

**MANUAL OF PROCEDURES  
PSAB SUPPLEMENT 16  
BONDS/CAPITAL PROJECTS/DEBT SERVICE**

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## **INTRODUCTION**

This supplement details the regulations and procedures for conducting bond elections, and for the accounting of bond issues, Capital Projects Funds, and Debt Service Funds.

Capital Projects Funds are used for the acquisition, construction, and/or improvement of capital assets including real and/or personal property (i.e., land, buildings, furniture/fixtures, equipment, etc.). Capital expenditures within the various funds are not discussed in detail within this Supplement, but proper coding is included in exhibits. These items are more clearly defined in PSAB Supplement 13, Purchasing and regulated by the State Procurement Code (Section 13-1-1 through 13-1-199, NMSA, 1978 and in Supplement 12, Accounting for Capital Assets.

The New Mexico PSFA Website contains many publications on the subjects covered in this supplement. While certain information is summarized in this Manual of Procedures for Accounting and Budgeting, users of this manual are encouraged to refer to information published by PSFA, and insert appropriate information into this manual for quick, comprehensive review.

## **GENERAL OBLIGATION BONDS**

Capital projects and improvements are funded from three primary sources: bond issues, local taxes and State/Federal funds. Bonds issued by school districts shall be in compliance with Sections 6-15-1 through 6-15-13, NMSA, 1978. The most commonly issued bonds are general obligation (G.O.) bonds. Districts wishing to sell bonds must first convince the voters of the need to approve taxes to fund district capital needs. Debt must be approved by a majority of the voters voting.

The State of New Mexico created the Public Schools Facilities Authority (PSFA) which has oversight authority for all New Mexico public school facilities in order to ensure all schools meet an adequate level of functionality and durability suitable for learning environments. In order to provide this assurance, the PSFA collects and updates data through inspection and other methods regarding the adequacy of all school buildings in the state. The school buildings are then ranked in terms of adequacy in order to prioritize state funding that may be available on a matching basis for the improvement of a district's facilities.

It is important that district selling bonds have a Capital Outlay Plan consistent with the district's Master Facilities Plan (MFP) that has been conveyed to the voting public. In order to receive additional state support for facility improvement, districts must show continuing community support in the form of voter support for bond elections.

## **CONSTITUTIONAL LIMITATIONS**

Debt can only be incurred to "erect, remodel, make additions to and furnish school building, purchase or improve school grounds, purchase computer software and hardware for student use in public school classrooms, provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the district." (Section 11 of Article IX, State of New Mexico Constitution).

## **NEW MEXICO CREDIT ENHANCEMENT PROGRAM**

In order to make bond issues more attractive to investors, Section 22-18-13, NMSA 1978 provides for the timely payment of principal and interest by the New Mexico State Treasurer in the event payment for debt service has not been made by the district before the due date. An enhanced Moody's rating of "Aa2" is available for the bond sale with no qualification process required by the district. The district must request the "Enhanced Aa2" rating from Moody's Investors Service to participate in this program. An independent, third-party paying agent must be appointed and retained by the district.

The fee that is paid to a paying agent is expended from the Operational Account - function/object code **2300.53414**.

## **COORDINATION WITH OTHER AGENCIES**

Districts must coordinate a bond election through the County Clerk's Office in their community. The election may be paired with elections for School Board members or with other public entities, such as bond issues for the local university branch to mitigate or share some of the election costs.

## **DEBT MANAGEMENT PLAN**

### **Debt Capacity**

The New Mexico Constitution, Article IX, Section 11, limits the amount of bonds outstanding to 6% of the Taxable Assessed Value (A.V.). Thus, if a district was located in a community that had an assessed valuation of property of \$839,000,000 x .06, there would be an upper limit of outstanding debt allowed to the district of \$50,340,000.

### **Assessed Valuation**

Districts may wish to analyze the trend of the assessed value over several years to determine the average growth or decline in values of both residential and non residential properties to determine the timing of elections to ensure continuous funding to meet the requirements of the district's Master Facility Plan.

### **History of Tax Rates**

Tax rates also need to be analyzed to determine the costs to each household of property owners.

### **Bond Cycling Program**

In addition, the district needs to have a debt management plan that times bond sales on a preset schedule (i.e., every 1, 2, 3 or 4 years) for major capital projects. Close monitoring of changes such as the reduction of debt, increase in tax valuation, or other external forces is required to stabilize the property taxes for district improvements with little or no increase in taxes as one bond is paid down or off and another is put in place.

Charts and graphs are included in the Tips, Tools and Resources section of this manual demonstrating the elements required to calculate estimated future bonding capacity based on a revolving but sustained debt level to fund capital projects over time according to the district's Facilities Master Plan. Districts generally contract with a bond advisor to help with this aspect of the planning process.

### **Refunding of Bonds**

It is sometimes advantageous for districts to "refund" a previous bond issue if bond market interest rates have decreased. Districts can often combine bond refunding with a new bond sale.

## **THE ELECTION**

### **Proclamation Resolution**

A proclamation resolution as specified in Sections 1-22-4 and 22-18-3 through 22-18-5, NMSA, 1978 must be issued by the local school board issues a public calling for an election. The proclamation specifies:

- ✓ date of the election;
- ✓ the question to be submitted to the voters of creating a debt by issuing GO bonds in a specified amount for the purpose of one or more of the following: erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds;

- ✓ voting precincts within the school district with a brief description of the boundaries of each voting division and location of each polling place;
- ✓ voting hours each polling place will be open; and
- ✓ voting date and time of the closing of the registration books by the County Clerk.

The Proclamation must be filed with the County Clerk not less than fifty (50) days before the date of the election.

The Proclamation must be published once each week for two consecutive weeks. The first such publication shall be made between fifteen (15) and thirty (30) days before the date of the bond election.

All publications, ballots, ballot labels and instructions for bond elections shall be printed in English and in Spanish.

A sample proclamation may be obtained through the PED or the district's bond advisor.

### **Conduct Of Elections**

The conduct of elections shall be as specified in Sections 1-22-12 and 22-18-4, NMSA, 1978.

- ✓ The County Clerk shall administer and conduct school district elections pursuant to the provisions of the Election Code for the conduct of general elections.
- ✓ Precinct board members shall be appointed by the County Clerk from among those persons who meet the qualifications set forth in Section 1-2-7, NMSA, 1978, and who reside in the school district.
- ✓ All costs of school district elections shall be paid by the school district.
- ✓ Voting machines shall be used. Section 1-22-10, NMSA, 1978, states that paper ballots may be used for school districts of less than five hundred (500) average daily membership (ADM).
- ✓ Bond elections may be held in conjunction with regular school district elections. In addition, bond elections may be held in conjunction with special school district elections.
- ✓ Bond elections shall be held prior to July 1 of the property tax year in which the tax is proposed to be imposed.

## **Canvassing Duties**

Canvassing duties as specified in Sections 1-22-15 and 22-18-6, NMSA, 1978.

- ✓ Within three days after the election, the superintendent, County Clerk and magistrate/presiding judge shall meet in the County Clerk's office to canvass the election results.
- ✓ The County Clerk shall publish the results once in a newspaper of general circulation in the school district.
- ✓ A "Certificate of Canvass" (Exhibit A) of the election results must be completed and submitted to the following:
  - 1) Local Board of Education for entry into the Board Minutes, Section 22-8-6, NMSA, 1978;
  - 2) Secretary of State;
  - 3) County Clerk; and
  - 4) PED - School Budget Finance and Analysis Bureau.

## **THE BOND SALE**

### **Bond Sale Calendar**

In accordance with Sections 6-15-1 and 6-15-2 NMSA, 1978, when a school district contemplates the issuance of bonds in whole or in part from ad valorem taxes (property taxes), the local school board shall forward a Notice of Proposed Issuance of General Obligation Bonds and Bonding Capacity Certification, PED Form DS-1, to the PED at least two weeks prior to initiating any proceedings for such issue in the consideration of any proposal to issue bonds.

The PED shall, upon receipt of the notice, provide to the Office of Attorney General all necessary information with reference to the valuation, present outstanding bonded indebtedness, any limitations as to tax rates and debt contracting power and such other information that may be useful. A copy of the Bonding Capacity Certification shall be provided to the school district.

Upon adoption of a bond issue as provided by law, the local school board shall prepare or cause to be prepared a true and complete transcript of proceedings in connection with such bond issue. Three exact copies shall be made of the transcripts. One copy shall be filed with the PED, one kept by the school district and the third furnished to the officer approving the bond issue as to its legality as provided by law.

To comply with Section 6-15-2, NMSA 1978, the district is required to file a completed Bond Indebtedness Retirement Schedule and a copy of the legal opinions issued by bond

counsel and the New Mexico Attorney General. These documents are to be sent to the PED immediately after closing of the bond sale.

All G.O. bonds, except refunding bonds, issued under lawful authority by any school district shall be issued in accordance with Sections 6-15-3 through 6-15-8 NMSA, 1978. Refunding bonds are encompassed in Sections 6-15-11 through 6-15-13 NMSA, 1978.

In accordance with Section 6-15-9 NMSA, 1978, no bonds shall be issued or sold by any school district after the expiration of four (4) years from the date of initiation of proceedings for the election authorizing the issue, except for reasons as addressed in Sections 6-15-9 and 6-15-10 NMSA, 1978.

School districts shall maintain a register or retirement schedule to enable the district to report to the PED the dollar amount of bonds and interest that have matured and amounts outstanding.

The retirement schedule should be made a part of the minutes of the local school board in case the bond indenture is misplaced or lost so there will be a record of terms and conditions and a payment schedule.

Bonds must be sold at a public sale and delivered within four years of the date of the board resolution authorizing the election (Section 6-15-9, NMSA, 1978). The lowest rate offered including price and coupon rates is considered the best bid. Maturity of the bonds is limited to twenty years.

#### **ARBITRAGE** (Internal Revenue Code, Section 148)

Arbitrage is defined as any income earned on invested bond proceeds which is in excess of the amount which would have been earned if the bond proceeds had been invested at a yield equal to the yield on the bonds. The IRS permits school districts to earn arbitrage on invested bond proceeds under certain, limited conditions:

- If the school district has issued \$5 million or less in a calendar year, it may earn unlimited arbitrage on the bond proceeds for a period not exceeding three years from the issue date;
- A school district may earn and retain unlimited arbitrage even if it issues more than \$5 million, provided it can expend the bond proceeds over a two year period and meet certain periodic spending tests;
- There are also no arbitrage limitations if all of the bond proceeds are spent within six months;
- If a school district issues more than \$5 million in a calendar year and cannot meet the spending exception, earned arbitrage must be rebated to the IRS. The rebate

is actually made on the fifth year after issue so a school district may have an accrued rebate liability in the years preceding actual payment.

The purpose of prohibiting arbitrage is to prevent the issuance of tax exempt bonds for the purpose of investing the proceeds to make a profit. This would mean that a long-term investment could be made only at an interest rate equal to or less than the interest paid on the tax exempt bonds. Districts should refer to IRS regulation on arbitrage for specific guidance.

## **BOND PRINCIPAL AND INTEREST PAYMENTS**

### **Section 6.20.2.21, NMSA 1978 DEBT SERVICE AND BONDS:**

A. A debt service fund shall be created to account for resources that will be used to service general long term debt that is recorded in the general long-term debt account group. General long-term debt includes noncurrent bonds, as well as other noncurrent liabilities that might arise from compensated absences.

B. Debt service funds shall be established only if legally required or when resources are being accumulated to meet principal and interest payments that will be made in future periods. A single debt service fund shall be used to account for a restricted portion of a general property tax that is used to finance principal and interest payments on all general obligation bonds. Debt service funds shall be used only for the retirement of general long-term debt and for payment of county collection costs. Any funds remaining after all debts have been paid may be transferred after request for transfer has been approved by the department and DFA pursuant to Section 6-10-43, NMSA 1978.

All bonds authorized by the school board to be sold become general obligations of the district, backed by its full faith, credit, and ad valorem taxing power. This debt should be recorded in the school board minutes, by adoption of a Bond Resolution, within 24 hours of accepting bids for a district's bonds.

A register or retirement schedule is required in order to enable the district to report to the PED School Budget Finance and Analysis Bureau. The schedule will show dollar amount of bond principal and interest payments that have been paid and those still outstanding. An example of the "Record of Bond Indebtedness" form to be used to report to DFA & School Budget and Finance Analysis Bureau is illustrated in the Tips, Tools and Resources section of this manual.

### **Disposition of Interest Income and Residual Equity**

After a project is completed which was funded by a bond issue and funds remain in the Capital Projects Fund, disposition is as follows:

- These funds are transferred to Debt Service for retirement of debt related to the bonds issued;

- If funds remain after the retirement of the specific debt then funds may be used to pay other bond obligations of the district;
- If a balance remains in an interest or sinking fund of any school district after the retirement and payment in full of the bonded indebtedness for which the interest and sinking fund was created, upon request of the local school board who is responsible for the expenditure of the funds, the PED may approve the transfer of the balance to the fund requested by the school district. Any balance transferred under this section shall be used for nonrecurring expenditures only. (Section 6-10-43, NMSA, 1978; Interest and sinking fund balances.) Nonrecurring expenditures include capital outlay but not salaries or operating expenditures.

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

### **Bond Building**

(See detailed discussion above)

Proceeds from the sale of general obligation (GO) school bond issues shall be receipted in Fund/Subfund **31100** revenue account code **45100**, Issuance of Bonds)

All taxes collected for retirement of the Bonds will be receipted to the Debt Service Fund (Fund/Subfund **41000**, revenue code **41100** Taxes levied by the school District). All payment of principal and interest pursuant to said bonds will be paid from the Debt Service Fund (Fund/Subfund **41000**) established for this purpose.

### **Public School Capital Outlay**

The Public School capital outlay fund was created to provide assistance to school districts and charter schools for capital expenditures deemed necessary by the Public School Capital Outlay Council (PSCOC) for an adequate educational program.

The purpose of the Public School Capital Outlay Act is to ensure that, through a standards-based process for all school districts, the physical condition and capacity, educational suitability and technology infrastructure of all public school facilities in New Mexico meet an adequate level statewide and the design, construction and maintenance of school sites and facilities encourage, promote and maximize safe, functional and durable learning environments in order for the state to meet its educational responsibilities and for New Mexico's students to have the opportunity to achieve success. (Section 22-24.2 NMSA, 1978)

Applications for assistance may be made by school districts to the council regardless of the districts percentage of indebtedness. No application for grant assistance shall be approved by the Council unless certain criteria are met.

- ❖ The project is needed and included in the district's **five-year facilities plan**.
- ❖ The district has used its capital resources in a prudent manner.
- ❖ The school district has provided insurance for its buildings.
- ❖ The district has submitted a five year plan that includes:
  - Current enrollment projections.
  - A current **preventive maintenance plan**.
  - The capital needs of charter schools located in the school district.
  - Projections for facilities to maintain a full-day kindergarten program.
- ❖ The district is willing and able to pay any portion of the total cost not funded by PSCOC.
- ❖ The application includes the capital needs of any district sponsored charter schools.
- ❖ The district has agreed to comply with reporting requirements.

*The District must have a current Five Year Facilities Master Plan (FMP) on file with the Public Schools Facilities Authority (PSFA) in order to qualify for PSCOC funding. Generally, district's contract with an outside company that specializes in compiling, analyzing and presenting data regarding trends within the district. This data includes projected future membership for the district by grade level derived from analysis of growth in birth rates and the general population. Present facilities are analyzed to determine adequacy for future needs. At a minimum, districts must include current enrollment projections, a current preventive maintenance plan, the capital needs of charter schools located in the school district, and projections for facilities to maintain a full-day kindergarten program.*

State appropriated revenue is allocated by the Public School Capital Outlay Council (PSCOC) in compliance with Sections 22-24-1 through 22-24-6, NMSA, 1978. Funds received from the Public School Capital Outlay Council including any emergency funds are to be receipted in Fund/Subfund **31200** revenue account code **43209**, PSCOC Awards. The PSCOC makes payments directly to the contractor or vendor with proper authorization.

The district must then record the value of those payments made as both a revenue and an expenditure in the general ledger, even though the district did not pay directly and will not have an expenditure generated through the accounts payable system, or a cash receipt to record.

### **Special Capital Outlay - Local**

This Fund/Subfund **31300** revenue account code **41931**, Special Building Local, is established to receive local revenue derived primarily from the proceeds of large sales

of school property and for which the board has requested separate accountability. Use is restricted to the acquisition or construction of major capital facilities, other than those financed by proprietary and/or trust funds.

This Fund/Subfund-revenue account code is also to be used to receive insurance recoveries for the replacement of school buildings, gifts or bequests, and student vocational construction for large capital outlay projects.

### **Special Capital Outlay - State**

Fund/Subfund **31400**, revenue account code **43210**, Special Capital Outlay State, is established to receipt state revenue for specific purposes such as energy conservation, construction of recreational facilities, vocational remodeling and equipment, library materials, computer labs, playground equipment, paving, or any other miscellaneous state capital outlay grant. In no case are these funds available for salaries and benefits.

Fund/Subfund **31400** is generally used to account for Legislative Appropriations which are appropriations made by the legislature directly to the school district to fund special projects for the district. Acceptance of these awards reduces the amount available to districts through the PSCOC.

Pursuant to Section 22-24-5 NMSA, 1978, (6a), “ the amount calculated pursuant to Subparagraph (p) of this subsection shall be reduced...by the total of all legislative appropriations made after January 1, 2003 for non operating purposes directly to the subject school district”.

It is important to note that these legislative awards are on a **reimbursement** basis. Thus, the school district or charter school must use loans from the Operational fund to make purchases or improvements granted by the appropriation and file with PED Flowthrough for reimbursement via OBMS.

Below is information on draw requests along with all the required documents a school district or charter school must submit when requesting reimbursement for direct appropriations, SB-9, Pre-K, New School Development Fund, and PSCOC (from 2003-2004 and prior). Forms are included in the Tips, Tools and Resources section this manual or may be obtained from the Capital Outlay Bureau web site. Reimbursement for all requests for projects after 2008 must be submitted through the Operating Budget Management System (OBMS) including the attachment of required documentation that may include but is not limited to:

- **Project Plan Approval:** Districts are required to receive approval for direct legislative appropriations from PED or PSFA prior to incurring expenditures.
- **Draw Request Form:** Every request should be submitted with this form.
- **Signature Authorization Form:** This form does not have to be submitted every time however, it will need to be verified from the Capital Outlay Bureau file. A signature authorization for everyone who signs the draw request form is required.

- **Wire Transfer Form:** Only one form is needed for every district and/or vendor, and must only be submitted one time. This form will need to be verified by the Capital Outlay Bureau file for every request submitted and a copy must be attached to the draw request to ensure that payment will be wired to the correct account.
- **Purchase Order:** A purchase order must be submitted for all projects that have expired in order to re-establish the budget at the Department of Finance and Administration.
- **Invoices and Canceled Checks:** Each draw request paid directly to the school district must have copies of invoices and a copy of the canceled check/s to verify all expenditures. The original certified invoice is required for payments made directly to the vendor.
- **Progress Report:** A progress report form must be submitted with every request except for SB-9 funds. This report will provide the Capital Outlay Bureau with additional information for the site visit reports.

***The district may have multiple projects and appropriations at any given time to be tracked in subfund 31400. Each project may have specific completions time and other conditions. Therefore, these projects must be tracked separately, which, while not beyond the capability of the district's financial management software and the PED's UCOA, will require additional processes and uses of additional elements of the UCOA, or creation of out of system excel spreadsheets.***

Example:

Fund	Function	Object Program	School/district	Job Class	Project number
31400	4000	54500	0000	123400	0000
					081234

Additional Element

In order to submit a Request for Reimbursement (RfR), a district or charter school must list each Capital Project within the comment field with the amount due. An example:

08-0123(\$50,000), 08-1234(\$3,000)

The request must include a total amount YTD to match the Expenditure Report from the districts financial management system. Additional purchases documents, invoices, cancelled check copies, and approved draw requests must be attached.

### **Special Capital Outlay - Federal**

Fund/Subfund **31500**, revenue account code **44306**, Special Capital Outlay Federal, is established to receipt federal revenue for specific purposes such as energy conservation, construction of recreational facilities, paving or any other miscellaneous federal capital outlay grant.

## **Capital Improvements - HB-33**

### **Section 22-26-3 NMSA 1978. Authorization for local school board to submit question of capital improvements tax imposition.**

A. A local school board may adopt a resolution to submit to the qualified electors of the school district the question of whether a property tax at a rate not to exceed the rate specified in the resolution should be imposed upon the net taxable value of property allocated to the school district under the Property Tax Code [Section 7-35-1 NMSA 1978] for the purpose of capital improvements to public schools in the school district. The resolution shall:

- (1) identify the capital improvements for which the revenue proposed to be produced will be used;
- (2) specify the rate of the proposed tax, which shall not exceed ten dollars (\$10.00) on each one thousand dollars (\$1,000) of net taxable value of property allocated to the school district under the Property Tax Code;
- (3) specify the date an election will be held to submit the question of imposition of the tax to the qualified electors of the district; and
- (4) limit the imposition of the proposed tax to no more than six property tax years.

B. After July 1, 2007, a resolution submitted to the qualified electors pursuant to Subsection A of this section shall include capital improvements funding for a locally chartered or state-chartered charter school located within the school district if:

- (1) the charter school timely provides the necessary information to the school district for inclusion on the resolution that identifies the capital improvements of the charter school for which the revenue proposed to be produced will be used; and
- (2) the capital improvements are included in the five-year facilities plan:
  - (a) of the school district, if the charter school is a locally chartered charter school; or
  - (b) of the charter school, if the charter school is a state-chartered charter school

HB33 may be used for salaries and benefits unlike other capital funds. There is a limit on the percent of work that may be performed and requires very precise recordkeeping. Revenue account codes **41110/41113/41114** in Fund/Subfund **31600** are established to receive the local proceeds from an ad valorem maximum ten mill levy less any debt service and other capital improvement levies. Funds received from this source are restricted to use as specified in Section 22-26-2, NMSA, 1978.

## **Capital Improvement Fund - SB9**

The Capital Improvement fund 31700 is for the fund code for funds received pursuant to the passage of a bond election authorized under Section 22-25-1, through 10, NMSA 1978 the Public Schools Capital Improvement Act, and matched by the state pursuant to the formula detailed below. See SB-9 Calculation.

**Section 22-25-3, NMSA. 1978 Authorization for local school board to submit question of capital improvements tax imposition.**

A local school board may adopt a resolution to submit to the qualified electors of the school district the question of whether a property tax should be imposed upon the net taxable value of property allocated to the school district under the Property Tax Code [ Section 7-35-1, NMSA 1978] at a rate not to exceed that specified in the resolution for the purpose of capital improvements in the school district. The resolution shall:

- identify the capital improvements for which the revenue proposed to be produced will be used;
- specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each one thousand dollars (\$1,000) of net taxable value of property allocated to the school district under the Property Tax Code;
- specify the date an election will be held to submit the question of imposition of the tax to the qualified electors of the district; and
- limit the imposition of the proposed tax to no more than six property tax years.

On or after July 1, 2009, a resolution submitted to the qualified electors pursuant to Subsection A of this section shall include capital improvements funding for a locally chartered or state-chartered charter school located within the school district if the charter school timely provides the necessary information to the school district for inclusion in the resolution that identifies the capital improvements of the charter school for which the revenue proposed to be produced will be used.

Revenue account codes **41110/41113/41114** in Capital Projects Fund/Subfund **31700** are established to receipt local proceeds from a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance as designated by local board resolution.

Revenue code **43202**, PED State Flow through Grants, is to be used to receipt proceeds from SB-9. The secretary shall distribute an amount from the public schools capital improvements fund that is equal to the amount of the estimated revenue to be received from the imposed tax is less than an amount calculated by multiplying the school district's first forty days' total program units by the amount specified as the Unit Value, and further multiplied by the tax rate approved by the qualified electors in the most recent election authorizing up to two mills. Pursuant to Section 22-25-9 NMSA 1978, the state matching amount is calculated as follows:

## SB 9 Calculation

	Final Assessed Valuations	Rate	Mils	Projected Local Tax
<b>Projected Local Tax</b>	\$ 68,075,723	2.00	0.001	\$ 136,151
	40th Day Program Units (910 B5)		Rate 2010- 2011*	
<b>Program Guarantee</b>	2609.728	2.00	\$ 74.39	\$ 388,275
			Minimum Rate 2010- 2011**	
<b>Minimum Guarantee</b>	2609.718	2.00	\$ 5.78	\$ 30,168
<b>Program Guarantee less Projected Local Tax = State Match</b>				\$ 252,124
<b>Projected Local Tax Exceeds Program Guarantee</b>				\$ 30,168
<p>*The rate shall equal \$70.00 in fiscal 2008 and be adjusted in each subsequent year according to the percentage increase in the Consumer Price Index.</p> <p>** The rate shall be equal to \$5.00 in fiscal 2005 and shall be adjusted in each subsequent year according to the percentage increase in the Consumer Price Index</p>				

### Education Technology Act

Districts and Charter schools should use fund **31900** and revenue object code **45110** to record the revenue received from any revenue bonds issued into as part of a lease-purchase agreement under the Education Technology Act.

Fund **41300**, Education Technology Debt Service, should be used to record the debt resulting from the sale of revenue bonds and the resulting financing charges. Receipts from taxes should be recorded as revenue using object code **41110/41113/41114** in fund **41300**.

The Education Technology Act was enacted to implement a provision of Article IX, Section 11 of the Constitution of New Mexico which declares that a school district may create a debt under the constitution by entering into a lease-purchase arrangement to

acquire education technology without submitting the proposition to a vote of the qualified electors of the school district. Section 6-15A-2, NMSA 1978.

The School Budget Finance and Analysis Bureau of the PED, upon the receipt of the notice mentioned in Section 4 [Section 6-15A-4 NMSA 1978] of the Education Technology Equipment Act shall furnish all necessary information with reference to the valuation, present outstanding bonded indebtedness, present outstanding lease-purchase arrangements and limitations as to tax rates and debt contracting power and other information useful to the local school board in the consideration of a proposed lease-purchase arrangement.

### **Section 6-15A-3, NMSA 1978. Definitions.**

As used in the Education Technology Equipment Act [Section 6-15A-1 NMSA 1978:

A. "debt" means an obligation payable from ad valorem property tax revenues or the general fund of a school district and that may be secured by the full faith and credit of a school district and a pledge of its taxing powers;

B. "education technology equipment" means tools used in the educational process that constitute learning and administrative resources and may include but is not limited to:

- closed-circuit television systems, educational television and radio broadcasting, cable television, satellite, copper and fiber-optic transmission, computer, network communication devices, digital communication equipment, video and audio laser and CD ROM discs, video and audio tapes or other technologies and the maintenance, equipment and computer infrastructure information, techniques and tools used to implement technology in schools and related facilities; and
- improvements, alterations and modifications to, or expansions of, existing buildings or personal property necessary or advisable to house or otherwise accommodate any of the tools listed in Paragraph (1) of this subsection;

C. "lease-purchase arrangement" means a financing arrangement constituting debt of a school district pursuant to which periodic lease payments composed of principal and interest components are to be paid to the holder of the lease-purchase arrangement and pursuant to which the owner of the education technology equipment may retain title to or a security interest in the equipment and may agree to release the security interest or transfer title to the equipment to the school district for nominal consideration after payment of the final periodic lease payment.

"Lease-purchase arrangement" also means any debt of the school district incurred for the purpose of acquiring education technology equipment pursuant to the Education Technology Act whether designated as a **lease, bond, note, loan, warrant, debenture, obligation or other instrument evidencing a debt** of the school district;

**Section 6-15A-8, NMSA 1978. Authorizing lease-purchase of education technology equipment; preliminary resolution; contents; notice; final resolution of approval.**

- A. *If a local school board proposes to lease-purchase education technology equipment, it shall comply with the requirements of this section.*
- B. *At a regular meeting or at a special meeting called for the purpose of considering the lease-purchase of education technology equipment, a local school board shall:*
- (1) make a determination of the necessity for lease-purchasing the education technology equipment;*
  - (2) determine the estimated cost of the equipment needed*
  - (3) review a summary of the terms of the proposed lease-purchase agreement;*
  - (4) identify the source of funds for the lease-purchase*
  - (5) if all or part of the funds needed requires or anticipates the imposition of a property tax, determine the estimated rate of the tax and what, if any, the percentage increase in property taxes for real property owners in the school district;*
  - (6) set a date not more than four weeks and not less than three weeks in the future for a special meeting to consider a resolution granting final approval to the lease-purchase of education technology equipment; and*
  - (7) direct that notice of the special meeting be published once each week for the two weeks immediately preceding the meeting in a newspaper having general circulation in the school district and that the notice include the information required in Paragraphs (1) through (5) of this subsection.*
- C. *At the special meeting scheduled pursuant to Subsection B of this section, the local school board may adopt a final resolution approving the lease-purchase of education technology equipment only by an affirmative vote of majority of all members of the board.*
- D. *The local school board shall not adopt a resolution for or approve a lease-purchase agreement that exceeds five years.*

The officials charged by law with the duty of levying ad valorem taxes for the payment of bonds and interest shall, in the manner provided by law, make an annual levy sufficient to meet the payments due on lease-purchase arrangements. Annual payments due on lease-purchase arrangements may be combined with other school district general obligation debt when determining the annual debt service tax levy pursuant to Sections 7-37-8 and 22-18-12 NMSA 1978. Nothing in the Education Technology Equipment Act [ Section 6-15A-1 NMSA 1978] shall be so construed as to prevent a school district from applying any other legally available funds, including funds that may be in its general fund or investment income actually received from investments, to the payments due on or any prepayment premium payable in connection with such lease-purchase arrangements as the same become due, and upon such payments, the levy or levies provided for in this section may, to that extent, be reduced.

**Section 6-15A-7, NMSA 1978. Lease-purchase arrangements; terms.** Lease purchase arrangements may:

- A. have interest, appreciated principal value, or any part thereof, payable at intervals or at maturity as may be determined by the local school board;
- B. be subject to prior redemption or prepayment at the option of the local school board as [at] such time or times and upon such terms and conditions with or without the payment of such premium or premiums as may be determined by the local school board;
- C. have a final payment date or mature at any time or times not exceeding five years after the date of issuance;
- D. be payable at one time or in installments or may be in such other form as may be determined by the local school board;
- E. be priced at, above or below par and at a price that results in a net effective interest rate that does not exceed the maximum permitted by the Public Securities Act [ Section 6-14-1 NMSA 1978]; and
- F. be sold or issued at public sale, negotiated sale or private sale to the New Mexico finance authority

After adoption of a resolution approving a lease-purchase arrangement, the local school board shall publish notice of the adoption once in a newspaper of general circulation in the school district. Thirty days after such publication, any action attacking the validity of the proceedings taken by the school board regarding the authorization and the entering into the lease-purchase agreement is perpetually barred. Section 6-15A-9, NMSA 1978.

**Section 6-21-6.14, NMSA 1978. Lease purchase revenue bonds; lease purchase agreements**

- A. If specifically authorized by law, the authority may issue and sell lease purchase revenue bonds in compliance with the New Mexico Finance Authority Act and enter into a lease purchase agreement pursuant to the provisions of this section.
- B. Lease purchase revenue bonds may be issued at times and on terms established by the authority and shall be paid exclusively from a debt service fund created pursuant to this section. The net proceeds from the sale of lease purchase revenue bonds are appropriated to the authority for the purpose of acquiring by construction or purchase the buildings, land or infrastructure specified in the authorizing law; provided that, if authorized by law, the net proceeds may also be used for debt service payments due before sufficient lease payments have been deposited into the applicable debt service fund.
- C. All lease purchase revenue bonds issued by the authority shall be obligations of the authority payable solely from the separate debt service fund created for those bonds. The bonds shall not create an obligation, debt or liability of the state and no breach of any pledge, obligation or agreement of the authority shall impose a pecuniary liability or charge upon the general credit or taxing power of the state or any political subdivision of the state.

## **The Energy Efficiency Act**

Pursuant to the Energy Efficiency and Renewable Energy Bonding Act, the “energy efficiency assessment revolving fund” was created in the state treasury. These funds are appropriated for the purposes of the department of energy to perform efficiency assessments upon requests of state agencies including public schools to identify measures that can be installed and operated at a total price that is less than the energy cost savings realized. The assessment shall include a schedule for funding and installing the measures that will realize significant energy cost savings in the shortest time frame. This assessment will be developed in conjunction with the Public Education Department (PED) and the Public School Facilities Authority (PSFA). (Section 6-21D-3, NMSA 1978).

Energy efficiency measures include but are not limited to:

- (1) insulation of the building structure or systems within the building;
- (2) storm windows or doors, caulking or weather stripping, multi-glazed windows or doors, heat-absorbing or heat-reflective glazed and coated window or door systems, additional glazing, reductions in glass area or other window and door system modifications that reduce energy consumption;
- (3) automated or computerized energy control systems;
- (4) heating, ventilating or air conditioning system modifications or replacements;
- (5) replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system;
- (6) energy recovery systems;
- (7) on-site photovoltaics, solar heating and cooling systems or other renewable energy systems; or
- (8) cogeneration or combined heat and power systems that produce steam, chilled water or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings.

Upon installation of the energy efficiency measures identified in the assessment, the department of energy shall calculate the estimated energy cost savings, in the form of lower utility payments that will be annually realized by the school district, and certify the estimated to the Department of Finance and Administration (DFA), the Public Education Department (PED), and the school district. When calculating the state equalization guarantee distribution pursuant to Section 22-8-25, NMSA 1978, the Public Education Department shall deduct ninety percent (90%) of the amount certified for the school district. The reduction of the state equalization guarantee (SEG) shall cease when the cumulative reductions are equal to the proportional share of the cumulative debt service payments necessary to service the bonds issued pursuant to the Energy Efficiency and

Renewable Energy Bonding Act. (See PSAB Supplement 1, Budget Planning, Preparation & Maintenance.)

School Districts will account for these funds in Fund **31800** as per the UCOA which follows in the UCOA section to this supplement.

**Public School Capital Outlay 20%**

Fund **32100** is no longer available for new projects and districts should transfer or otherwise close out any balances derived from previous enactments remaining in these funds.

**Sample Journal Entries**

While the following sample entries, which have been modified to reflect the New Mexico Chart of Accounts, have been illustrated, a more thorough presentation of journal entries as they relate to various funds and account groups is available in Chapters 60.01 through 68.17 of The Governmental GAAP Guide 1992, a comprehensive interpretation of all current promulgated governmental generally accepted accounting principles. Larry P. Bailey, PhD, CPA, author; published by HBJ Professional Publishing. Entries regarding to Long term Debt have been illustrated in PSAB Supplement 5, Financial Statements.

**CAPITAL PROJECTS FUND**

DEBIT                      CREDIT

**BOND BUILDING**

**To Record Proceeds of Bond Sale (See AJE 4 Debt Service)**

AJE 1			DEBIT	CREDIT
31100-00-11011	Bond-Cash		10,000,000	
31100-00-45110	Bond-Sale of Bonds			10,000,000
<b>Totals</b>			<b>10,000,000</b>	<b>10,000,000</b>

**To Record Expenditure for Construction in Progress**

AJE 2			DEBIT	CREDIT
31100-40-54500	Bond-Construction in Progress (Elementary School)		1,000,000	
31100-00-11011	Bond-Cash			1,000,000
<b>Totals</b>			<b>1,000,000</b>	<b>1,000,000</b>

**To Record Costs Related to Bond Sale**

AJE 3			DEBIT	CREDIT
31100-40-53414	Legal Services		40,000	
31100-40-53414	Rating Agency		7,500	
31100-00-11011	Cash			47,500
<b>Totals</b>			<b>47,500</b>	<b>47,500</b>

## **DEBT SERVICE FUND**

### **To record Proceeds of Bond Sale (See AJE 1 Bonds)**

<b>AJE 4</b>				
41000-00-11011	Debt Service-Cash		100,000	
41000-00-45120	Debt Service-Accrued Interest & Bond Premium			100,000
<b>Totals</b>			<b>100,000</b>	<b>100,000</b>

### **To Record Property Taxes for Bond Repayment**

<b>AJE 5</b>				
41000-00-11011	Debt Service-Cash		2,500,000	
41000-00-41110	Debt Service-Ad valorem Taxes			2,000,000
41000-00-41113	Debt Service-Oil and Gas Taxes			500,000
<b>Totals</b>			<b>2,500,000</b>	<b>2,500,000</b>

### **To Record Payment of Principal & Interest Due**

<b>AJE 6</b>				
41000-50-58311	Debt Service-Bond principal		1,000,000	
41000-50-58322	Debt Service-Bond interest		400,000	
41000-00-11011	Debt Service-Cash			1,400,000
<b>Totals</b>			<b>1,400,000</b>	<b>1,400,000</b>

## **RESIDUAL EQUITY**

Once a project is completed, there may be a residual equity remaining in the Capital Projects fund. The entries to record this transaction affect two funds.

### **To Record Permanent Cash Transfer**

<b>AJE 7</b>				
41000-00-32100	Debt Service-Fund Balance		20,000	
31100-00-11011	Bond-Cash		20,000	
41000-00-11011	Debt Service-Cash			20,000
31000-00-32100	Bond-Fund Balance			20,000
<b>Totals</b>			<b>40,000</b>	<b>40,000</b>

Additional Entries may be found in PSAB Supplement 5, Financial Statements , and in PSAB Supplement 7, Cash Controls of this manual.

## **THE UNIFORM CHART OF ACCOUNTS FOR CAPITAL PROJECTS FUNDS**

### **SAMPLE BUDGET WORKSHEETS, and a SAMPLE PROJECT ACCOUNTING SHEET**

The UCOA limits the combinations of the account string for selected capital projects to the combinations listed below. Please refer to the PED web page, the School Budget and Finance Analysis Bureau page to the UCOA updated link for information on the allowed combinations for all funds. It should be noted that there are differences in both the revenue and expenditure codes for each fund, depending upon the purpose and regulations regarding each fund. While most of the codes are self explanatory, some codes require additional explanation, as can be found in PSAB Supplement 3, UCOA.

Districts need to be aware of the allowed account strings when they prepare the annual budget for these funds. Carryover cash is generally budgeted for these funds. However, if the fund has a loan payable to the Operational fund in expectation of a reimbursement from PED, cash is budgeted at zero. In the case of the Debt Service Fund, the cash balance is restricted and must be budgeted as reserved cash.

Districts must have some way of tracking large construction projects that are funded jointly by PSCOC, PSFA, and/or district bond funds to make sure that the total project costs are maintained in order to report Construction in Progress and completed projects accurately in the district's financial statements. (See PSAB Supplement 12, Capital Assets).

## **BOND BUDGET AND THE UNIFORM CHART OF ACCOUNTS**



## BOND FUND 31100 UCOA

Fund Class	Function	Object	Description	Program	Location	Job
------------	----------	--------	-------------	---------	----------	-----

31100	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31100	0000	11112	Restricted Cash	0000	xxx-xxx	0000
<b>Revenue From Local Sources</b>						
31100	0000	41500	Investment Income	0000	xxx-xxx	0000
31100	0000	41953	Insurance Recoveries	0000	xxx-xxx	0000
31100	0000	41980	Refund of Prior Years Expenditures	0000	xxx-xxx	0000
<b>Revenue From State Sources</b>						
31100	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
<b>Revenue From Other Sources</b>						
31100	0000	45110	Sale of Bonds	0000	xxx-xxx	0000
31100	0000	45114	Special Revenue Bond Proceeds	0000	xxx-xxx	0000
<b>31100 EXPENDITURES</b>						
<b>Function-4000 - Capital Outlay</b>						
<b>Purchased Professional and Technical Services</b>						
31100	4000	53414	Other Services	0000	xxx-xxx	0000
<b>Purchased Property Services</b>						
31100	4000	54500	Construction Services	0000	xxx-xxx	0000
<b>Supplies</b>						
31100	4000	56113	Software	0000	xxx-xxx	0000
<b>Property</b>						
31100	4000	57111	Land	0000	xxx-xxx	0000
31100	4000	57112	Land Improvements	0000	xxx-xxx	0000
31100	4000	57200	Buildings Purchase	0000	xxx-xxx	0000
31100	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31100	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

## SAMPLE BUDGET WORKSHEET FOR THE BOND FUND

Base Year Budget

Estimated base year's Revenues & Expenditures

ABC School District				
Fund 31100-31100 Func 0000-5000 Obj 11011-58324				
Account/Rollup	Object Name	Budget	Est FY08-09	PROJ FY09-10
31100.0000.11111.0000.00	Unrestricted Cash Actual Cash 6/30/2008	(5,379,659.00)	(5,379,659.04)	(1,796,619.00)
31100.0000.41500.0000.00	Interest on Investments	(40,000.00)	(30,000.00)	(225,000.00)
31100.0000.45110.0000.00	Bond Principal	(6,100,000.00)	(6,100,000.00)	(15,000,000.00)
<b>Function 31100.00 Total</b>		<b>(11,519,659.00)</b>	<b>(11,509,659.04)</b>	<b>(17,021,619.00)</b>
31100.4000.53414.0000.00	Other Professional/Technical Services	70,000.00	130,474.68	500,000.00
31100.4000.54500.0000.00	Construction Services	11,073,445.00	9,421,055.26	15,600,000.00
31100.4000.57112.0000.00	Land Improvements	116,214.00	136,274.31	500,000.00
31100.4000.57331.0000.00	Fixed Assets (More Than \$5,000)	60,000.00	0.00	225,000.00
31100.4000.57332.0000.00	Supply Assets (\$5,000 Or Less)	200,000.00	25,236.32	196,619.00
<b>Function 31100.40 Total</b>		<b>11,519,659.00</b>	<b>9,713,040.57</b>	<b>17,021,619.00</b>
<b>Expenditures for Fund 31100 Total</b>		<b>11,519,659.00</b>	<b>9,713,040.57</b>	<b>17,021,619.00</b>
<b>Fund 31100 Estimated Carryover</b>		<b>0.00</b>	<b>(1,796,618.47)</b>	<b>0.00</b>

Projected new bond sale in 09-10

Projected Expenditures Equal Projected Revenues A Balanced Budget for 2009-2010

Calculated total for carryover of "unrestricted cash" projected for the following year's budget.  
Estimated Revenues minus Estimated Expenditures

## PUBLIC SCHOOL CAPITAL OUTLAY FUND 31200 UCOA

FUND 31200-Public School Capital Outlay						
31200 REVENUE						
Function-0000 - Revenue						
Cash Assets						
31200	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31200	0000	11112	Restricted Cash	0000	xxx-xxx	0000
Revenue From Local Sources						
31200	0000	41500	Investment Income	0000	xxx-xxx	0000
31200	0000	41953	Insurance Recoveries	0000	xxx-xxx	0000
31200	0000	41980	Refund of Prior Years Expenditures	0000	xxx-xxx	0000
Revenue From State Sources						
31200	0000	43209	PSCOC Awards	0000	xxx-xxx	0000
31200	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
31200 EXPENDITURES						
Function-4000 - Capital Outlay						
Purchased Professional and Technical Services						
31200	4000	53414	Other Services	0000	xxx-xxx	0000
Purchased Property Services						
31200	4000	54500	Construction Services	0000	xxx-xxx	0000
31200	4000	54610	Rental - Land and Buildings	0000	xxx-xxx	0000
31200	4000	54620	Rental - Equipment and Vehicles	0000	xxx-xxx	0000
31200	4000	54630	Rental - Computers and Related Equipment	0000	xxx-xxx	0000
Property						
31200	4000	57111	Land	0000	xxx-xxx	0000
31200	4000	57112	Land Improvements	0000	xxx-xxx	0000
31200	4000	57200	Buildings Purchase	0000	xxx-xxx	0000
31200	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31200	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

Districts may wish to add additional optional elements to the account string in order to account for legislative appropriations by project number. A sample worksheet follows as an example for tracking individual projects that are split funded. An example:

	Object	Program	Job Class		
Fund	Function	School/district	Project number		
31200	4000	54500	0000	123400	0000
				081234	

Portion of project funded by district bond revenue

### ABC Elementary School Sample Project Management Sheet

Portion of project funded by PSCOC

	District	PSCOC	Total
Local GO Bond	\$2,408,700.00		<b>\$2,408,700.00</b>
Original Award		\$ 6,193,800.00	<b>\$6,193,800.00</b>
Supplemental			
<b>Total Funding</b>	<b>\$2,408,700.00</b>	<b>\$ 6,193,800.00</b>	<b>\$8,602,500.00</b>
<b>Budgeted Totals</b>			
Architect	\$ 125,870.44	\$ 323,666.84	<b>\$ 449,537.28</b>
Contractor	\$1,937,457.77	\$ 4,982,034.28	<b>\$ 6,919,492.05</b>
Contingency	\$ 241,826.77	\$ 614,690.96	<b>\$ 856,517.73</b>
Furniture	\$ 103,545.02	\$ 208,739.77	<b>\$ 312,284.79</b>
Ed Specifications			
<b>Paid to Date</b>			
Architect	<b>\$ 41,755.42</b>	<b>\$ 107,371.02</b>	<b>\$ 149,126.44</b>
Contractors			
Contingency	<b>\$ 36,391.65</b>	<b>\$ 6,947.41</b>	<b>\$ 43,339.06</b>
Furniture			
Ed Specifications			
			<b>\$ 192,465.50</b>
<b>Current Balances</b>			
Architect	\$ 54,857.35	\$ 141,061.83	<b>\$ 195,919.18</b>
Contractors	\$1,937,457.77	\$ 4,982,034.28	<b>\$ 6,919,492.05</b>
Contingency	\$ 205,435.12	\$ 607,743.55	<b>\$ 813,178.67</b>
Furniture	\$ 103,545.02	\$ 208,739.77	<b>\$ 312,284.79</b>
Ed Specifications	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$2,301,295.26</b>	<b>\$ 5,939,579.42</b>	<b>\$ 8,240,874.68</b>
<i>Reimbursements</i>			

Paid directly by PSCOC but must be recorded in district's fund 31200

Note: A separate sheet is required for each project

## SPECIAL CAPITAL OUTLAY FUND 31400 UCOA

Districts may wish to add additional optional elements to the account string in order to account for legislative appropriations by project number. An example:

	Object	Program	Job Class		
Fund	Function	School/district	Project number		
31400.4000.54500.0000.123400.0000.081234					

FUND 31400-Special Capital Outlay - State						
31400 REVENUE						
Function-0000 - Revenue						
Cash Assets						
31400	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31400	0000	11112	Restricted Cash	0000	xxx-xxx	0000
Revenue From Local Sources						
31400	0000	41500	Investment Income	0000	xxx-xxx	0000
31400	0000	41953	Insurance Recoveries	0000	xxx-xxx	0000
31400	0000	41980	Refund of Prior Years Expenditures	0000	xxx-xxx	0000
Revenue From State Sources						
31400	0000	43204	Prior Year Balances	0000	xxx-xxx	0000
31400	0000	43205	Emergency - Capital Outlay	0000	xxx-xxx	0000
31400	0000	43210	Special Capital Outlay - State	0000	xxx-xxx	0000
31400	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
31400 EXPENDITURES						
Function-4000 - Capital Outlay						
Purchased Professional and Technical Services						
31400	4000	53414	Other Services	0000	xxx-xxx	0000
Purchased Property Services						
31400	4000	54416	Communication Services	0000	xxx-xxx	0000
31400	4000	54500	Construction Services	0000	xxx-xxx	0000
Supplies						
31400	4000	56112	Other Textbooks	0000	xxx-xxx	0000
31400	4000	56113	Software	0000	xxx-xxx	0000
31400	4000	56114	Library And Audio-Visual	0000	xxx-xxx	0000
Property						
31400	4000	57111	Land	0000	xxx-xxx	0000
31400	4000	57112	Land Improvements	0000	xxx-xxx	0000
31400	4000	57200	Buildings Purchase	0000	xxx-xxx	0000
31400	4000	57311	Vehicles General	0000	xxx-xxx	0000
31400	4000	57312	Buses	0000	xxx-xxx	0000
31400	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31400	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

## HB33 31600 UCOA

The chart for fund **31600** is much longer than the other funds because it may be used for salaries and benefits in certain circumstances. Revenue codes for this fund are similar to those listed in 31700 with the exception of Revenue code **43202**, State Flowthrough which does not apply to this fund.

<b>31600 EXPENDITURES</b>						
<b>Function-2300 - General Administration</b>						
<b>Purchased Professional and Technical Services</b>						
31600	2300	53712	County Tax Collection Costs	0000	xxx-xxx	0000
<b>Function-4000 - Capital Outlay</b>						
<b>Personnel Services - Compensation</b>						
31600	4000	51100	Salaries Expense	0000	xxx-xxx	1113
31600	4000	51100	Salaries Expense	0000	xxx-xxx	1114
31600	4000	51100	Salaries Expense	0000	xxx-xxx	1217
31600	4000	51100	Salaries Expense	0000	xxx-xxx	1220
<b>No Program</b>						
31600	4000	51200	Overtime Expense	0000	xxx-xxx	1113
31600	4000	51200	Overtime Expense	0000	xxx-xxx	1114
31600	4000	51200	Overtime Expense	0000	xxx-xxx	1217
31600	4000	51200	Overtime Expense	0000	xxx-xxx	1220
<b>No Program</b>						
31600	4000	51300	Additional Compensation	0000	xxx-xxx	1113
31600	4000	51300	Additional Compensation	0000	xxx-xxx	1114
31600	4000	51300	Additional Compensation	0000	xxx-xxx	1217
31600	4000	51300	Additional Compensation	0000	xxx-xxx	1220
<b>Personnel Services - Employee Benefits</b>						
31600	4000	52111	Educational Retirement	0000	xxx-xxx	0000
31600	4000	52112	ERA - Retiree Health	0000	xxx-xxx	0000
31600	4000	52210	FICA Payments	0000	xxx-xxx	0000
31600	4000	52220	Medicare Payments	0000	xxx-xxx	0000
31600	4000	52311	Health and Medical Premiums	0000	xxx-xxx	0000
31600	4000	52312	Life	0000	xxx-xxx	0000
31600	4000	52313	Dental	0000	xxx-xxx	0000
31600	4000	52314	Vision	0000	xxx-xxx	0000
31600	4000	52315	Disability	0000	xxx-xxx	0000

31600	4000	52316	Other Insurance	0000	xxx-xxx	0000
31600	4000	52500	Unemployment Compensation	0000	xxx-xxx	0000
31600	4000	52710	Workers Compensation Premium	0000	xxx-xxx	0000
31600	4000	52720	Workers Compensation Employer's Fee	0000	xxx-xxx	0000
31600	4000	52730	Workers Compensation (Self Insured)	0000	xxx-xxx	0000
31600	4000	52911	Cafeteria Plan Fees	0000	xxx-xxx	0000
31600	4000	52912	Employee Assistance Programs	0000	xxx-xxx	0000
31600	4000	52913	Workers Compensation Employee Fees	0000	xxx-xxx	0000
31600	4000	52914	Deferred Sick Leave Reserve	0000	xxx-xxx	0000
			<b>Purchased Property Services</b>			
31600	4000	54500	Construction Services	0000	xxx-xxx	0000
31600	4000	54640	Rental/Lease to Purchase	0000	xxx-xxx	0000
			<b>Property</b>			
31600	4000	57111	Land	0000	xxx-xxx	0000
31600	4000	57112	Land Improvements	0000	xxx-xxx	0000
31600	4000	57200	Buildings Purchase	0000	xxx-xxx	0000
31600	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31600	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

## CAPITAL IMPROVEMENTS SB-9 FUND 31700 UCOA

FUND 31700-Capital Improvements SB-9						
31700 REVENUE						
Function-0000 - Revenue						
Cash Assets						
31700	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31700	0000	11112	Restricted Cash	0000	xxx-xxx	0000
Revenue From Local Sources						
31700	0000	41110	Ad Valorem Taxes School District	0000	xxx-xxx	0000
31700	0000	41113	Oil and Gas Taxes	0000	xxx-xxx	0000
31700	0000	41114	Copper Production	0000	xxx-xxx	0000
31700	0000	41500	Investment Income	0000	xxx-xxx	0000
31700	0000	41953	Insurance Recoveries	0000	xxx-xxx	0000
31700	0000	41980	Refund of Prior Years Expenditures	0000	xxx-xxx	0000
Revenue From State Sources						
31700	0000	43202	State Flow-through Grants	0000	xxx-xxx	0000
31700	0000	43204	Prior Year Balances	0000	xxx-xxx	0000
31700	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
31700 EXPENDITURES						
Function-2300 - General Administration						
Purchased Professional and Technical Services						
31700	2300	53712	County Tax Collection Costs	0000	xxx-xxx	0000
Function-4000 - Capital Outlay						
Purchased Professional and Technical Services						
31700	4000	53330	Professional Development	0000	xxx-xxx	0000
Purchased Property Services						
31700	4000	54315	Maintenance & Repair - Bldgs/Grnds/Equipment (SB-9)	0000	xxx-xxx	0000
31700	4000	54500	Construction Services	0000	xxx-xxx	0000
31700	4000	54640	Rental/Lease to Purchase	0000	xxx-xxx	0000
Supplies						
31700	4000	56113	Software	0000	xxx-xxx	0000
31700	4000	56118	General Supplies and Materials	0000	xxx-xxx	0000
Property						
31700	4000	57111	Land	0000	xxx-xxx	0000
31700	4000	57112	Land Improvements	0000	xxx-xxx	0000
31700	4000	57200	Buildings Purchase	0000	xxx-xxx	0000
31700	4000	57311	Vehicles General	0000	xxx-xxx	0000
31700	4000	57312	Buses	0000	xxx-xxx	0000
31700	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31700	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

## ENERGY EFFICIENCY FUND 31800 UCOA

<b>FUND 31800-Energy Efficiency Act</b>						
<b>31800 REVENUE</b>						
Function-0000 - Revenue						
Cash Assets						
31800	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31800	0000	11112	Restricted Cash	0000	xxx-xxx	0000
Revenue From State Sources						
31800	0000	43202	State Flow-through Grants	0000	xxx-xxx	0000
31800	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
<b>31800 EXPENDITURES</b>						
Function-4000 - Capital Outlay						
Purchased Property Services						
31800	4000	54315	Maintenance & Repair - Bldgs/Grnds/Equipment (SB-9)	0000	xxx-xxx	0000
31800	4000	54416	Communication Services	0000	xxx-xxx	0000
31800	4000	54500	Construction Services	0000	xxx-xxx	0000

## EDUCATIONAL TECHNOLOGY EQUIPMENT ACT FUND 31900 UCOA

<b>FUND 31900-Educational Technology Equipment Act</b>						
<b>31900 REVENUE</b>						
Function-0000 - Revenue						
Cash Assets						
31900	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
31900	0000	11112	Restricted Cash	0000	xxx-xxx	0000
Revenue From Local Sources						
31900	0000	41500	Investment Income	0000	xxx-xxx	0000
31900	0000	41980	Refund of Prior Years Expenditures	0000	xxx-xxx	0000
Revenue From State Sources						
31900	0000	43215	Inter-Governmental Contract Revenue	0000	xxx-xxx	0000
Revenue From Other Sources						
31900	0000	45110	Sale of Bonds	0000	xxx-xxx	0000
<b>31900 EXPENDITURES</b>						
Function-4000 - Capital Outlay						
Purchased Professional and Technical Services						
31900	4000	53414	Other Services	0000	xxx-xxx	0000
Purchased Property Services						
31900	4000	54315	Maintenance & Repair - Bldgs/Grnds/Equipment (SB-9)	0000	xxx-xxx	0000
31900	4000	54416	Communication Services	0000	xxx-xxx	0000
Supplies						
31900	4000	56113	Software	0000	xxx-xxx	0000
31900	4000	56118	General Supplies and Materials	0000	xxx-xxx	0000
Property						
31900	4000	57331	Fixed Assets (more than \$5,000)	0000	xxx-xxx	0000
31900	4000	57332	Supply Assets (\$5,000 or less)	0000	xxx-xxx	0000

## DEBT SERVICE FUND 41000 UCOA

<b>41000 REVENUE</b>						
<b>Function-0000 - Revenue</b>						
<b>Cash Assets</b>						
41000	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
41000	0000	11112	Restricted Cash	0000	xxx-xxx	0000
41000	0000	11113	Reserved Cash - Special Revenue Bonds	0000	xxx-xxx	0000
<b>Revenue From Local Sources</b>						
41000	0000	41110	Ad Valorem Taxes School District	0000	xxx-xxx	0000
41000	0000	41113	Oil and Gas Taxes	0000	xxx-xxx	0000
41000	0000	41114	Copper Production	0000	xxx-xxx	0000
41000	0000	41115	Other Special Revenue/Taxes	0000	xxx-xxx	0000
41000	0000	41500	Investment Income	0000	xxx-xxx	0000
<b>Revenue From Other Sources</b>						
41000	0000	45114	Special Revenue Bond Proceeds	0000	xxx-xxx	0000
41000	0000	45120	Premium or Discount on the Issuance of Bonds	0000	xxx-xxx	0000
<b>41000 EXPENDITURES</b>						
<b>Function-2300 - General Administration</b>						
<b>Purchased Professional and Technical Services</b>						
41000	2300	53712	County Tax Collection Costs	0000	xxx-xxx	0000
<b>Function-5000 - Debt Service</b>						
<b>Purchased Professional and Technical Services</b>						
41000	5000	53414	Other Services	0000	xxx-xxx	0000
<b>Debt Service and Miscellaneous</b>						
41000	5000	58214	Debt Service Reserve	0000	xxx-xxx	0000
41000	5000	58216	Special Revenue Bonds	0000	xxx-xxx	0000
41000	5000	58311	Bond Principal Payment	0000	xxx-xxx	0000
41000	5000	58313	Special Revenue Bond Principal Payment	0000	xxx-xxx	0000
41000	5000	58322	Bond Interest Payment	0000	xxx-xxx	0000
41000	5000	58324	Special Revenue Bond Interest Payment	0000	xxx-xxx	0000

## SAMPLE BUDGET WORKSHEET FOR THE DEBT SERVICE FUND

Base Year Budget

Estimated base year's Revenues and Expenditures

ABC School District					
Fund 41000-41000 Func 0000-5000 Obj 11011-58324					
Account/Rollup	Object Name	Actual Cash 6/30/2008 Reserved for Bond Payment	Budget	Est FY08-09	PROJ FY09-10
41000.0000.11111.0000.0	Unrestricted Cash			0.00	0.00
41000.0000.11113.0000.0	Reserved Cash - Special Revenue Bonds		(3,141,725.00)	(3,558,708.54)	(3,715,455.00)
41000.0000.41110.0000.0	Ad Valorem Taxes - School District		(3,281,400.00)	(3,407,571.02)	(3,781,813.00)
41000.0000.41113.0000.0	Oil and Gas Taxes		(400,231.00)	(451,274.00)	(380,429.00)
41000.0000.41500.0000.0	Interest on Investments		(25,000.00)	(9,700.53)	(10,000.00)
41000.0000.45120.0000.0	Premium or Discount on the Issuance of Bonds		0.00	(3,408.30)	
<b>Revenues Function 41000.00 Total</b>			<b>(6,848,356.00)</b>	<b>(7,430,662.39)</b>	<b>(7,887,697.00)</b>
41000.2300.53712.0000.0	County Tax Collection Costs		36,816.00	33,575.71	41,622.00
<b>Function 41000.23 Total</b>			<b>36,816.00</b>	<b>33,575.71</b>	<b>41,622.00</b>
41000.5000.58214.0000.0	Debt Service Reserve		3,129,909.00	0.00	3,057,959.00
41000.5000.58311.0000.0	Bond Principal Payment		2,920,000.00	2,920,000.00	3,505,000.00
41000.5000.58322.0000.0	Bond Interest Payment		761,631.00	761,631.25	1,283,116.00
<b>Function 41000.50 Total</b>			<b>6,811,540.00</b>	<b>3,681,631.25</b>	<b>7,846,075.00</b>
<b>Expenditures for Fund 41000 Total</b>			<b>6,848,356.00</b>	<b>3,715,206.96</b>	<b>7,887,697.00</b>
<b>Calculated Carryover Fund 41000 Total</b>			<b>0.00</b>	<b>(3,715,455.43)</b>	<b>0.00</b>

Projected Expenditures Equal Projected Revenues A Balanced Budget for 2009-2010

Calculated total for carryover of "reserved cash" projected for the following year's budget.  
Estimated Revenues minus Estimated Expenditures

## ED TECH DEBT SERVICE FUND 43000 UCOA

<b>FUND 43000-Ed. Tech. Debt Service</b>						
<b>43000 REVENUE</b>						
<b>Function-0000 - Revenue</b>						
<b>Cash Assets</b>						
43000	0000	11111	Unrestricted Cash	0000	xxx-xxx	0000
43000	0000	11112	Restricted Cash	0000	xxx-xxx	0000
<b>Revenue From Local Sources</b>						
43000	0000	41110	Ad Valorem Taxes School District	0000	xxx-xxx	0000
43000	0000	41113	Oil and Gas Taxes	0000	xxx-xxx	0000
43000	0000	41114	Copper Production	0000	xxx-xxx	0000
43000	0000	41500	Investment Income	0000	xxx-xxx	0000
<b>Revenue From Other Sources</b>						
43000	0000	45120	Premium or Discount on the Issuance of Bonds	0000	xxx-xxx	0000
<b>43000 EXPENDITURES</b>						
<b>Function-2300 - General Administration</b>						
<b>Purchased Professional and Technical Services</b>						
43000	2300	53712	County Tax Collection Costs	0000	xxx-xxx	0000
<b>Function-5000 - Debt Service</b>						
<b>Debt Service and Miscellaneous</b>						
43000	5000	58214	Debt Service Reserve	0000	xxx-xxx	0000
43000	5000	58216	Special Revenue Bonds	0000	xxx-xxx	0000
43000	5000	58311	Bond Principal Payment	0000	xxx-xxx	0000
43000	5000	58322	Bond Interest Payment	0000	xxx-xxx	0000

Reference PSAB Supplement 3, Uniform Chart of Accounts, for complete object code definitions and usage.

The Checklist of Step-by-Step Instructions for Successful School Bond Elections in New Mexico published by the New Mexico Public Schools Facilities Authority (PSFA) This Manual is considered a primary resource document to manage bond elections and facilities master plans and is included as a part of this supplement.

**Insert the Checklist of Step-by-Step Instruction for Successful School Bond Election in New Mexico. (PSFA web site, [www.nmpsfa.org](http://www.nmpsfa.org))**

***For Further Information:***

***Please see PSFA's website, [www.nmpsfa.org](http://www.nmpsfa.org) under the Planning and Review Portal for additional information on how to create a district Facility Master Plan.***

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