS 2018-007) STUDENT NUTRITION VERIFICATION - DISTRICT - REPEATED AND MODIFIED (CONTINUED)**

**RECOMMENDATION**

Although there are differing political philosophies, the CFR criteria has remained the same and must be followed. We recommend the District develop procedures to flag questionable applications in addition to the required verification sample and complete verification for cause as required. This cannot delay approval of applications. If an application is complete and indicates the child is eligible for free or reduced price benefits, the application must be approved while the District begins verification for cause.

**MANAGEMENT RESPONSE**

While every effort is made to process student meal applications with the highest level of accuracy, these findings indicate a need for review of internal processes. The District maintains records of applications submitted as required by the USDA Food and Nutrition Bureau. To ensure compliance related to eligibility the District utilizes a reasonable cause determination for further verification of applications. The District does not apply a blanket approach for verification; rather a case by case inquiry is used as a practical approach for verification. In order to maintain accurate representation of its review procedures the District will develop a risk assessment to determine an exhaustive review of applications.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Determine the District's authority and ability to determine the income levels of individual households.
2. Develop a rubric that outlines criteria of verification for cause of inaccurate information submitted by individuals.
3. Identify applications listed as zero income and determine a reasonable cause for review on a case-by-case basis.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Finance and Administration, Payroll Specialist

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-006 TITLE I AND SPECIAL EDUCATION PAYROLL - DISTRICT**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Education

Title: Title I

Special Education Cluster

CFDA Number: 84.010, 84.027, 84.173

**CONDITION**

During our Allowable Costs testing, we noted that summer teaching and diagnostic work, overtime, stipends, training, and other time is charged to the grants without required documentation in the employees' personnel files. Rates of pay vary for staff depending on the work being completed with no justification as to how the rates are determined and no documentation in the employee files as to how much pay is Federal related. Contracts are processed late in violation of the School Personnel Act. Several pay periods were processed prior to return of signed contracts.

In Special Education testing, two individuals were paid for June 2018 diagnostic work using 2019 funds and one individual was paid for stipends from 2018 in 2019. The diagnostic work in the summer is charged at \$400 to \$600 per evaluation. Overtime was charged to the grant without documentation on how the overtime rate will be paid. Three individuals had pay rates from \$42.88 to \$44.58 per hour for federal work and were unsupported as to why they were paid so much for the service provided. Stipends and contact teacher amounts are mentioned in the Collective Bargaining Agreement, but nothing is in the personnel files.

From testing of the Title I program, one 2018-2019 contract was not returned with no repercussion. Contracts were not created for 8 of the 40 staff that were tested, to include tutors, district instructional coaches, and some specialists. One staff contract base grew \$11,000 from FY17-18 to FY18-19, but no FY18-19 contract was in the file. The same staff was paid \$45.41 per hour and two staff were paid \$40.36 per hour for federal work at a rate almost one and one-half their regular pay. Rate is determined by payroll. In one case, a reimbursement was completed shorting the employee one-half hour.

**CRITERIA**

Statutory language on computing overtime pay in §778.415 through §778.421 allows flexibility. However, rates for overtime need to be agreed upon before performance of the work.

Title I and Special Education funds must be used in a manner consistent with all requirements of the Educational Department General Administrative Regulations (EDGAR) and 2 CFR 200, to support activities allowable under the respective programs. Expenditures should be pre-approved in the Budget Justification Form submitted to and approved by the PED prior to receiving the fully executed IGA/PSC for the current year, or pre-approved by submitting a budget adjustment request (BAR).

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-006 TITLE I AND SPECIAL EDUCATION PAYROLL - DISTRICT (CONTINUED)**

**QUESTIONED COSTS**

None

**EFFECT**

Additional compensation should be supported with documentation showing hourly rates that will be paid and overtime rates that will be paid. The expenses should be supported by the planning and budgeting for expenditures and the deliverables in the agreements between the District and the New Mexico Public Education Department.

**CAUSE**

The District does not document additional pay items in compensation. The District has a computerized system that builds a blended rate when two different hour rates are paid. A decision was made to discontinue use of blended rate and pay the highest rate for overtime purposes. This is allowable, but overtime rates need to be agreed upon before the work is performed.

**RECOMMENDATION**

We recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

**MANAGEMENT RESPONSE**

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

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable.
2. Ensure all applications to PED include overtime as part of the budget.

**Due Date for Completion:** June 30, 2020

**Responsible Party:** Chief Financial Officer, Executive Director of Human Resources

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-007 TITLE I AND SPECIAL EDUCATION DISBURSEMENTS - DISTRICT**

**TYPE OF FINDING:** Significant Deficiency/Non-Compliance

*Federal program information:*

Funding agency: U.S. Department of Education

Title: Title I

Special Education Cluster

CFDA Number: 84.010, 84.027, 84.173

**CONDITION**

During our Allowable Costs testing, we found that references were made to expired price agreements and purchase orders which were dated after the date of the invoice. Three purchase orders were completed after the scheduled start date of the service and, in one case, a contract for \$3,000 was signed by a principal prior to the purchase order being completed.

On the payment side, one invoice was paid that was not dated. Another request was made to pay an amount, but the actual amount paid was \$100 more than the request.

Title I is where most of referenced non-compliance occurred. Of the 37 items tested, three contractors had purchase orders dated after the scheduled start date for services. One purchase order had a reference to a price agreement that expired in July 2017. One purchase was paid before the start date of the term of service.

In the Special Education program testing, of the 40 items tested, one purchase referenced a price agreement that expired April 21, 2018. One purchase paid tax that was not part of the purchase order. On one purchase, the shipping and handling was significant, more than the percentage paid to other vendors, and was not shown as a separate item on the purchase order.

**CRITERIA**

Controls should ensure that expired price agreements are not allowed to be used for support for purchase orders. The purchase orders have a note that a price decrease or increase in shipping cost in excess of \$25 over the total purchase order must receive prior school district approval.

Title I and Special Education funds must be used in a manner consistent with all requirements of the Educational Department General Administrative Regulations (EDGAR), and 2 CFR 200, to support activities allowable under the respective programs. Expenditures should be supported by purchase orders and any approved changes or excess charges should be properly approved and have correct documentation before payments are made. Purchases should be made as tax-exempt when possible.

**QUESTIONED COSTS**

None

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION III - FEDERAL AWARDS FINDINGS - DISTRICT (CONTINUED)**

**2019-007 TITLE I AND SPECIAL EDUCATION DISBURSEMENTS - DISTRICT (CONTINUED)**

**EFFECT**

The District is paying for unauthorized or unnecessary expenses that are not included in purchase orders. Large purchases should be reviewed to make sure shipping and handling charges are appropriate for the purchase. The expenses should be supported by the planning and budgeting for expenditures and the deliverables in the agreements between the District and the New Mexico Public Education Department.

**CAUSE**

The District 's controls over these compliance areas are not properly implemented.

**RECOMMENDATION**

We recommend reviewing controls over purchasing to ensure shipping, handling, and taxes are properly included or excluded when completing purchase orders. The purchase order form should be reviewed to make sure the language for approval authority is correct for changes and meets the needs of the District.

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. The District will implement a review of terms of service to ensure price agreements follow procurement.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Review agreements recurring and on-recurring to ensure proper workflow for execution.
2. Establish a purchase order system that aligns with procurement regulations.

**Due Date for Completion:** June 30, 2020

**Responsible Party:** Chief Procurement Officer

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-008 BANK COLLATERALIZATION - DISTRICT**

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

**CONDITION**

The District had one bank account that was uninsured in the amount of \$528,450. State law requires collateralization of \$264,225 of this uninsured amount. The District did not have sufficient collateral in place to meet the State requirement and was under collateralized by \$207,947.

**CRITERIA**

New Mexico State Statute Section 6-10-17, NMSA 1978, requires the District to collateralize an amount equal to one-half of the balance not covered by the Federal Deposit Insurance Corporation (FDIC) for depository accounts.

**CAUSE**

Administration did not ensure this requirement was met – internal controls were not in place.

**EFFECT**

If the bank failed due to insufficient capital, the District could lose public monies. Public funds were not secured as required.

**RECOMMENDATION**

The District should arrange for collateral for bank deposits in excess of \$250,000. Alternatively, the District could maintain deposits with multiple banks with less than \$250,000 in each.

**MANAGEMENT RESPONSE**

**Corrective Action:** The District has met with the financial institution and will put appropriate collateralization into place.

**Due Date of Completion:** December 31, 2019

**Responsible Party:** Chief Financial Officer



**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-009 (PREVIOUSLY REPORTED AS 2018-009 AND 2017-004) COMPLIANCE WITH SCHOOL PERSONNEL ACT - DISTRICT - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Other Matter

**CONDITION**

During our testing of 10 payroll transactions, we noted contracts were not executed 10 or more days before the start of the school year for 4 of the items tested. Additionally, 5 contracts were not located.

During our testing of school personnel act, we noted supporting documentation could not be provided to verify that new hires completed required training in detection and reporting of child abuse and neglect.

The District did not make progress on this finding in fiscal year 2019.

**CRITERIA**

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

22-10A-23(B) NMSA 1978 states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.

Section 22-10A-32 Item A NMSA 1978 states that all licensed school employees shall be required to complete training in the detection and reporting of child abuse and neglect, including sexual abuse and assault and substance abuse. Except as otherwise provided in this subsection, this requirement shall be completed within the licensed school employee's first year of employment by a school district. Licensed school employees hired prior to the 2014-2015 school year shall complete the sexual abuse and assault component of the required training during the 2014-2015 school year.

**EFFECT**

The District is at higher risk for misappropriation of assets if it is unable to confirm that pay rates have been approved by management. The District may be at higher risk that classrooms and other services are not staffed as planned. Additionally, the District is not in compliance with Section 22-10A-32 Item A, NMSA 1978.

**CAUSE**

This is due to a lack of controls over compliance in this area.

STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

**2019-009 (PREVIOUSLY REPORTED AS 2018-009 AND 2017-004) COMPLIANCE WITH SCHOOL PERSONNEL ACT - DISTRICT - REPEATED AND MODIFIED (CONTINUED)**

**RECOMMENDATION**

Management should perform a risk assessment and design and implement strong controls over payroll compliance.

**MANAGEMENT RESPONSE**

The Human Resources Department (HRD) does recognize the legal requirement stated on Section 22-10A-23(b) of the Personnel Act that “[written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.” As often our Collective Bargaining Agreement slows our process. However, in review of Sections 22-10A-22 in conjunction with 22-10A-23. Those say that “On or before the last day of the school year of the existing employment contract, the local school board or the governing authority of the state agency shall serve *written notice of reemployment* or termination on each certified school instructor employed by the school district or state agency.” AND, within fifteen days of “(1) the date *written notice of reemployment* is served upon the person; or (2) the last day of the school year when no written notice of reemployment or termination is served upon the person on or before the last day of the school year,” the employee has to give the district “a written acceptance or rejection of reemployment for the ensuing school year.” Otherwise, there is no binding employment contract between the certified school instructor and the district until the parties enter into a formal written employment contract.

**Corrective Action:** The HRD will recalibrate processes to mitigate risks and meet compliance requirements. Ensuring that hiring documents are executed in a timely manner and appropriately filed. Will assess and configure to ensure the delivery system of the required trainings and exercises are completed. In addition, include documentation to employee’s personnel file.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Human Resources

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-010 (PREVIOUSLY REPORTED AS 2018-008A AND 2015-001A) BUDGETARY CONDITIONS - ATC  
CHARTER - REPEATED AND MODIFIED**

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

**CONDITION**

The School has expenditure functions where actual expenditures exceeded budgetary authority:

Fund 24106 Instruction	\$9,580
------------------------	---------

The Charter School has not made progress on this finding.

**CRITERIA**

Per NMAC 6.20.2.9(A), every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining, and reporting budgetary information. Budgetary control shall be at the major function level. Over-expenditure of a function shall not be allowed.

Per NMAC 6.20.2.10.B, school districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget AUTHORITY has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

**EFFECT**

The School was out of compliance with New Mexico state statute and funds spent could be considered unallowable.

**CAUSE**

Required budget adjustments were not approved by the Board and submitted to the New Mexico Public Education Department.

**RECOMMENDATION**

We recommend the School establish a policy of budgetary review at the end of each quarter and have the board approve the necessary budgetary adjustments to ensure funds are not over expended. We recommend that all BARs are properly completed for all changes in funding received and that all BARs are approved by the board and submitted to the department prior to the end of the year.

**MANAGEMENT RESPONSE**

**Corrective Action:** We acknowledge the issue and will be reviewing expenditures/budget more timely.

**Due Date of Completion:** January 31, 2020

**Responsible Party:** Finance Director

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-011 (PREVIOUSLY REPORTED AS 2018-004A AND 2017-005A) INTERNAL CONTROLS OVER CASH DISBURSEMENTS - ATC CHARTER - REPEATED AND MODIFIED**

**TYPE OF FINDING:** Other Matter

**CONDITION**

During our testing of 40 cash disbursements, we noted that 2 purchase orders were utilized incorrectly for expense reimbursements in the amounts of \$11.72 and \$19.52.

The Charter did make progress on this finding in fiscal year 2019.

**CRITERIA**

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

**EFFECT**

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

**CAUSE**

The purpose of the purchase orders used did not match the items noted in the invoice.

**RECOMMENDATION**

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

**MANAGEMENT RESPONSE**

**Corrective Action:** With Apta, our old system, we did not have capability to revise purchase orders. Ivisions does give us that capability and this should not be a problem going forward.

**Due Date of Completion:** February 2020

**Responsible Party:** Business Manager

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

**2019-012 COMPLIANCE WITH SCHOOL PERSONNEL ACT - ATC CHARTER**

**TYPE OF FINDING:** Non-Compliance

**CONDITION**

During our testing of 3 licensed employee payroll transactions, we noted that none of these contracts were executed 10 or more days before the start of the school year.

**CRITERIA**

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

22-10A-23(B) NMSA 1978 states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.

**EFFECT**

The District is at higher risk for misappropriation of assets if it is unable to confirm that pay rates have been approved by management. The District may be at higher risk that classrooms and other services are not staffed as planned. Additionally, the District is not in compliance with Section 22-10A-32 Item A, NMSA 1978.

**CAUSE**

This may be due to turnover in the Human Resources Department and a lack of controls over compliance in this area.

**RECOMMENDATION**

Management should perform a risk assessment and design and implement strong controls over payroll compliance.

**MANAGEMENT RESPONSE**

**Corrective Action:** The Charter was made aware of this by the auditor and we have made this correction in the FY19-20. The current year contracts are dated July 31, 2019.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Human Resources

**STATE OF NEW MEXICO  
SANTA FE PUBLIC SCHOOLS  
EXIT CONFERENCE  
JUNE 30, 2019**

The contents of this report were discussed, in a closed session, on November 11, 2019. The following individuals were in attendance:

**Santa Fe Public Schools:**

Kate Noble, Board of Education  
Carl Luff, Audit Committee  
Larry Mirabal, Audit Committee  
Oscar Rodriguez, Audit Committee  
Margo Shirley, Audit Committee  
Ron Baca, Audit Committee  
Kristi Janda Wagner, Deputy Superintendent  
Veronica Garcia, Superintendent of Schools (telephone)  
German Martinez, Chief Financial Officer  
Robert Martinez, Deputy Chief Financial Officer

**Academy for Technology & the Classics Charter School:**

Larry Mirabal, Audit Committee, Governing Council Member  
Christine Garcia, Business Manager  
Karen Velarde, Governing Council  
Brian Shelton, Governing Council  
Susan Lumley, Principal

**Jaramillo Accounting Group LLC (JAG):**

Audrey J. Jaramillo, CPA, CFE, Managing Partner  
David Williamson, Manager, CPA

*Jaramillo Accounting Group LLC (JAG) assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.*

## **OTHER INFORMATION**



## CORRECTIVE ACTION PLAN

November 15, 2019

US Department of Education

Santa Fe Public Schools respectfully submits the following corrective action plan for the year ended June 30, 2019.

Name and address of independent public accounting firm:

**Jaramillo Accounting Group LLC  
4700 Lincoln Rd. NE  
Albuquerque, New Mexico 87109**

Audit period:

**June 30, 2019**

The findings from the June 30, 2019 Schedule of Findings and Questioned Costs are discussed below. **The Corrective Action Plan does not include the corrective actions for our discretely presented component unit, the Academy for Technology and Classics Charter School (ATC). ATC does not have federal funds in excess of \$750,000.** The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS - FINANCIAL STATEMENT AUDIT**

#### **MATERIAL WEAKNESS**

##### **2019-001 INTERNAL CONTROL OVER FINANCIAL CLOSE AND REPORTING - DISTRICT**

#### **RECOMMENDATION**

We recommend management evaluate all aspects of the financial close and reporting process and establish effective internal controls and procedures to ensure timely and accurate financial statements and supporting schedules. We highly recommend in-depth training on governmental accounting standards and systems such as GASB and COSO. We also recommend that the District track and record modified and full accrual entries separately for financial reporting purposes. Finally, we recommend reconciling all balance sheet accounts by fund every month and performing analytical reviews of the income statements within a week of the close of the previous month.

#### **MANAGEMENT RESPONSE**

Santa Fe Public Schools management worked diligently with the auditing firm to maintain milestones during the audit process. During audit committee meetings some items were identified as pending or not sufficient. However, progress was not deemed as a deficiency during audit committee meetings.



Internal procedures have been developed to compile documentation related to reconciling worksheets, listings, and transactions that are required to maintain the quality of the audit process.

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

1. Develop a work plan for the audit process; include milestones and timelines for completion.
2. Compile documentation, worksheets, and draft templates during fiscal year prior to fiscal year end.
3. Timely review and submission of documents to auditor portal.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Chief Finance Director

**2019-002 (PREVIOUSLY REPORTED AS 2018-004) BANK RECONCILIATIONS AND CLEARING ACCOUNTS - DISTRICT - REPEATED AND MODIFIED**

**RECOMMENDATION**

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

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. Variances of cash were a direct result of transactions between banks or journal entries incorrectly posted to reduce payroll liabilities and cash. These variances will be reviewed and reconciled according to bank reconciliation procedures.

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

1. Cross-functional training within Business Services to make the process more efficient, transparent and captures issues as they arise.
2. Management review of the work of the Comptroller, including renewed effort to enforce the requirement of signing off on all bank reconciliations on a monthly basis.
3. Timely submission of all bank transfers between accounts.
4. Implementation of procedures to properly process year end closing transactions.

**Due Date of Completion:** June 30, 2020

**Responsible Person:** Chief Financial Officer, Comptroller

**FINDINGS - FEDERAL AWARD PROGRAMS AUDIT**

**SIGNIFICANT DEFICIENCY/NON-COMPLIANCE**

**2019-004 (PREVIOUSLY REPORTED AS 2018-006 AND 2017-003) 21<sup>ST</sup> CENTURY PAYROLL - DISTRICT - REPEATED AND MODIFIED**

**RECOMMENDATION**

We recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. All non-contractual pay will be planned and agreements will be established to ensure proper calculation of overtime.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable.
2. Ensure all applications to PED include overtime as part of the budget.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Human Resources

**2019-005 (PREVIOUSLY REPORTED AS 2018-007) STUDENT NUTRITION VERIFICATION - DISTRICT - REPEATED AND MODIFIED****RECOMMENDATION**

Although there are differing political philosophies, the CFR criteria has remained the same and must be followed. We recommend the District develop procedures to flag questionable applications in addition to the required verification sample and complete verification for cause as required. This cannot delay approval of applications. If an application is complete and indicates the child is eligible for free or reduced price benefits, the application must be approved while the District begins verification for cause.

**MANAGEMENT RESPONSE**

While every effort is made to process student meal applications with the highest level of accuracy, these findings indicate a need for review of internal processes. The District maintains records of applications submitted as required by the USDA Food and Nutrition Bureau. To ensure compliance related to eligibility the District utilizes a reasonable cause determination for further verification of applications. The District does not apply a blanket approach for verification; rather a case by case inquiry is used as a practical approach for verification. In order to maintain accurate representation of its review procedures the District will develop a risk assessment to determine an exhaustive review of applications.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Determine the District's authority and ability to determine the income levels of individual households.
2. Develop a rubric that outlines criteria of verification for cause of inaccurate information submitted by individuals.
3. Identify applications listed as zero income and determine a reasonable cause for review on a case-by-case basis.

**Due Date of Completion:** June 30, 2020

**Responsible Party:** Executive Director of Finance and Administration, Payroll Specialist

**2019-006 TITLE I AND SPECIAL EDUCATION PAYROLL - DISTRICT**

**RECOMMENDATION**

We recommend maintaining agreements with employees' pay rates for additional compensation and overtime in the personnel files.

**MANAGEMENT RESPONSE**

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

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Have every employee who agrees to hourly work for a supplemental program sign an agreement that specifies the methodology they will be paid overtime, if applicable.
2. Ensure all applications to PED include overtime as part of the budget.

**Due Date for Completion:** June 30, 2020

**Responsible Party:** Chief Financial Officer, Executive Director of Human Resources

**2019-007 TITLE I AND SPECIAL EDUCATION DISBURSEMENTS - DISTRICT**

**RECOMMENDATION**

We recommend reviewing controls over purchasing to ensure shipping, handling, and taxes are properly included or excluded when completing purchase orders. The purchase order form should be reviewed to make sure the language for approval authority is correct for changes and meets the needs of the District.

**MANAGEMENT RESPONSE**

The District acknowledges that work needs to be done in this area and will incorporate the recommendations of the auditor into future practice. The District will implement a review of terms of service to ensure price agreements follow procurement.

**Corrective Action:** To ensure compliance, the District will implement the following plan:

1. Review agreements recurring and on-recurring to ensure proper workflow for execution.
2. Establish a purchase order system that aligns with procurement regulations.

**Due Date for Completion:** June 30, 2020

**Responsible Party:** Chief Procurement Officer

If the US Department of Education has questions regarding this plan, please call me at 505-467-2038.

Sincerely yours,



German Martínez, MBA  
Chief Financial Officer

## **APPENDIX C**

### **BOOK-ENTRY-ONLY SYSTEM**

## **Book-Entry-Only System**

Initially, DTC will be the securities depository for the Bonds and Notes. The Paying Agent/Registrar will register all Bonds and notes in the name of Cede & Co. (DTC's partnership nominee) and provide DTC with one Bond and one Note, respectively for each maturity.

*DTC provided the following information. None of the Financial Advisor nor the District or the Underwriter can vouch for its accuracy or completeness. For further information, please contact DTC.*

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New Mexico and New York Uniform Commercial Codes, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of security certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "Indirect Participants").

Purchases of the Bonds and Notes under the book-entry system may be made only through brokers and dealers who are, or act through, DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's ownership interest in the Bonds and Notes. The ownership interest of each actual purchaser of a Bond (the "Beneficial Owner") will be recorded through the records of the DTC Participant or the Indirect Participant. Beneficial Owners are to receive a written confirmation of their purchase providing certain details of the Bonds and Notes acquired. Transfers of ownership interests in the Bonds and Notes will be accomplished only by book entries made by DTC and, in turn, by DTC Participants or Indirect Participants who act on behalf of the Beneficial Owners. Beneficial Owners of the Bonds and Notes will not receive nor have the right to receive physical delivery of the Bonds and Notes, and will not be or be considered to be registered owners under the Bond Resolution and the Note Resolution except as specifically provided in the Bond Resolution and the Note Resolution in the event the book-entry system is discontinued.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS AND NOTES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS AND NOTES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The District and the Paying Agent/Registrar may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds and Notes registered in its name for the purpose of payment of the principal of or interest or premium, if any, on the Bonds and Notes, selecting Bonds and Notes and portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners under the Bond Resolution, register the transfer of Bonds and Notes, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The District and the Paying Agent/Registrar will not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds and Notes under or through DTC or any DTC Participant, Indirect Participant or other person not shown on the records of the Paying Agent/Registrar as being a registered owner with respect to: the accuracy of any records maintained by DTC, any DTC Participant or Indirect Participant regarding ownership interests in the Bonds and Notes; the payment by DTC, any DTC Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds and Notes; the delivery to any DTC Participant, Indirect Participant or any Beneficial Owner of any notice that is permitted or required to be given to registered owners under the Bond Resolution and the Note Resolution; or any consent given or other action taken by DTC as a registered owner.

Neither DTC nor its nominee, Cede & Co., provides consents with respect to any security. Under its usual procedures, DTC mails an omnibus proxy to the issuer of the securities for which it is acting as securities depository as soon as possible after the establishment of a "record date" by the issuer for purposes of soliciting consents from the holders of such securities. The omnibus proxy assigns Cede & Co.'s voting rights to those DTC Participants having such securities credited to their accounts on such record date.

Principal of and interest on the Bonds and Notes will be paid to DTC or its nominee, Cede & Co., as registered owner of the Bonds and Notes. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Bonds and Notes is the responsibility of the DTC Participants or the Indirect Participants. Upon receipt of any such payments, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds and Notes will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant or Indirect Participant and not of DTC, the Paying Agent/Registrar or the District, subject to any statutory and regulatory requirements then in effect.

As long as the DTC book-entry system is used for the Bonds and Notes, the Registrar will give any notice required to be given to registered owners of Bonds and Notes only to DTC or its nominee. Any failure of DTC to advise any DTC Participant, of any DTC Participant to notify any Indirect Participant, or of any DTC Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of any action premised on such notice. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or Indirect Participant so that all communications to DTC that affect such Beneficial Owners will be forwarded in writing by such DTC Participant or Indirect Participant.

NEITHER THE DISTRICT NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS AND NOTES.

For every transfer and exchange of a beneficial ownership interest in the Bonds and Notes, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may determine to discontinue providing its service with respect to the Bonds and Notes at any time by giving reasonable notice to the District or the Paying Agent/Registrar at any time. In addition, if the District determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds and Notes or (ii) continuation of the system of book-entry only transfers through DTC is not in the best interests of the Beneficial Owners of the Bonds and Notes or of the District, the District may thereupon terminate the services of DTC with respect to the Bonds and Notes. If for any such reason the system of book-entry transfers through DTC is discontinued, the District may within 90 days thereafter appoint a substitute securities depository that, in its opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. If a successor is not approved, Bond certificates will be delivered as described in the Bond Resolution and Note certificates will be delivered as described in the Note Resolution, each in fully registered form in denominations of \$5,000 or any integral multiple thereof in the names of the Beneficial Owners, Indirect Participants or DTC Participants.

In the event the book-entry system is discontinued, the persons to whom Bond and Note certificates are registered will be treated as registered owners for all purposes of the Bond Resolution and Note Resolution, including the giving to the District or the Paying Agent/Registrar of any notice, consent, request or demand pursuant to the Bond Resolution and the Note Resolution for any purpose whatsoever. In such event, the Bonds and Notes will be transferred to such registered owners, interest on the Bonds and Notes will be payable by check of the Paying Agent/Registrar, as paying agent, mailed to such registered owners, and the principal and redemption price of all Bonds and Notes will be payable at the principal corporate trust office of the Paying Agent/Registrar.

The foregoing material concerning DTC and DTC's book-entry system is based on information furnished by DTC. No representation is made by the District or the Underwriter as to the accuracy or completeness of such information.

### **Limited Book-Entry Responsibilities**

While a book-entry-only system is used for the Bonds and Notes, the Paying Agent/Registrar will send redemption (relating only to the Bonds) and other notices only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any notice and its content or effect will not affect the validity of sufficiency of the proceedings relating to the Bond redemption or any other action based on the notice.

None of the District, the Financial Advisor or the Underwriter have any responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds and Notes.

None of the District, the Financial Advisor or the Underwriter can give any assurances that DTC will distribute payments to DTC Participants or that DTC Participants or others will distribute payments with respect to the Bonds and Notes received by DTC or its nominees as the holder or any redemption notices (relating only to the Bonds) or other notices to the beneficial holders, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

**APPENDIX D**

**FORMS OF BOND COUNSEL OPINIONS**

Form of Bond Counsel Opinion

July 20, 2020

Board of Education  
Santa Fe Public School District  
Santa Fe, New Mexico

***Re: Santa Fe Public School District, General Obligation School Bonds,  
Series 2020 (the "Bonds")***

Ladies and Gentlemen:

We have acted as bond counsel to the Santa Fe Public School District (the "District") in connection with the issuance of its \$15,000,000 General Obligation School Bonds, Series 2020 (the "Bonds"), dated their date of issuance, with interest payable on February 1, 2021, and semi-annually thereafter on each August 1 and February 1, until maturity, and being bonds in registered form maturing on August 1 in the years 2021 through 2032, inclusive.

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.

2. Assuming continuing compliance by the District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants contained in the Transcript regarding the use, expenditure and investment of Bond proceeds, interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation. Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. Failure of the District to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance.

3. Interest on the Bonds is excludable from net income for purposes of the tax imposed on individuals, estate and trusts under the New Mexico Income Tax Act and for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act.



Board of Education  
Santa Fe Public School District  
July 20, 2020  
Page 2

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Bonds.

The opinions expressed herein represent our legal judgment based upon existing legislation as of the date of issuance and delivery of the Bonds that we deem relevant to render such opinions and are not a guarantee of a result, and we express no opinion as of any date subsequent thereto or with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds.

Respectfully submitted,

## Form of Bond Counsel Opinion

July 20, 2020

Board of Education  
Santa Fe Public School District  
Santa Fe, New Mexico

***Re: Santa Fe Public School District, General Obligation Education Technology Notes, Series 2020 (the "Notes")***

We have acted as bond counsel to Santa Fe Public School District (the "District") in connection with the issuance of its \$11,000,000 General Obligation Education Technology Lease Purchase Arrangement and Note, Series 2020 (the "Notes"), dated July \_\_\_\_, 2020, with interest payable on February 1, 2021, and semi-annually thereafter on each February 1 and August 1 until maturity, and being Bonds in registered form maturing on August 1 in the years 2021 through 2023.

We have examined the laws of the State and the United States of America relevant to the opinions herein, the transcript of proceedings (the "Transcript") and other documents relevant to the issuance of the Bonds by the District. As to the questions of fact material to our opinion, we have relied upon representations of the District contained in the proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, and subject to the assumptions and qualifications set forth below, we are of the opinion that, under existing law on the date of this opinion:

1. The Notes constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Notes is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Notes is not a specific preference item for purposes of calculating the alternative minimum tax imposed under provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"). Although we are of the opinion that interest on the Notes is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Notes may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

3. The Notes and the income from the Notes are exempt from all taxation by the State or any political subdivision thereof.

The opinions set forth above in Paragraph 2 above are subject to continuing compliance by the District with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance of the Notes by the District. Failure to comply with these

covenants may result in interest on the Notes being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing law as of the date of issuance and delivery of the Notes. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Notes has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the District related to the Notes are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the District and the security provided therefor may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities as of the date of issuance and delivery of the Notes that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

As bond counsel, we are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Notes or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Notes except those specifically addressed in Paragraphs 2 and 3 above.

Respectfully submitted,

## **APPENDIX E**

### **CONTINUING DISCLOSURE UNDERTAKINGS**

## CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Santa Fe Public School District, Santa Fe County, New Mexico (the “District”), in connection with the issuance of the Santa Fe Public School District, Santa Fe County, New Mexico, General Obligation School Bonds, Series 2020 (the “Bonds”). The Bonds are being issued pursuant to a Bond Resolution adopted April 21, 2020 and a Bond Award of the District signed by the Superintendent on June 16, 2020 (the “Bond Resolution”). Pursuant to the Bond Resolution to allow the underwriter of the Bonds to comply with the Rule (defined below), the District is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

### Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the District, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM,” “TAX BASE,” “THE DISTRICT – Enrollment,” “FINANCES OF THE DISTRICT State Equalization Guarantee,” “District Budget Process,” “Balance Sheet – General Fund” and “Statement of Revenues, Expenditures & Changes in Fund Balances – General Fund” in the Official Statement. The District will update and provide this information no later than March 31 of each year, commencing March 31, 2021, for the fiscal year ending on the preceding June 30.

(b) “Audited Financial Statements” means the District’s annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) “Event Information” means the information delivered pursuant to Section 3(d).

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, phone (703) 797-6600, fax (703) 797-6708.

(f) “Official Statement” means the Official Statement dated June 16, 2020, delivered in connection with the original issue and sale of the Bonds.

(g) “Report Date” means March 31 of each year, beginning in 2021.

(h) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(i) “SEC” means the United States Securities and Exchange Commission.

(j) “State” means the State of New Mexico.

### Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The District, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the District, or its designated agent, will provide unaudited financial statements as part of the Annual Financial Information, and will provide Audited Financial Statements when available.

(c) The District, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the District, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) The District, or its designated agent, will provide, to EMMA, notice of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event with respect to the District, which shall occur as described below;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of the above described event notices (xv) and (xvi), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(e) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the District to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. The District, or its designated agent, will employ such methods of electronic or physical information transmission as are requested or recommended from time to time by EMMA, the MSRB or the SEC.

Section 5. Enforcement. The obligations of the District under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the District to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The District's breach of its obligations under this Undertaking will not constitute an event of default under the Resolution, and none of the rights and remedies provided by such Resolution will be available to the Owners with respect to such a breach.

Section 6. Term. The District's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the District is no longer an “obligated person” with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The District may amend this Undertaking from time to time, without the consent of any Owner, upon the District's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the District;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the District and the Owners and creates no rights in any other person or entity.

Section 9. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the District's Board of Education and shall not be construed as a general obligation of the District.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: July 20, 2020

BOARD OF EDUCATION  
SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary

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**CONTINUING DISCLOSURE UNDERTAKING**



Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Santa Fe Public School District, Santa Fe County, New Mexico (the “District”), in connection with the issuance of the Santa Fe Public School District, Santa Fe County, New Mexico, General Obligation Education Technology Notes, Series 2020 (the “Notes”). The Notes are being issued pursuant to a Resolution of the District adopted on June 16, 2020 (the “Resolution”). Pursuant to the Resolution to allow the underwriter of the Notes to comply with the Rule (defined below), the District is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Notes (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the District, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “DEBT AND OTHER FINANCIAL OBLIGATIONS,” “TAX BASE,” “THE DISTRICT – Student Enrollment,” “FINANCES OF THE EDUCATIONAL PROGRAM-State Equalization Guarantee,” “Statement of Net Position,” “Statement of Activities,” “Balance Sheet – General Fund” and “Statement of Revenues, Expenditures & Changes in Fund Balances – General Fund” in the Official Statement. The District will update and provide this information no later than March 31 of each year, commencing March 31, 2021, for the fiscal year ending on the preceding June 30.

(b) “Audited Financial Statements” means the District’s annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) “Event Information” means the information delivered pursuant to Section 3(d).

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, phone (703) 797-6600, fax (703) 797-6708.

(f) “Official Statement” means the Official Statement dated June 16, 2020, delivered in connection with the original issue and sale of the Notes.

(g) “Report Date” means March 31 of each year, beginning in 2021.

(h) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(i) “SEC” means the United States Securities and Exchange Commission.

(j) “State” means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The District, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Notes are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the District, or its designated agent, will provide unaudited financial statements as part of the Annual Financial Information, and will provide Audited Financial Statements when available.

(c) The District, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the District, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) The District, or its designated agent, will provide, to EMMA, notice of any of the following events with respect to the Notes in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (vii) modifications to rights of holders of the Notes, if material;
- (viii) note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event with respect to the District, which shall occur as described below;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of the above described event notices (xv) and (xvi), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(e) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the District to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. The District, or its designated agent, will employ such methods of electronic or physical information transmission as are requested or recommended from time to time by EMMA, the MSRB or the SEC.

Section 5. Enforcement. The obligations of the District under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the District to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The District's breach of its obligations under this Undertaking will not constitute an event of default under the Resolution, and none of the rights and remedies provided by such Resolution will be available to the Owners with respect to such a breach.

Section 6. Term. The District's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Notes and will extend to the earliest of (i) the date all principal and interest on the Notes has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the District is no longer an “obligated person” with respect to the Notes within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Notes.

Section 7. Amendments. The District may amend this Undertaking from time to time, without the consent of any Owner, upon the District's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the District;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the District and the Owners and creates no rights in any other person or entity.

Section 9. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the District's Board of Education and shall not be construed as a general obligation of the District.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: July 20, 2020

BOARD OF EDUCATION  
SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

Y:\dox\client\64109\0253\GENERAL\W3763885.DOCX

**APPENDIX F**

## LEASE PURCHASE ARRANGEMENT

**LEASE PURCHASE ARRANGEMENT  
AND NOTES**

**Dated as of July 20, 2020**

**By and between**

**The Education Technology Leasing Company, LLC  
As Lessor**

**and**

**The Board of Education of the  
Santa Fe Public School District,  
As Lessee**

## LEASE PURCHASE ARRANGEMENT

THIS LEASE PURCHASE ARRANGEMENT, dated as of July 20, 2020 (“Lease”), by and between The Education Technology Leasing Company, LLC, as lessor (such lessor, together with any successor by merger, acquisition or otherwise, “Lessor”), and the Board of Education (the “Board”) as the governing body of the Santa Fe Public School District (the “District”), a school district created pursuant to the laws of the State of New Mexico, as lessee (“Lessee”);

WITNESETH:

WHEREAS, Lessee, which is a school board as defined in NMSA 1978, Section 6-15A-3(D), as amended, wishes to facilitate the acquisition and purchase of certain Property (as defined herein) to be used by Lessee, and Lessee is authorized pursuant to the laws of the State of New Mexico, particularly The Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 to 6-15A-16, as amended (the “Act”), to execute, perform, and make payments under contracts for such purposes and for the financing of “education technology equipment,” as defined in the Act at NMSA 1978, Section 6-15A-3B and, in the Technology for Education Act, Section NMSA 1978, 22-15A-2, as amended; and

WHEREAS, the Board has determined that in order to accomplish its purposes, it is necessary and desirable to acquire the Property pursuant to this Lease; and

WHEREAS, Lessor will cause to be provided funds for the acquisition, delivery, and purchase of the Property to be leased pursuant to this Lease; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained, and for other good and valuable consideration, Lessor and Lessee agree as follows:

### ARTICLE I: DEFINITIONS

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

“Acquisition Costs” means, with respect to any item of the Property, the contract price paid or to be paid therefor upon acquisition or purchase thereof in accordance with a purchase order or contract therefor. Acquisition Costs also include the administrative, engineering, legal, financial, and other costs incurred by Lessee in connection with the acquisition, purchase, or financing of the Property to the extent permitted by the Act.

“Acquisition Fund” means the 2019 Lease Acquisition Fund by that name established and maintained by Lessee pursuant to Section 3.1 of this Lease.

“Act” means the Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 to 6-15A-16, as amended.

“Authorized Denominations” means \$5,000 and multiples thereof or, if less, the principal amount outstanding on the Note.

“Bond Counsel” means an attorney duly admitted to the practice of law before the highest court of the State in which he/she maintains an office and who is not an employee of Lessor or Lessee.

“Certificate of Acceptance” means a written acknowledgment of Lessee Representative to Lessor stating that all of the Property described in such acknowledgment has been acquired, delivered, and installed in conformity with the specifications of the seller, in substantially the form of Exhibit C hereto.

“Closing Date” means the date on which this Lease is duly executed and delivered by the parties hereto and the Note is issued.

“Financial Advisor” means RBC Capital Markets, LLC.

“Fiscal Year” means the period beginning on July 1 in any year and ending on June 30 in the next year.

“Lease” means this Lease Purchase Arrangement.

“Lessee” means the Board of the District, a local school district organized and existing under the laws of the State of New Mexico.

“Lessee Representative” means the Superintendent of Schools or a designee thereof to act on behalf of Lessee under or with respect to this Lease.

“Lessor” means The Education Technology Leasing Company, LLC, and any successor thereto by merger, acquisition, assignment, or otherwise.

“Lessor's Representative” means a person authorized by Lessor to act on behalf of Lessor under or with respect to this Lease.

“Maximum Rate” means a net effective interest rate (as defined in and calculated in accordance with the provisions of NMSA 1978, Sections 6-14-1 through 6-14-3, as amended) of twelve percent (12%).

“Note” means a note or notes in the form attached hereto as Exhibit D evidencing the right to receive Rent Payments with components of principal and interest.

“Permitted Investments” means any investment allowed under the laws of the State for school districts.



“Person” means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership, or other organization or entity (whether governmental or private).

“Purchaser” means and Stifel, Nicolaus & Company, Incorporated and its successors and assigns.

“Property” means, to the extent permitted by the NMSA 1978 §§ 6-15A-3(B), and 22-15A-2 education technology equipment used in the educational process that constitute learning and administrative resources.

“Rent Payment” means the payment or payments composed of principal and interest components which are secured by the full faith and credit of the District and payable out of general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount, including the principal and interest component, due from Lessee to Lessor in accordance with Section 4.4 hereof.

“Rent Payment Date” means the dates on which Rent Payments are due under this Lease as provided in Section 4.4.

“Rent Payment Fund” means the fund or funds by that name established by Lessee pursuant to Section 4.4(c) of this Lease.

“State” means the State of New Mexico.

“Term” or “Term of this Lease” means the time during which this Lease is in effect, as provided in Section 4.2 hereof.

## **ARTICLE II: REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants to Lessor as follows:

(a) Lessee has full power and authority to execute, deliver, and perform under this Lease; all required procedures with respect to Lessee's execution, delivery, and performance of this Lease have been (or will be) complied with properly and in a timely manner; the execution, delivery, and performance of this Lease by Lessee has been duly authorized by Lessee and is not in contravention of any applicable laws or the terms of any other agreement to which Lessee is a party; this Lease evidences a valid and binding obligation of Lessee enforceable in accordance with its terms; and the Rent Payments are contractual obligations of Lessee.

(b) There are no pending or threatened actions, suits, proceedings, or investigations contesting the authority for execution, delivery, or performance of, or expenditure of funds pursuant to this Lease.

(c) Information supplied and statements made or to be made by Lessee in any financial statement or current budget prior to or contemporaneously with this Lease are now, and will be true and correct on the Closing Date, and do not and will not omit to state any material facts required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) Lessee has immediate need for, and expects to make immediate use of, substantially all of the Property being leased under this Lease, which need, at the time of approval of this Lease, is not temporary or expected to diminish in the foreseeable future.

(e) Lessee will provide Lessor the annual budget of Lessee for the following fiscal year within 30 days following the approval of the budget by the State Public Education Department.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants, and warrants to Lessee as follows:

(a) **Organization and Good Standing.** Lessor is in good standing; has power to enter into this Lease; and has duly authorized the execution and delivery of this Lease.

(b) **No Conflicts.** Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of the property or assets of Lessor or upon the Property, except as provided under the terms hereof.

(c) **Valid and Binding Obligation.** This Lease, when executed and delivered by Lessor and assuming the valid execution and delivery hereof by Lessee, will constitute a legal, valid, and binding obligation of Lessor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally and general equitable principles.

### **ARTICLE III: DEPOSIT OF MONEYS; ACQUISITION OF THE PROPERTY**

Section 3.1. Deposit of Moneys. On the Closing Date, Lessor shall coincident with the payment of Eleven Million Dollars (\$11,000,000) by the Purchaser of the Note on the Closing Date, cause, in accordance with the terms of the closing memorandum provided by the Financial Advisor, payment to be made to the District of the aforementioned Eleven Million Dollars (\$11,000,000) to be deposited into the Acquisition Fund, to be established and maintained at a depository of the District, to acquire the

Property set forth in Exhibit A and to pay the financial and legal costs of the District associated with this Lease.

Section 3.2. Acquisition of the Property. Except as otherwise provided in this Section, Lessor agrees to the acquisition of the Property set forth in Exhibit A. Lessor hereby authorizes Lessee to act as its agent and to enter into one or more contracts or purchase orders providing for the acquisition, purchase use and support of the Property. Lessee agrees that upon acquisition of any item of the Property it will take possession of that item of the Property under the terms and provisions of this Lease.

Lessee as agent for Lessor shall acquire the Property under this Lease within a reasonable period of time. Lessee as agent for Lessor may substitute other education technology equipment qualifying for financing pursuant to the Act for any item of Property, provided Lessee shall notify Lessor of such substitution and after all property (and property substituted for the Property) is acquired, Lessee shall provide an inventory and deliver the Certificate of Acceptance of the Property actually acquired under this Lease to Lessor.

Notwithstanding the foregoing, there shall be no offset or reduction for any reason of the Rent Payments required to be made by Lessee which are described herein.

Section 3.3. Payment of Acquisition Costs. As provided in Section 3.1, payment of the cost of acquiring Property shall be made from the moneys deposited by Purchaser with Lessee in the Acquisition Fund.

Section 3.4. Unexpended Proceeds in Acquisition Fund. On the earlier of (a) three years from the Closing Date or (b) the filing with Lessor of the final inventory of Property as contemplated in the second paragraph of Section 3.2, Lessee shall cause to be transferred to the Rent Payment Fund all excess moneys remaining in the Acquisition Fund maintained by Lessee (other than any moneys, if any, retained therein to pay Acquisition Costs not then due and payable) to be applied to pay any portion of Rent Payments thereafter coming due.

#### **ARTICLE IV: AGREEMENT TO LEASE; TERMINATION OF THIS LEASE; RENT PAYMENTS; TITLE TO PROPERTY**

Section 4.1. Lease. Lessor hereby leases to Lessee the Property, and Lessee hereby leases the Property from Lessor, upon the terms and conditions set forth herein.

Section 4.2. Term of Lease. The Term of this Lease and of the right to use the Property described therein shall commence on the Closing Date and shall continue until all payments under this Lease to finance such Property have been paid in accordance with Exhibit B hereto and are no longer outstanding.

Section 4.3. Possession. It is contemplated that Lessee will take possession of each item of the Property in accordance with the terms of the acquisition contracts and purchase orders described in Section 3.2 hereof. Notwithstanding the failure of Lessee to

take possession of any item of Property, however, each Rent Payment hereunder shall be due on the date set out in this Lease.

Section 4.4. Notes, Paying Agent/Registrar, Rent Payments, Tax Pledge.

(a) Notes. The Notes are payable from periodic rent payments (which Lessor hereby assigns to the Paying Agent/Registrar) composed of principal and interest components which are secured by the full faith and credit of the District and payable out of general (ad valorem) property taxes which are levied against all taxable property in the District without limitation as to rate or amount. The Lessor hereby assigns the Rent Payments received from the Lessee to the Paying Agent/Registrar to thereafter be paid by the Paying Agent/Registrar to the owners of the Note.

The right to receive Rent Payments shall be evidenced by the Note in the form attached hereto as Exhibit D. The Purchaser or its assignee may assign the right to receive all or a part of the Rent Payments in Authorized Denominations to any Person.

(b) Paying Agent/Registrar. The principal of and interest components of the Rent Payments shall be payable in accordance with Exhibit B to the owners of the Note as shown on the registration books kept by the BOKF, NA, Albuquerque, New Mexico as paying agent/registrar (such entity and any successor thereto, the "Paying Agent/Registrar") for the Lease and Note, when due, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of interest on the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of any Note), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the Note owner on the Record Date (defined below) at the address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month (whether or not a business day) preceding the interest payment date. The owner of the Note as shown on the registration books on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name the Note is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first class mail, to the Note owner as of the fifth day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest. The principal of the Note shall be payable to the owners of the Note as shown on the registration books kept by the Paying Agent/Registrar

for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of principal of the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of the Note).

(c) Obligation to Pay. Lessee agrees to pay Lessor, its successors, and assigns, for the right of use and support, of the Property, the sum obtained by adding the Rent Payments (denominated into components of principal and interest) in the amounts specified in Exhibit B hereto on each Rent Payment Date as reflected in such exhibit.

Lessee hereby covenants to establish and maintain with respect to the Lease, a special fund to be denoted the "Rent Payment Fund", at a depository of the Lessee, solely for the benefit of the Note. The Rent Payment Fund shall be kept separate and apart from all other funds and accounts of Lessee and held in trust for the benefit of the Lessor, and shall be used only for paying Rent Payments. All ad valorem taxes levied and collected for the purpose of making such Rent Payments shall be deposited into the Rent Payment Fund, prior to the Rent Payment Date in the amount to be paid pursuant to Exhibit B of the Lease. Any amount held in the Rent Payment Fund on any date when a Rent Payment is required to be made shall be credited towards the Rent Payment then due and payable; and no Rent Payment need be made by Lessee into the Rent Payment Fund if the amounts then held in the Rent Payment Fund are at least equal to the Rent Payment then required to be paid

Lessee agrees to pay any amounts required to be deposited to the Rebate Fund established under Section 5.4 hereof for rebate (hereinafter referred to as a "Rebate Payment") to the U.S. Department of the Treasury (which amounts shall be calculated by Lessee or its agent and the result of such calculation provided in writing to Lessor). Each Rebate Payment shall be made in accordance with the terms of Section 5.4 hereof.

The obligation of Lessee to make Rent Payments and Rebate Payments is absolute and unconditional and is not subject to abatement or set-off.

(d) Tax Pledge. There shall annually be assessed, levied, and collected upon all taxable property in District, in addition to all other taxes, a tax which will be sufficient to raise and produce the money required to pay the interest component of the Rent Payments as such interest component comes due and to provide and maintain a fund adequate to pay the principal component of the Rent Payments as such principal component matures, pursuant to Section 6-15A-6, as amended, as the same becomes due and payable, without limit as to rate or amount. The Board shall establish adequate budgetary provisions, approved by the New Mexico Public Education Department, to promptly pay all Rent Payments as they become due. This Section is hereby declared to be the certificate to the County Commissioners of the County of Santa Fe, New Mexico as to the amount of taxes necessary to be levied for the purposes herein stated. Said tax shall annually be assessed, levied and collected at the same time and in the same manner as other taxes are assessed and collected, but nothing herein contained shall be construed as to prevent Lessee

thereof from applying any other funds available for that purpose to the payment of said Rent Payments as the same respectively mature and become due, and upon such payments, the levies herein provided for, may thereupon, to that extent, be diminished. The sums produced by the levies above provided to meet the Rent Payments when due are hereby applied for that purpose, and the amount for each year will be included in the annual budget and the appropriation bills to be adopted and passed by the Board of Education in each year, respectively. The Board does hereby levy and order to be levied, taxes sufficient to pay the Rent Payments. It shall be the duty of the Board annually at the time and in the manner provided by law for levying other taxes, if such action shall be necessary, to effectuate the provisions hereof with reference to the levy and collection of taxes; and the Board shall levy, extend, and collect such taxes in the manner provided by law for the purpose of funding the Rent Payment Fund for the payment of the Rent Payments. Such taxes, when collected, shall be kept for and applied only to the payment of the Rent Payments as hereinbefore specified. Said ad valorem taxes, sufficient to provide for the payment of the interest component and principal component of the Rent Payments as such interest component comes due and such principal component matures, are hereby pledged for such payment.

Section 4.5. Fair Rental Value. The Rent Payments for each rent payment period during the Term of this Lease shall constitute the total amount due for such rent payment period and shall be paid by Lessee in each rent payment period for and in consideration of the right of the use of the Property during each such period for which such rental is to be paid. The parties hereto have agreed and determined that the total of Rent Payments represents the fair value of the Property.

Section 4.6 Quiet Enjoyment. During the Term of this Lease, Lessee shall peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from Lessor or Purchaser, except as expressly set forth herein. Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor may lawfully do so. Notwithstanding the foregoing, Lessor shall have the right to inspect the Property as provided in Section 6.3 hereof.

Section 4.7. Title to the Property. During the Term of this Lease, Lessor shall hold title to the Property described herein and any and all additions which comprise repairs, replacements, or modifications. In the event of default as set forth in Section 8.1, remedies of the owner(s) of the Note shall be restricted as described in Section 8.2 hereof.

If Lessee pays all Rent Payments during the Term hereof as the same come due and payable, all right and interest of Lessor in and to all of the Property described in Exhibit A hereto shall be transferred to and vest in Lessee upon payment by Lessee of One Dollar (\$1.00) without the necessity of any additional document of transfer.

Section 4.8. Equitable Lien. Lessee hereby grants to the Purchaser an equitable lien on the ad valorem taxes pledged to pay the Rent Payments as set forth in Section 4.4(d)

hereof. Purchaser acknowledges that it has an equitable lien on the Pledged Taxes but no security interest in the Property.

## **ARTICLE V: MAINTENANCE, TAXES, TAX COVENANTS AND OTHER MATTERS**

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration this Lease, all improvement, repair, and maintenance of the Property shall be the responsibility of Lessee, and Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of Lessee or any sublessee thereof. In exchange for the Rent Payments herein provided, and subject to Purchaser's equitable lien as hereinbefore set forth, Lessor agrees to, and does hereby grant Lessee the right to use the Property as hereinbefore and hereafter or specifically set forth.

Lessee shall use the Property only for its proper purposes and will not install, use, operate or maintain the Property improperly, carelessly or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary to the nature of the Property or the use contemplated by its manufacturer. The Property shall be used solely in the conduct of Lessee's operations. Lessee shall obtain, at its expense, all registrations, permits, and licenses, if any, required by law for the installation and operation of the Property.

Lessee shall also pay or cause to be paid all taxes and assessments of any type or nature charged to Lessor or Lessee or levied, assessed or charged against any item of the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

Lessee may, at Lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor or the Purchaser shall notify Lessee that nonpayment is affecting timely payment of the Rent Payments, or in the case that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of Lessor in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay such taxes, assessments, or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor and the Purchaser.

Section 5.2. Modification of the Property. Lessee, at its own expense, shall have the right to make additions, modifications and improvements to any item of the Property. All such additions, modifications and improvements shall thereafter comprise part of the Property and be subject to the provisions of this Lease. Such additions, modifications, and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law or in any way

which would impair the tax exempt status of the interest components of the Rent Payments required to be made with respect to the Property; and the Property, upon completion of any additions, modifications, and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. Lessee shall not alter, remove, destroy, or permanently cover any manufacturer's nameplate, serial number or other similar distinguishing number or mark on the Property. Lessee will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals, or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify or cause to be notified Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide Lessor with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to Lessor. Upon the request of and at the expense of Lessee, Lessor will cooperate fully in any such contest.

The Property is and shall at all times be and remain personal property and will not be affixed to or be a part of the real property upon which it may be situated. If requested by Lessor, Lessee, at Lessee's expense, will furnish a landlord or mortgage waiver with respect to the Property.

Section 5.3. Liens. Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property, other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in this Article V, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, encumbrance or claim, for which it is responsible, if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, or encumbrance of claim.

Section 5.4. Tax Covenants with Respect to Lease and the Note. Lessee covenants to take any action necessary to assure, or to refrain from any action which would adversely affect, the treatment of each interest component of each Rent Payment ("Interest Component") to be made pursuant to this Lease as an obligation described in section 103 of the Internal Revenue Code of 1986 ("Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, Lessee covenants as follows:

(a) to take any action necessary to assure that no more than ten percent (10%) of the proceeds of the Lease or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141 (b)(6) of the Code or, if more than ten percent (10%) of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by Lessee, with respect to such private business use, do not, under the terms of this Lease or any



underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the Rent Payments due under this Lease, in contravention of section 141(b)(2) of the Code;

(b) to take any action necessary to assure that in the event that the “private business use” described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Lease or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action necessary to assure that no amount which is greater than the lesser of Five Million Dollars (\$5,000,000), or five percent (5%) of the proceeds of the Lease (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141 (c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Lease being treated as a “private activity bond” within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Lease being “federally guaranteed” within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Lease, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code), which produces a materially higher yield over the term of the Lease, other than investment property acquired with:

(i) proceeds of this Lease invested for a reasonable temporary period of three (3) years or less or, in the case of a refunding obligation, for a period of thirty (30) days or less until such proceeds are needed for the purpose for which the obligation is issued,

(ii) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1 (b) of the Treasury Regulations, and

(iii) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the proceeds of this Lease;

(g) to otherwise restrict the use of the proceeds of this Lease or amounts treated as proceeds of this Lease, as may be necessary, so that the Lease does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(h) to deposit in the Rebate Fund for the benefit of the United States of America at least once during each five-year period (beginning on the date of delivery of this Lease), and no later than the fifth anniversary of such date of delivery, an amount that is at least equal to ninety percent (90%) of the "Excess Earnings," within the meaning of section 148(f) of the Code, and Lessee shall pay to the United States of America, not later than sixty (60) days after this Lease has been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(i) to maintain such records as will enable Lessee to fulfill its responsibilities under this section and section 148 of the Code and to retain such records for at least six (6) years following the final payment of principal and interest on this Lease.

In order to facilitate compliance with the above subsections (h) and (i), a "Rebate Fund" shall be established by Lessee for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation Lessor. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Lessee understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding the Note, transferred proceeds (if any). It is the understanding of Lessee that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to this Lease, Lessee will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of the interest component of the Rent Payments under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Lease, Lessee agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of the Interest Component of the Rent Payments under section 103 of the Code. In furtherance of such intention, Lessee hereby authorizes and directs Lessee's Representative, respectively, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of Lessee, which may be permitted by the Code, as are consistent with the purpose for the execution and delivery of the Lease.

Section 5.5. Damage to or Destruction of Property. Upon the passage of risk of loss under the Uniform Commercial Code, Lessee shall bear the entire risk of loss, damage, theft or destruction of such Property from any and every cause whatsoever. No loss, damage, destruction, or other event shall release Lessee from the obligation to pay the full amount of Rent Payments or from any other obligation hereunder.

Section 5.6. Allocation of and Limitation on, Expenditures for the Property. Lessee covenants to account for the expenditure of lease proceeds and investment earnings to be used for the Property on their books and records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure is made, or (b) the Property is acquired. The foregoing notwithstanding, Lessee shall not expend lease proceeds or investment earnings thereon more than sixty (60) days after the earlier of (a) the fifth anniversary of the Closing Date of this Lease, or (b) the date this Lease expires, unless Lessee obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of this Lease or the interest component of any Rental Payment. For purposes hereof, Lessee shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest component of any Rental Payment.

Section 5.7. Disposition of Property. Lessee covenants that the Property will not be sold or otherwise disposed in a transaction resulting in the receipt by Lessee of cash or other compensation, unless Lessee obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the status, for federal income tax purposes, of the interest component of any Rent Payment. For purposes of the foregoing, the portion of the Property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, Lessee shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest component of any Rental Payment.

## **ARTICLE VI: DISCLAIMER OF WARRANTIES; ACCESS**

Section 6.1. Warranties. Lessee acknowledges and agrees that the Property is of the size, design and capacity selected by Lessee based upon its own judgment. LESSOR HAS MADE AND MAKES NO WARRANTY, REPRESENTATION, OR COVENANT, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE PROPERTY OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY ITEM THEREOF ITS DESIGN, DELIVERY, INSTALLATION OR OPERATION OR THE CONFORMITY OF THE PROPERTY TO SPECIFICATIONS OR PURCHASE ORDERS. IN NO EVENT SHALL LESSOR BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS LEASE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE EQUIPMENT.

Section 6.2. Lessee's Right to Enforce Warranties. Lessee shall have all rights with respect to the warranties of the manufacturers and any other persons with respect to

the Property and the right to enforce such warranties against the manufacturers and such other persons. Any recovery under a warranty shall be payable to Lessee.

Section 6.3. Access to the Property. Lessee agrees that Lessor and any Lessor Representative, and Lessor's successors or assigns, shall have the right at all times during regular business hours of Lessee and upon reasonable notice to Lessee to examine and inspect the Property.

Section 6.4. Release and Indemnification. Subject to the limitations and exceptions in the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1 to 41-4-27, as amended, and to the extent it otherwise lawfully permitted may, Lessee shall indemnify and save harmless Lessor and its agents, employees, officers, and directors from and, at Lessee's expense, defend Lessor and its agents, employees, officers, and directors against all liability, obligations, losses, damages, penalties, claims, actions, costs, and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind or nature which in any way relate to or arise out of this Lease or the selection, purchase, delivery, ownership, rental, possession, operation, condition, sale or return of the Property; provided that Lessee shall not indemnify any person under this Section 6.4 for any liability arising from such person's own negligence or willful misconduct. All amounts which become due from Lessee under this provision shall be credited with any amounts received by Lessor from insurance provided by Lessee and shall be payable by Lessee within thirty (30) days following demand therefor by Lessor and shall survive the termination or expiration of this Lease.

## **ARTICLE VII: ASSIGNMENT, SUBLEASING AND AMENDMENT**

Section 7.1. Assignment and Subleasing by Lessee. This Lease may not be assigned or subleased by Lessee. Lessor may assign in whole or in part its rights, title and interest, under this Lease at any time subsequent to its execution without the necessity of obtaining the Lessee's consent.

Section 7.2. Amendment of Lease. This Lease may not be altered, modified or canceled without the written consent of Lessor, Lessee and the Purchaser. Notwithstanding anything herein to the contrary, without receiving the consent of any Person, Lessee may enter into personal property finance contracts with persons other than Lessor and pledge an ad valorem tax, as contemplated by the Constitution of the State of New Mexico and NMSA 1978, Section 6-15A-6, as amended, to support its obligations with respect to acquiring "education technology equipment," it being expressly agreed by Lessor and Lessee that this Lease does not constitute an exclusive method of financing or acquiring "education technology equipment" by Lessee.

## **ARTICLE VIII: EVENTS OF DEFAULT AND REMEDIES**

Section 8.1. Events of Default Defined. The following shall be events of default under this Lease and the terms "Events of Default" and "Default" shall mean, whenever they are used herein, any one or more of the following events whether occurring voluntarily

or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(a) Lessee's failure to levy taxes in amounts sufficient to make any Rent Payment when due, to make such Rent Payment when due, or to provide the moneys levied for such purposes to Lessor in accordance with the terms hereof; or

(b) Lessee's failure to make any payment required hereunder, other than a Rent Payment, or its failure to comply with any other covenant, condition or agreement of Lessee hereunder for a period of thirty (30) days after notice thereof; or

(c) Any representation or warranty made by Lessee hereunder shall be found to be untrue in any material respect as of the date made; or

(d) Lessee makes, permits or suffers any unauthorized assignment, transfer or other disposition of this Lease or any interest herein, or of any part of the Property or any interest therein; or

(e) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within sixty (60) days of such appointment; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against Lessee and, if instituted against Lessee, is consented to or acquiesced in by Lessee or is not dismissed within sixty (60) days of such institution; or

Section 8.2. Remedies Upon Event of Default. Upon the happening and continuance of any event of default specified in Section 8.1, the holders of the Note(s), from time to time, may proceed to protect and enforce this Lease and enforce the pledge of Lessee's ad valorem taxes by such judicial proceedings as such Persons shall deem most effectual, either by suit in equity, mandamus or by action at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the exercise of any power granted herein. Before seeking to enforce any other legal or equitable right vested in the holders of the Note, from time to time, by this Lease or by law, such Persons must first seek through a mandamus action to enforce the payment of the Rent Payments due hereunder by the levying of ad valorem taxes, without limit as to rate or amount.

Section 8.3. No Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the event any agreement contained herein should be breached by either party and thereafter waived by the other party and the Purchaser, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive

any other breach thereunder. In order to entitle the holders of the Note, from time to time, to exercise any remedy in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

**ARTICLE IX: PREPAYMENT OF RENT PAYMENTS AND EXERCISE OF PURCHASE OPTION AT END OF LEASE**

Section 9.1. Prepayment. The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

Section 9.2. Exercise of Lessee's Option to Purchase Property at End of Lease. Pursuant to the Act, Lessor grants to Lessee the right to purchase the Property at end of the Term of this Lease for One dollar (\$1.00). Lessee hereby exercises such option to purchase at the end of the Term of the Lease and Lessor hereby acknowledges receipt of One dollar (\$1.00) from Lessee and other valuable consideration.

**ARTICLE X: MISCELLANEOUS**

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received forty-eight (48) hours after deposit in the United States mail in registered, certified form with postage fully prepaid or by overnight carrier:

If to Lessee: Board of Education of the  
Santa Fe Public School District  
610 Alta Vista Street  
Santa Fe, New Mexico 87505  
Attn: Superintendent

If to Lessor: The Education Technology Leasing Company, LLC  
Attn: Steven Campbell  
1017 5<sup>th</sup> Street  
Albuquerque, New Mexico 87102

Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2. Binding Effect and Beneficiaries. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns (to the extent permitted hereby). To the extent the Purchaser is determined not to be a direct beneficiary under this Lease, such entity shall be a direct third party beneficiary in interest under this Lease.

Section 10.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.4. Investments. Amounts on deposit from time to time in the Rent Payment Fund and Acquisition Fund shall be invested in Permitted Investments subject to Section 5.4 hereof by Lessee.

Section 10.5. Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and Lessee hereby agrees that Rent Payments shall be an absolute net return, free and clear of any expenses, charges, or set-offs whatsoever.

Section 10.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 10.7. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Timeliness. Time is of the essence. No covenant or obligation hereunder to be performed by Lessee may be waived except by the written consent of Lessor, and a waiver of any such covenant or obligation shall not be deemed a waiver of any other covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy at any later time prior to Lessee's cure of the condition giving rise to such remedy. Lessor's rights hereunder are cumulative and not alternative.

Section 10.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section hereof.

IN WITNESS WHEREOF, Lessor has caused this Lease to be executed in its name by its duly authorized officers; and Lessee has caused this Lease to be executed in its name by its duly authorized officers, as of the date first above written.

THE EDUCATION TECHNOLOGY  
LEASING COMPANY, LLC, as Lessor

By: \_\_\_\_\_  
Title: \_\_\_\_\_

BOARD OF EDUCATION OF SANTA FE  
PUBLIC SCHOOL DISTRICT, as Lessee

(SEAL)

By: \_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary

**AUTHENTICATION**

This Lease is the Lease described in the Resolution adopted by the Board of Education of the Santa Fe Public School District on June 16, 2020 and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Lease and Note.

Date of Authentication and  
Registration: July 20, 2020

BOKF, NA, as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer



DRAFT  
**EXHIBIT A**  
**LIST OF PROPERTY**

**EDUCATION TECHNOLOGY EQUIPMENT LIST**

<u>Amount</u>	<u>Item</u>	<u>Description</u>	<u>Examples</u>
\$1,550,000	Infrastructure Costs	Passive Optic Network Active equipment such as OLTs, Power equipment, ONTs, Fiber, etc	Network service, network upgrade, wireless service, wireless upgrade and network stability
\$4,068,000	School Equipment replacement (refresh dated equipment)	Passive Optic Network Active equipment such as OLTs, Power equipment, ONTs, Fiber, etc	Interactive White Boards, staff laptops, document cameras and classroom desktops
\$5,382,000	Support Costs	Development and training of staff use of digital programs	Software programs, technology staff, digital learning coaches and content development

**EXHIBIT B**  
**RENT PAYMENTS, RENT PAYMENT DATES**  
**AND PREPAYMENTS**

Schedule of Rent Payments and Rent Payment Dates:

Each Rent Payment shall, in accordance with Section 4.4 of this Lease, be paid to Lessor on or before the date that it is due, and Lessor assigns the Rent Payments to the Paying Agent/Registrar for payment to the owners of the Notes. The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

Combined Principal and Interest Component:

Rent Payments: Annually in the following years and estimated amounts:

Series 2020 - G/O Ed Tech <sup>(1)</sup>			
Principal	Coupon	Interest	Total
\$2,000,000	3.500%	\$385,000	\$2,385,000
3,500,000	3.500%	315,000	3,815,000
5,500,000	3.500%	192,500	5,692,500
<b>\$11,000,000</b>		<b>\$892,500</b>	<b>\$11,892,500</b>

<sup>(1)</sup> Preliminary and subject to change

**EXHIBIT C  
CERTIFICATE OF ACCEPTANCE**

Board of Education of the  
Santa Fe Public School District  
Santa Fe, New Mexico

We, the undersigned, hereby certify, the following:

1. The Property for which payment has been made from the Acquisition Fund is described and summarized in Exhibit A, to the Lease.
2. The Property described above has been acquired, delivered and installed in conformity with the specifications of the manufacturer.
3. This Certificate is the final Certificate of Acceptance pursuant to the above referenced Lease.

IN WITNESS WHEREOF, the undersigned have hereunto set our hands and affixed the seal of the Board of Education of the Santa Fe Public School District, Santa Fe County, New Mexico, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SANTA FE PUBLIC SCHOOL DISTRICT

By: \_\_\_\_\_  
President, Board of Education

By: \_\_\_\_\_  
Superintendent

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Education

EXHIBIT D:  
FORM OF NOTE

**The Board of Education of the  
Santa Fe Public School District  
General Obligation Education Technology Note, Series 2020  
evidencing an undivided interest in  
the right to receive certain Rent Payments payable by  
Santa Fe Public School District,  
Santa Fe County, New Mexico  
under a  
Lease Purchase Arrangement  
dated as of \_\_\_\_\_, 2020**

No. R-\_\_\_\_ \$\_\_\_\_\_

**Interest Rate**                      **Maturity Date**                      **Original Dated Date**  
\_\_\_\_\_ %                      \_\_\_\_\_                      \_\_\_\_\_, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:                      **\*\*DOLLARS\*\***

THIS CERTIFIES THAT the registered owner specified above, or registered assigns, has an undivided interest in rights to receive certain Rent Payments by The Board of Education of the Santa Fe Public School District, County of Santa Fe, New Mexico (the "Board") under a Lease Purchase Arrangement dated as of \_\_\_\_\_, 2020 (as amended or supplemented from time to time, the "Lease") between, The Education Technology Leasing Company, LLC as lessor (the "Lessor") and the Board as lessee (the "Lessee"). The interest of the registered owner of this Note is secured as provided in the Lease. As registered owners (the "Owners") of the Note, Series 2020 (the "Note"), evidencing an undivided interest in the right to receive certain Rent Payments in the original aggregate principal amount of \$11,000,000, Owners are entitled to receive Rent Payments consisting of principal and interest as set out in the Lease. Capitalized terms used but not defined herein have the meaning assigned to them in the Lease.

The Board on the full faith and credit and on behalf of Santa Fe Public School District, County of Santa Fe, New Mexico (the "District"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2021, and thereafter on each August 1 and February 1 of each year (each an "Interest Payment Date") from the Original Date to its maturity. The principal of the Note due at maturity and interest when due shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, as "Paying Agent/Registrar" (such entity and any successor thereto, the "Paying Agent/Registrar") for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. If the Note shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Note until the principal thereof is paid in full. Payment of interest on the Note (other than at maturity) shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Record

Date (defined below) at his address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the fifteenth (15<sup>th</sup>) day of the month immediately preceding the Interest Payment Date. The person in whose name the Note is registered on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on the Note which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name the Note is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten (10) days prior thereto, by first-class mail, to the registered owners of the Note as of the fifth (5<sup>th</sup>) day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest. The principal of the Note shall be payable to the owner of the Note as shown on the registration books kept by the Paying Agent/Registrar for the Note, upon maturity and upon presentation and surrender thereof at the principal offices of the Paying Agent/Registrar upon the final maturity of the Note. Payment of principal of the Note shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the owner of the Note).

The Note is fully registered and is issuable in denominations of \$5,000 and multiples thereof or, if less, the principal amount outstanding on the Note.

The Rent Payments relating to this Lease may not be prepaid and the Note is not subject to redemption prior to maturity.

The Note of which this Note is one to the extent more than one Note is issued, is limited to the total principal amount of \$11,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the Board for the purpose of acquiring technology equipment to the extent permitted by NMSA 1978 §§ 6-15A-3 (B) and 22-15A-2, The Technology for Education Act, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (including §§ 6-15-3 through 6-15-10 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to a resolution of the Board duly adopted and made a law of the District prior to the issuance of this Note (the "Lease Purchase Arrangement Resolution").

The Paying Agent/Registrar will maintain the books of the District for the registration of ownership of the Note. Upon the surrender for transfer of any Note at the principal office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be transferred in the name of the transferee or transferees a new Note in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. The Note may be exchanged at the principal offices of the Paying Agent/Registrar for an equal aggregate principal amount of the Note of other authorized denominations, and of the same maturity, series and interest rate. The Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Note to be exchanged a Note which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of the Note as herein provided shall be without charge to the owner or any transferee, but the Paying Agent/Registrar may require the payment

by the owner of any Note requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name the Note shall be registered on the registration books kept by the Paying Agent/Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on the Note shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of the Note in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Note to the extent of the sum or sums so paid.

If the Note shall be lost, stolen, destroyed or mutilated, the Paying Agent/Registrar shall, upon receipt of the mutilated Note and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Note of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Note shall have matured, the Paying Agent/Registrar may pay such Note in lieu of replacement.

For the punctual payment of the principal of and interest on this Note as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this Note, the full faith and credit of the District is hereby irrevocably pledged. The Board has, by the Lease Purchase Arrangement Resolution, ordered the creation of an interest and sinking fund for the payment of the Note. Such fund is to be held in trust for the benefit of the owner or owners of the Note.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the District in the issuance of this Note; that the total indebtedness of the District, including that of this Note, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this Note when the same becomes due. This Note shall not be valid or obligatory for any purpose until the Paying Agent/Registrar shall have manually signed the Note of authentication hereon.

IN TESTIMONY WHEREOF, the Board of Education of Santa Fe Public School District, County of Santa Fe, New Mexico, constituting the governing board of the District, has caused the seal of the District to be hereto affixed and this Note to be signed and executed with the manual or facsimile signature of the President of the Board and subscribed and attested with the manual or facsimile signature of the Secretary of the Board, all as of the Original Dated Date.

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President, Board of Education  
Santa Fe Public School District

(DISTRICT SEAL)

ATTEST:

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Secretary, Board of Education  
Santa Fe Public School District

**CERTIFICATE OF AUTHENTICATION**

This Note is one of the Note described in the Lease Purchase Arrangement Resolution and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Note.

Date of Authentication and  
Registration: \_\_\_\_\_

BOKF, NA,  
as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ whose social security or tax identification number is \_\_\_\_\_ the within Note and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer such Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the Note, in every particular, without alteration or enlargement or any change whatsoever.