



**LOS LUNAS SCHOOLS**

*Every Student Matters. Every Moment Counts.*

# LOS LUNAS SCHOOLS

**Financial Statements and  
Supplementary Information**

**JUNE 30, 2022**



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## **LOS LUNAS SCHOOLS**

### **BOARD OF EDUCATION**

**TINA GARCIA**  
President

**P. DAVID VICKERS**  
Vice President

**BRUCE BENNET**  
Secretary

**BRYAN C. SMITH**  
Board Member

**ELOY GIRON**  
Board Member

### **SCHOOL OFFICIALS**

**DR ARSENIO ROMERO**  
Superintendent

**BRIAN BACA**  
Deputy Superintendent

**CLAIRE CIEREMANS**  
Chief Financial Officer

**SANDY TRACZYK**  
Director of Finance

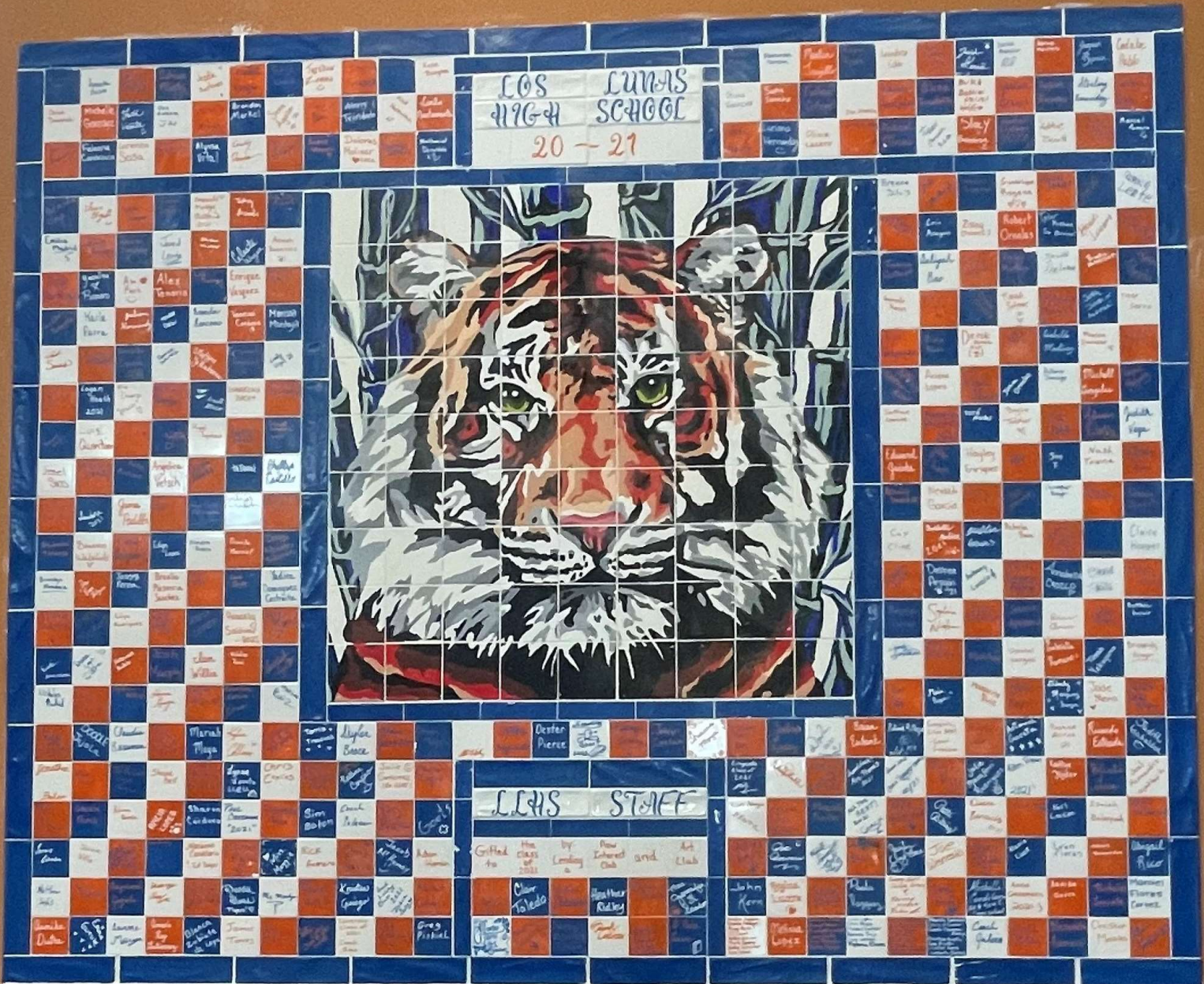






# LOS LUNAS SCHOOLS

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## FINANCIAL SECTION

### INDEPENDENT AUDITOR'S REPORT





Jaramillo Accounting Group LLC

Certified Public Accountants

Audit, Fraud, Consulting

[www.JAG.CPA](http://www.JAG.CPA)

## INDEPENDENT AUDITOR'S REPORT

**The Board of Education and Management  
Los Lunas Schools**  
Los Lunas, New Mexico

and

**Mr. Joseph M. Maestas, P.E.**  
New Mexico State Auditor  
Santa Fe, New Mexico

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *OPINIONS*

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Los Lunas Schools (the Schools), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of the Schools as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *BASIS FOR OPINIONS*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Schools' and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis presented on pages 4-17 and the Schedule of the Schools' Proportionate Share of the Net Pension Liability-ERB, Schedule of the Schools' Pension Contributions-ERB, Schedule of the Schools' Proportionate Share of the Net OPEB Liability-RHCA OPEB, Schedule of the Schools' OPEB Contributions-RHCA OPEB, and Notes to Required Supplementary Information on pages 63-67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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



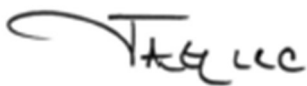
inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion 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.

#### **SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Schools' basic financial statements. 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 Award*, the budgetary comparison schedules, Combining Balance Sheets and Combining Statement of Revenues, Expenditures, and Change in Fund Balances (Nonmajor Governmental Funds, Nonmajor Special Revenue Funds, and Nonmajor Capital Project Funds), Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investments Accounts, and Schedule of Cash Reconciliation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the budgetary comparison schedules, Combining Balance Sheets and Combining Statement of Revenues, Expenditures, and Change in Fund Balances (Nonmajor Governmental Funds, Nonmajor Special Revenue Funds, and Nonmajor Capital Project Funds), Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investments Accounts, and Schedule of Cash Reconciliation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of the Schools' 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 the Schools' internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2022

# Management's Discussion and Analysis (Unaudited)

JUNE 30, 2022

Management's Discussion and Analysis is a required part of the District's financial reporting and is an objective and easily readable discussion of the District's financial activities. The reader will see two statements, a Statement of Net Position, and a Statement of Activities. These statements provide the overall view of the financial activities of the District. The discussion and analysis will provide a review of the District's overall financial activities, using the accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District, as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

This annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report; Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with Government Auditing Standards; Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133; and the Schedule of Findings and Questioned Costs.

## LOS LUNAS SCHOOLS ACCOUNTING AND FINANCE

We believe this written analysis and the accompanying financial report will indicate to the reader that the Los Lunas Schools is in good financial health. Even though the economy has not fully recovered from the past few years, we are working to be able to maintain our fund balances and cash on hand. This means our efforts have held strong with annual adjustments to our revenues and expenditures accordingly and we continue to take every precaution to stay ahead of the downturn in the economy. We are making a conscious effort to continue to maintain fund balance and cash on hand in the operational fund. Regardless of the difficult economic hard times, the District maintains a financial and accounting staff with strong levels of technical experience and education.

In order to define and support internal controls, the School Business Office utilizes a comptrollership model organization structure. A written Business Office Policies and Procedures Manual is in place to guide District staff through the daily fiscal and business routines.

As an integral part of District accountability process, the Los Lunas Schools Board of Education monitors District expenditures, and budgets through a formal monthly reporting process to a Finance Committee and the full Board of Education. This reportage is provided at public meetings and becomes a part of the Los Lunas Schools Board of Education's permanent public record. These reports are public documents and through this public process, the financial reporting information is provided to the community and open to public inspection.

## SIGNIFICANT FINANCIAL HIGHLIGHTS FOR THE YEAR ENDING JUNE 30, 2022

- The voters approved a \$22,000,000 bond election in November 2019. The money will be used for funding the next wave of bond projects, which includes various site security improvement projects, various HVAC improvements, various playground renovations, and Pre-K facilities on the west and east of the district. The Community continues to be supportive of all our bond various and mil levy elections.

- Capital Outlay expenses increased from \$5,803,344 in the year ending June 30, 2021 to \$9,647,021 for the year ending June 30, 2022. This increase in construction expenditures is due to the district starting to move forward on construction projects that were halted during Covid. In addition, we have prioritized several smaller site improvement projects district wide. We funded a renovation bleacher/press box project at both our High Schools. The District has applied for money from the Public School Outlay funds to match our local dollars to maximize the construction dollars available to the District. We applied and were approved funding for Peralta Elementary and Los Lunas Middle School system-based funding. We also applied for security system upgrades at all our elementary schools; our current match from the Public School Facility Authority (PSFA) is 70%. This means we only pay 30% of the dollars allocated to capital projects approved by the PSFA. Projects we have participated in include a Classroom Addition at Katherine Gallegos Elementary, Sundance Elementary, renovation for Bosque Farms Elementary, and renovation for Los Lunas High School. Expenditures in capital outlay are expected to rise, as new projects are funded.
- As shown in the three-year comparison of the Statement of Net Position, total net position increased from (\$51,125,539) in the year ending June 30, 2021 to \$(40,094,901) in the year ending June 30, 2022. The overall increase in net position of \$11,030,638 is due to an increase in current assets.
- The overall adjusted fund balance shown in the Statement of Revenues and Expenditures and Changes in Fund Balances (GAAP), increased from \$56,484,017 for the year ending in June 30, 2021 to \$69,107,467 for the period ending June 30, 2022. The Fund Balance of the General (Operations) Fund increased from \$16,601,472 to \$21,595,893 during the same period.
- The State Equalization Guarantee Formula Unit Value increased overall by \$3,754,323 for the fiscal year ending June 30, 2022. Revenues from the State Equalization Guarantee Formula (SEG) for the fiscal year ending June 30, 2021 were \$71,074,133; revenues for the fiscal year ending June 30, 2022 were \$74,131,470. The reason for the revenue increase is due to increase in funded units and increase in unit value. We keep careful watch of the fluctuations in revenue.
- Total expenditures, *inclusive of all capital expenditures from general obligation bond proceeds*, increased from \$96,296,613 for the year ending June 30, 2021 to \$107,385,020 for the year ending June 30, 2022.
- The District's overall cash assets on the Balance Sheet increased from \$56,722,163 on June 30, 2021 to \$68,463,639 on June 30, 2022. The largest cash balances were reflected in Debt Service (41000), Operational (11000), Bond Building (31100), and HB-33 (31600).
- The Operations Emergency Reserve was \$1,250,000 during the 2020/2021 fiscal year. This reserve account was \$1,250,000 for the 2021/2022 fiscal year. The District will try to continue work to maintain a healthy level of emergency reserves, and cash balance in the operational account.
- The District continues to support the Transportation Budget out of the Operational budget. The District's Transportation state distribution is not enough to be able to sustain itself without the support of operational funding. The District has taken several measures to reduce the expenditures in Transportation including operating a New Eastside Transportation Dept., reducing bus routes, and reducing bus driver contracts.



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### STATEMENT OF NET POSITION

This statement shows that as of June 30, 2022, the District had total net position of (\$40,094,901) as compared to net position of (\$51,125,539) as of June 30, 2021 and \$12,127,538 as of June 30, 2020. The District had \$68,463,639 in cash and current assets on hand as of June 30, 2022, compared to \$56,722,163 as of June 30, 2021, and accounts payable/current liabilities and current long-term debt of \$14,386,946 as of June 30, 2022, compared to \$12,481,628 as of June 30, 2021. Long-term liabilities have decreased from \$408,983,892 as of June 30, 2021 to \$190,013,218 as of June 30, 2022.

**TABLE A-1**

### STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	June 30, 2020
<b>ASSETS</b>			
Cash assets	\$ 21,115,116	\$ 32,121,500	\$ 24,485,572
Other current assets	9,568,648	9,056,985	7,085,561
Other non-current assets	47,476,537	24,600,663	21,033,949
Capital assets	157,581,810	156,094,006	249,999,155
Accumulated depreciation	-	-	(89,463,818)
<b>Total assets</b>	<b>235,742,111</b>	<b>221,873,154</b>	<b>213,140,419</b>
<b>DEFERRED OUTFLOWS</b>			
Pension related	103,525,600	165,312,912	31,521,477
<b>LIABILITIES</b>			
Accounts payable	1,444,977	584,759	385,269
Other current liabilities	6,241,969	5,991,869	5,499,884
Current portion of long-term debt	6,700,000	5,905,000	6,345,000
Long-term liabilities	190,013,218	408,983,892	195,442,038
<b>Total liabilities</b>	<b>204,400,164</b>	<b>421,465,520</b>	<b>207,672,191</b>
<b>DEFERRED INFLOWS</b>			
Pension related and leases	174,962,448	16,846,085	24,862,167
<b>NET POSITION</b>			
Invested in capital assets	107,612,164	106,091,875	109,060,738
Restricted	47,380,002	39,646,949	34,168,226
Unrestricted (deficit)	(195,087,067)	(196,864,363)	(131,101,426)
<b>Total net position (deficit)</b>	<b>\$ (40,094,901)</b>	<b>\$ (51,125,539)</b>	<b>\$ 12,127,538</b>

## STATEMENT OF ACTIVITIES

The State of (Governmental) Activities is also a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2021. As of June 30, 2022, the District had a net position of (\$40,094,901) as compared to net assets of (\$51,125,539) as of June 30, 2021 and \$12,127,538 as of June 30, 2020.

**TABLE A-2**  
**STATEMENT OF ACTIVITIES**

	June 30, 2022	June 30, 2021	June 30, 2020
<b>Governmental Activities</b>			
Total Governmental Activities	\$ 101,711,095	\$ 166,985,488	\$ 52,158,993
Less: Charges for Services	(1,380,862)	(361,245)	(642,526)
Less: Operating Grants and Contributions	(23,033,640)	(15,908,134)	(17,364,633)
Less: Capital Grants and Contributions	(1,861,167)	(138,870)	(1,204,762)
<b>Net (expenses) revenues</b>	<b>75,435,426</b>	<b>150,577,239</b>	<b>32,947,072</b>
<b>General Revenues</b>			
Taxes-General, Debt Service, Capital Projects	12,034,488	14,664,577	12,128,357
State Aid not restricted to Specific Purposes (State Equalization Guarantee - SEG)	74,131,470	71,319,810	72,706,666
Interest and Earnings in Investment	73,676	88,386	294,359
Miscellaneous	243,019	243,791	187,429
<b>Total general revenues</b>	<b>86,482,653</b>	<b>86,316,564</b>	<b>85,316,811</b>
<b>Changes in Net Position</b>	<b>11,047,227</b>	<b>(64,260,675)</b>	<b>52,369,739</b>
Restatement	(16,589)	1,007,598	-
Net position (deficit), beginning	(51,125,539)	12,127,538	(40,242,201)
Net position (deficit), ending	\$ (40,094,901)	\$ (51,125,539)	\$ 12,127,538

## FUND FINANCIAL STATEMENTS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues, Expenditures and Changes in Fund Balances is not a new statement to the District's annual financial reports. This report guides the reader to a meaningful, overall view of the District's revenues, expenditures, and changes to the fund balance. This report also shows the revenue and expenditure activities of each major fund and the total of all "other" Governmental Funds. Total revenues from State, Local and Federal sources were \$113,825,150. Total expenditures for the District were \$107,385,020. The total ending Fund Balance was \$69,107,467; an increase of \$12,623,450 from the prior year.

### MULTI-YEAR DISTRICT REVENUES AND EXPENDITURES

During the 2021/2022 fiscal year, revenues as shown in the chart below increased from prior year balances, revenue, increased by \$14,160,949 and expenditures increased by \$11,088,407. This revenue decrease is mainly due to a decrease in State District funding and Other Governmental Funds. The decrease in expenditures is a primarily due to a decrease in instructional expenses due to Covid.

**TABLE A-3****MULTI-YEAR DISTRICT REVENUES AND EXPENDITURES**

Year	Total Revenues *	Increase %	Total Expenditures	Increase %
1999/2000	\$ 60,492,174	19.00%	\$ 56,085,681	4.00%
2000/2001	66,373,486	9.72%	65,727,785	17.19%
2001/2002	70,314,391	5.94%	72,028,003	9.59%
2002/2003	76,605,597	8.95%	76,347,148	6.00%
2003/2004	75,436,662	-1.53%	74,842,654	-1.97%
2004/2005 **	87,325,182	15.76%	86,718,047	15.87%
2005/2006	84,438,528	-3.31%	84,541,105	-2.51%
2006/2007 ***	99,216,680	17.50%	93,995,800	11.18%
2007/2008	101,792,107	2.60%	103,883,263	10.52%
2008/2009	105,507,566	3.65%	103,874,640	-0.01%
2009/2010	93,006,003	-11.85%	93,872,063	-9.63%
2010/2011	94,237,137	1.32%	89,898,017	-4.23%
2011/2012	100,074,994	6.19%	91,700,954	2.01%
2012/2013	96,377,306	-3.69%	93,279,388	1.72%
2013/2014	97,827,228	1.50%	95,456,914	2.33%
2014/2015	102,819,368	5.10%	109,013,080	14.20%
2015/2016	88,605,199	-13.82%	88,100,708	-19.18%
2016/2017	91,386,287	3.14%	103,157,326	17.09%
2017/2018	92,292,658	0.99%	90,018,007	-12.74%
2018/2019	98,746,664	6.99%	93,952,387	4.37%
2019/2020	113,129,579	14.57%	100,091,685	6.53%
2020/2021	105,946,801	-6.35%	96,296,613	-3.79%
2021/2022	120,107,750	13.37%	107,385,020	11.51%

**\* Note:** Revenues include processed from general obligation bonds and exclude cash carryovers; expenditures include capital outlays.

**\*\* Note:** Includes revenues and expenditures from November 2004 – Series 1995, 1996, 1997 G.O. Bond refunding; November 2004 G.O. Bond Sale; March 2005.

**\*\*\* Note:** Includes an October 2006 BAN sale and a savings of \$122,327 in interest payments due the prior year's refinancing of debt.

**THE BUDGET**

The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22-8, Public School Finance) and the New Mexico Administrative Code (Section 6). To enhance the process of developing a budget at the school district level, the Los Lunas School District utilizes goals and objectives defined by the Los Lunas School Board, community/parent input meetings, the District's five-year facility master plan, long term planning and input from various staff groups to develop the District budget. District priorities are well defined through this process.

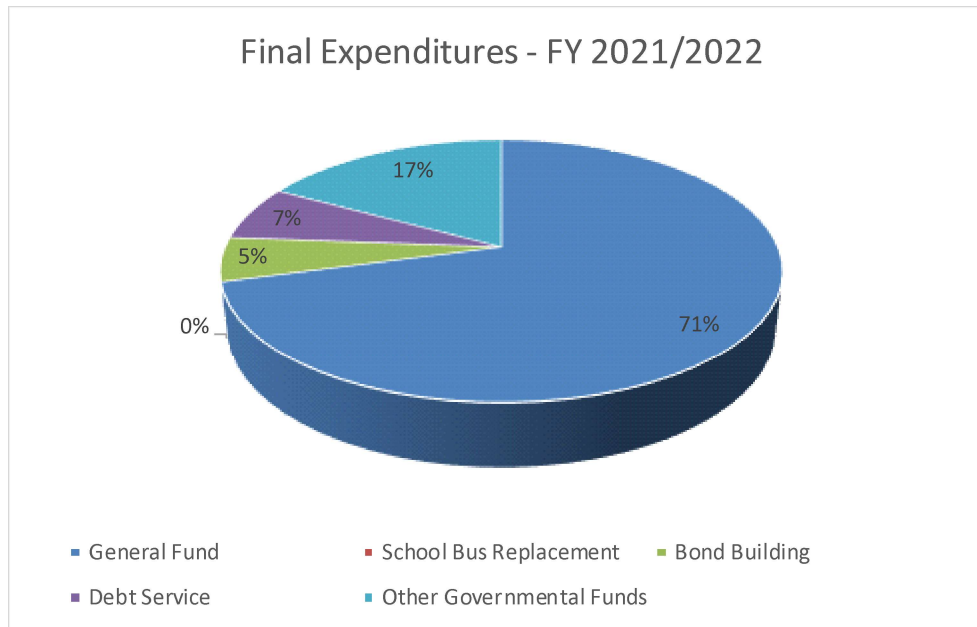
GASB 34 does not require a statement presenting the overall result of the budget for each year. However, all major budgetary funds are required to be reported as separate statements.

Major Budgetary funds in these reports are: The Operational Fund that includes the General, Transportation, and Instructional Materials funds (Operational Funds), CRRSA ESSER II, Bond Building, and Debt Service.

Non-major Capital Project funds include HB33 (3 Mill Levy), and SB-9 (2 Mill Levy). The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.



**TABLE A-4**  
**FY 2020/2021 BUDGET CHART**



The reader will note that the General Fund Final Expenditures represents 69% of the total dollar amount compared to 73% in FY 2020/2021. This fund provides the salary and benefits for the significant majority of the Instructional, Instructional Support and School Support, Maintenance and Administrative staff as well as classroom materials, special education consulting staff and fixed utility costs. Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the refunding formula appropriated for education by the State Legislature. The Operations Fund is explored later in the Management’s Discussion and Analysis.

The following table examines the summary budget performance of the major funds for the fiscal year ending June 30, 2022. Detail budget performance is examined through the Statement of Revenues and Expenditures, Budget and Actual for each major and non-major fund.

#### **THE GENERAL (OPERATIONS) FUND**

The Operations Fund serves as the District General (Operations) Fund and is the largest Fund. Because the Operations Fund revenues represent \$78,832,169 of the total \$120,107,750 of District revenues (inclusive of other financing sources), the significant impact of this fund on District Operations must be kept in context.

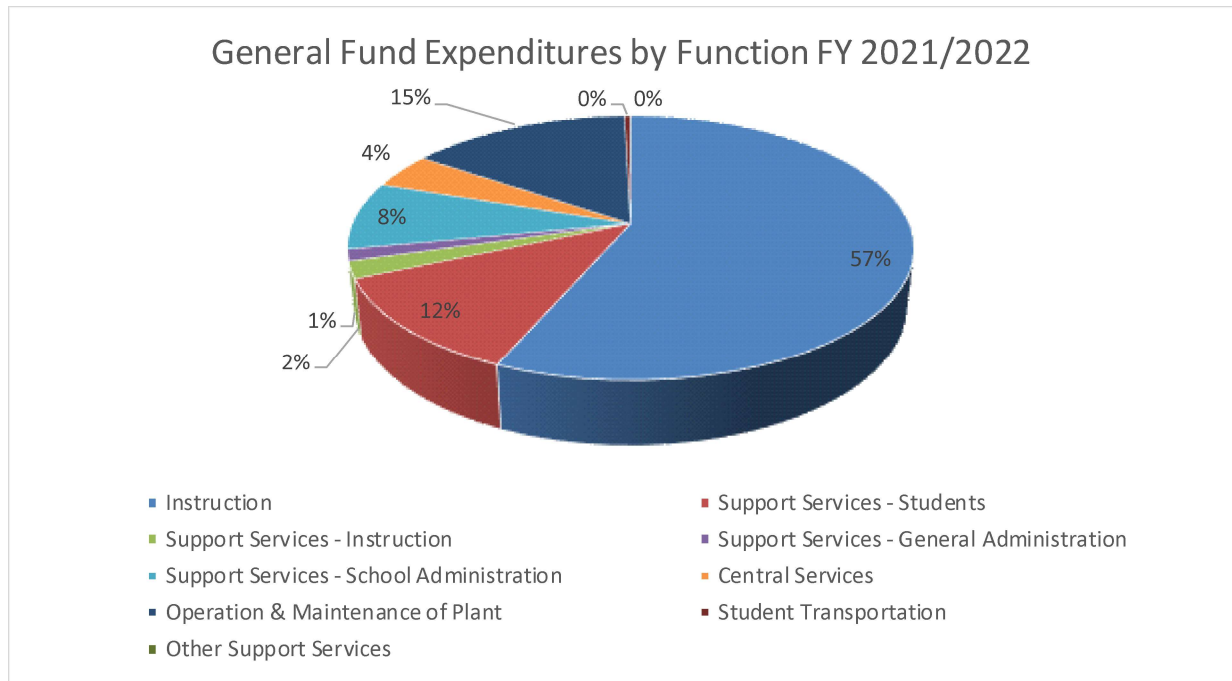
The General (Operations) Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff. The General (Operations) Fund provides the predominant funding for athletics and student activities.

**TABLE A-5**  
**GENERAL (OPERATIONS) FUND REVENUES**

Year	Total Revenues	Increase %
2000/2001	\$ 42,095,896	8.92%
2001/2002	46,826,574	11.24%
2002/2003	46,398,919	-0.91%
2003/2004	48,454,893	4.43%
2004/2005	50,430,536	4.08%
2005/2006	54,254,563	7.58%
2006/2007	58,216,044	7.30%
2007/2008	62,026,642	6.55%
2008/2009	62,138,555	0.18%
2009/2010	54,295,485	-12.62%
2010/2011	54,991,153	1.28%
2011/2012	55,887,434	1.63%
2012/2013	55,340,239	-0.98%
2013/2014	57,142,252	3.26%
2014/2015	59,757,469	4.58%
2015/2016	59,757,469	0.00%
2016/2017	57,142,252	-4.38%
2017/2018	57,678,471	0.94%
2018/2019	63,882,961	10.76%
2019/2020	76,245,219	19.35%
2020/2021	75,248,573	-1.31%
2021/2022	78,832,169	4.76%

Because the General (Operations) Fund is the main fund in which expenditures are significantly related to the educational process, \$73,896,081 was expended in the year ending June 30, 2022. The most significant interfund expense was for the function noted as "Instruction" (Direct Instruction). This expenditure was \$40,095,954 of all General (Operations) Fund expenditures, compared with fiscal year 2020/2021 of \$39,051,695. Expenditures included in this function are Regular Education, Special Education and Early Childhood Education teachers and educational assistants, benefits, payroll taxes, school supplies, training, and miscellaneous instructional related contract services. Approximately 85% of all General (Operations) Fund expenditures are for employee salaries, payroll taxes and benefits.

**TABLE A-6**  
**GENERAL (OPERATIONS) FUND EXPENDITURES**



The following discussion on the General (Operations) Fund budget will relate functional expenditures for the year ending June 30, 2022, exclusive of Capital Outlay expenditures, for the Operations Fund. Direct Instruction represents 57% of all General (Operations) Fund expenditures. This represents a 1% increase compared to the year fiscal ending June 30, 2021. Direct Instruction expenditures account for regular education, vocational education, bilingual education, special education and kindergarten teachers and educational assistant's salaries, payroll taxes and benefits.



**TABLE A-7****PERCENTAGE OF DIRECT INSTRUCTION TO TOTAL EXPENDITURES – OPERATIONS FUND (GAAP)**

Year	Direct Instruction Cost	Actual Expenditures	Increase %
2004/2005	\$ 30,404,178	\$ 51,081,357	59.50%
2005/2006	31,909,199	53,742,851	59.40%
2006/2007	34,342,180	58,308,781	58.90%
2007/2008	36,685,109	62,703,997	58.50%
2008/2009	36,735,064	63,474,138	57.90%
2009/2010	32,264,185	54,618,319	59.10%
2010/2011	29,949,683	52,901,522	56.60%
2011/2012	31,014,174	54,367,566	57.00%
2012/2013	30,300,881	53,694,034	56.40%
2013/2014	31,015,237	54,572,031	56.80%
2014/2015	32,478,789	57,025,181	57.00%
2015/2016	32,102,162	56,253,808	57.10%
2016/2017	34,496,027	61,566,995	56.00%
2017/2018	33,107,663	61,337,778	54.00%
2018/2019	34,610,629	64,157,613	53.90%
2019/2020	39,960,684	68,964,943	57.90%
2020/2021	39,050,246	67,329,166	58.00%
2021/2022	40,095,954	71,070,037	56.40%

The table above has been included to convey to the reader the District’s budgetary commitment to maximize expenditures in the “classroom”. The table shows that expenditures in the area of Direct Instruction average 57.24% since the 2004/2005 year.

**OPERATIONS BUDGET RESERVE FUNDS**

The District maintains a Non-Operating function within the General (Operations) Fund as a reserve against unexpected emergency expenses or unexpected and unpredicted reductions in revenues. Most unexpected emergency expenses are those related to legal settlements or facility repairs. Facility issues can be addressed through the District Two-Mill Levy Fund or insurance coverage that lessens the need for the District to maintain a high Operations Fund reserve. The budget for the 2021/2022 fiscal year reflects a reserve fund of \$1,250,000. The budget for the 2020/2021 school year reflected a reserve amount of \$1,250,000. We will continue to hold a respectful level of reserves for unforeseen issues.

The District maintains a Non-Operating function within the General (Operations) Fund as a reserve against unexpected emergency expenses or unexpected and unpredicted reductions in revenues.

**CAPITAL ASSETS**

GASB 34 requires public entities to depreciate capital assets. As of June 30, 2022, the District capital assets were valued at \$157,581,810 after depreciation. This statement includes total accumulated depreciation of the District’s capital assets in the amount of \$ 103,397,444. The District utilizes a “straight line” depreciation method in all cases and standardized lifetime tables in calculating this depreciation. Utilization of depreciation concepts by public entities allows the reader to know of the entity is replacing its assets at a rate in which they are being

used. In accordance with State Statute, State Regulations and School Board Policy, all assets with a value in excess of \$5,000 are capitalized.

Because of past student growth and certain aging facilities, the District has taken a planned and focused approach towards investing in equipment and building new facilities as well as adding to and maintaining existing facilities. This effort is evidenced by the substantial and continuous investment in the “Capital Outlay” account. This planning includes applications for additional capital funding support from the Public School Capital Outlay Council (PSCOC).

In addition to construction, the District continued planned efforts to replace old vehicles, enhance technology, and replace outdated school furnishings and equipment. In order to assure that aged equipment and vehicles are replaced on a routine basis, the Board of Education enacted a policy mandating that the replacement of equipment be funded, yearly, as a matter of routing. Schedules for equipment replacement will be included in future G.O. Bond elections and/or Two Mill Levy.



The following table illustrates the three-year history of year-end balances for the District’s investment in all capital assets:

**TABLE A-8**  
**CAPITAL ASSETS**

Asset Type	Balance June 30, 2022	Balance June 30, 2021	Balance June 30, 2020
<b>CAPITAL ASSETS</b>			
Land and Land Improvements	\$ 17,424,995	\$ 15,511,554	\$ 15,160,701
Building and Building Improvements	221,148,158	219,436,618	217,051,260
Furniture, Fixtures and Equipment and Vehicles	16,106,508	15,703,185	15,637,274
Construction in Progress	6,299,593	1,804,188	2,149,920
<b>Total capital assets</b>	<b>260,979,254</b>	<b>252,455,545</b>	<b>249,999,155</b>
Less: accumulated depreciation	(103,397,444)	(96,361,539)	(89,463,818)
<b>Capital assets, net</b>	<b>\$ 157,581,810</b>	<b>\$ 156,094,006</b>	<b>\$ 160,535,337</b>
<b>Net Change in Assets</b>	<b>\$ 1,487,804</b>	<b>\$ (4,441,331)</b>	<b>\$ (2,343,456)</b>

This table shows that the District is, despite of operational decreases and loss of students, still diligently replacing assets and building facilities to accommodate the student needs. As indicated with an increase to Total Capital Assets of \$260,979,254 as of June 30, 2022.

## GENERAL LONG-TERM DEBT

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school district to incur general obligation debt beyond a school year. The District can incur such debt for “the purpose of erecting, remodelling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes”. The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District. Total Long-Term Debt related to principal on general obligation bonds on June 30, 2022 was \$49,415,000.

The District has maintained a level of indebtedness to the maximum extent allowed. The policy to maintain this amount of debt is largely due to the need to add additional facilities in order to meet student population requirements upgrade and expand existing facilities, and to leverage additional funds available from Public School Capital Outlay. Public School Capital Outlay Fund awards give higher funding priorities to school districts with lower assessed valuations and higher levels of indebtedness. The most recent general obligation bond election was held on November 2019 in which the District’s voters approved a \$22.0 million, four-year, General Obligation Bond.

During the fiscal year ending June 30, 2022, the District made one sale of General Obligation Bonds in the amount of \$6,000,000 in March 2022. The sale included \$6,000,000 for new debt. This bond sale was the second issuance of the 2019 General Obligation Bond election. As a result of action taken by the 2002 legislature, a statute was enacted to allow school districts to complete sales of Bond Anticipation Notes (BANs). This legislation allows school districts to enter into short-term borrowing agreements and make payments with the proceeds of future general obligation bond sales. Borrowing may not be longer than a one-year term and limited to the amount of the principal retirement for that year. The District did not enter into any BAN agreements for the fiscal year 2021-2022.

The District maintained an A1 underlying rating for the 2020 bond sale. Effective July 1, 2003, District bonds also carry the enhanced State of New Mexico bond rating of Aa1. This action was authorized in a Senate Bill 847. The effect of this bill will be to reduce the risk to bond holders and, as a consequence, reduce the interest costs to the taxpayer. The District has never defaulted on any of its debt or other obligations. Listed below is the District’s total general obligation debt as of June 30, 2022:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 6,700,000	\$ 1,003,742	\$ 7,703,742
2024	6,610,000	869,657	7,479,657
2025	5,905,000	722,385	6,627,385
2026	5,760,000	585,781	6,345,781
2027	5,170,000	460,297	5,630,297
2028-2032	16,360,000	1,065,255	17,425,255
2033-2034	2,910,000	85,571	2,995,571
<b>Total</b>	<b>\$ 49,415,000</b>	<b>\$ 4,792,688</b>	<b>\$ 54,207,688</b>

A reader desiring to know more about the District’s long-term debt and community demographics may contact Los Lunas Schools at 505-865-9636, or by contacting:

RBC Capital Markets.  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, NM 87110

In addition to the sale of General Obligation Bonds, the District is eligible to receive awards from the Public School Capital Outlay Council (PSCOC) in accordance with Senate Bill 513, Chapter 147 Section 10(b) NMSA. The impact of these various awards is discussed throughout this Management's Discussion and Analysis.

#### NON-INSTRUCTIONAL SUPPORT FUNDS

The District maintains and monitors funds on behalf of the schools and school activity groups. These funds are maintained by the District to benefit a specific activity or interest and are generally raised by students for student use. Beginning in fiscal year 2021, due to the implementation of GASB 84 "Fiduciary Funds," this activity is more appropriately reported as a governmental fund, as the District has direct financial involvement and may exercise discretion in how these funds are used.

The use of these funds are in accordance with public Education Department Regulations and School District Policy. The management of these funds is in accordance with Business Office procedures and all banking is performed through District accounts. The funds are also subject to annual review by the District's Independent Auditor. The year ending June 30, 2022 states the accumulated balance of all custodial funds was \$1,421,264.

#### FUTURE TRENDS

The District continues to closely monitor positions and other expenditures in order to survive the fluctuations of enrollment and still try to increase our level of reserves in our Operational fund. The District was hopeful that we would enter the new fiscal year with additional students enrolled, however within the first weeks of school, the opposite trend occurred. The District will continue to look for saving opportunity and work to maintain within our budget constraints.

**Local Assessments General and Obligation Bonds:** Local property taxes serve as the revenue source for the repayment of general obligation bonds. Because of the slowed growth of both residential and commercial assessed valuation for properties in the Los Lunas School District, the District has been able to concentrate on renovating older buildings, security upgrades for existing buildings, and HVAC upgrades to existing facilities as supposed to needing newer classroom spare. The following table illustrates the slowed growth of the assessed valuation for both Los Lunas Schools and Valencia County.



Year	Los Lunas Schools	Valencia County
2021	\$ 1,005,707,980	\$ 1,629,129,278
2020	969,450,530	1,570,396,451
2019	930,021,374	1,525,679,057
2018	899,862,078	1,479,526,074
2017	857,922,937	1,430,123,929
2016	827,696,531	1,382,830,758
2015	816,620,789	1,347,645,043
2014	794,414,792	1,172,408,288
2013	767,238,934	1,272,248,861
2012	753,216,929	1,259,299,759
2011	739,871,906	1,241,920,127
2010	720,675,864	1,203,236,710
2009	701,862,203	1,166,647,954
2008	653,498,879	1,055,871,740
2007	601,593,453	978,386,196
2006	524,498,886	875,594,467
2005	479,881,276	820,258,813
2004	447,871,070	771,579,462
2003	457,628,275	778,317,018
2002	412,948,320	687,197,444
2001	400,435,727	678,216,414
2000	378,025,851	601,120,398

Because of slow moving development in both the residential and commercial properties in the District, it is expected that future assessed valuations will continue a flat or very small growth pattern. It is also expected that voter support for the Los Lunas Schools will continue to be strong and revenues from General Obligation Bond proceeds will continue to be an integral part of the District Master Plan.

**Community Growth:** In the past year, the community has seen a minimal number of residential growth in our District. Most of the growth and homebuilding is focused on the West side of the District. We expect this trend to continue for the upcoming 2021/2022 fiscal year due to the current economic conditions in NM and the nation in general. All near future projections are expected to include, flat projected gas and oil revenues, a flat growth pattern in assessed valuation of taxable property within the District, slight growth in student population and a cautious eye toward future bond and Mill Levy initiatives for the next two-five years.

**District Master Planning:** The District has contracted with Geer Stafford/SJCF Inc. to provide master planning for the Los Lunas School District. This project will help the District plan new school locations and provide analytical data for use by the District and the Public Schools Capital Outlay Council that will affect future capital funding needs. The District's current Master Plan was updated, and Board approved in January 2017, approval will be good through 2017-2021.

## CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our community, taxpayers, investors, and creditors with an overview of the Los Lunas School District's financial condition and to provide accountability for the funds the School District receives. If you have any questions about our report or about the operations of the Los Lunas School District, please visit our website at [www.llschools.net](http://www.llschools.net), or contact:

**Dr. Arsenio Romero**

Superintendent

Los Lunas Schools

PO Drawer 1300

Los Lunas, New Mexico 87031

[aromero@llschools.net](mailto:aromero@llschools.net)

or

**Claire Cieremans**

Chief Financial Officer

Los Lunas Schools

PO Drawer 1300

Los Lunas, New Mexico 87031

[ccieremans@llschools.net](mailto:ccieremans@llschools.net)



# Basic Financial Statements

## STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 21,115,116
Receivables	
Property taxes	2,930,050
Due from other governments	6,054,886
Leases receivable	13,676
Prepaid expenditures	97,590
Inventory	472,446
<b>Total current assets</b>	<b>30,683,764</b>
<b>Non-current assets</b>	
Restricted cash and cash equivalents	47,348,523
Leases receivable, non-current	128,014
Capital assets, net	157,581,810
<b>Total non-current assets</b>	<b>205,058,347</b>
<b>Total assets</b>	<b>235,742,111</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions and OPEB	103,525,600
<b>Total assets and deferred outflows of resources</b>	<b>339,267,711</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	1,444,977
Accrued payroll	4,916,703
Accrued interest	531,496
Accrued compensated absences	793,770
Bonds payable, current	6,700,000
<b>Total current liabilities</b>	<b>14,386,946</b>
<b>Non-current Liabilities</b>	
Accrued compensated absences	370,489
Bonds payable, long-term	42,715,000
Bond premium, net	554,646
Net pension liability	111,890,546
Net OPEB liability	34,482,537
<b>Total non-current liabilities</b>	<b>190,013,218</b>
<b>Total liabilities</b>	<b>204,400,164</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Leases	156,845
Related to pensions and OPEB	174,805,603
<b>Total deferred inflows of resources</b>	<b>174,962,448</b>
<b>NET POSITION</b>	
Net investment in capital assets	107,612,164
Restricted for	
Debt service	9,317,068
Capital projects	29,364,711
Special revenue	8,698,223
Other	-
Unrestricted (deficit)	(195,087,067)
<b>Total net position</b>	<b>\$ (40,094,901)</b>

See Accompanying Notes.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities					
Instruction	\$ 54,164,015	\$ 1,367,829	\$ 8,669,924	\$ -	\$ (44,126,262)
Support services					
Students	10,181,012	-	1,994,176	-	(8,186,836)
Instruction	1,652,035	2,028	202,650	-	(1,447,357)
General administration	1,575,938	-	422,145	-	(1,153,793)
School administration	7,085,590	-	1,563,477	-	(5,522,113)
Central services	3,143,628	-	216,426	-	(2,927,202)
Operation & maintenance of plant	14,999,744	-	717,254	1,861,167	(12,421,323)
Student transportation	3,677,847	-	2,973,261	-	(704,586)
Other support services	13,854	-	742	-	(13,112)
Food services operation	4,142,545	11,005	6,273,585	-	2,142,045
Interest and other charges	1,074,887	-	-	-	(1,074,887)
Total governmental activities	\$ 101,711,095	\$ 1,380,862	\$ 23,033,640	\$ 1,861,167	(75,435,426)
General revenues					
Property taxes					
Levied for operating programs					180,014
Levied for debt service					7,574,276
Levied for capital projects					4,280,198
State Equalization Guarantee					74,131,470
Investment income					73,676
Remittal of balances to PED					(91,459)
Miscellaneous income					51,878
Loss on disposition of assets					282,600
Total general revenues					86,482,653
Change in net position					11,047,227
Net position - beginning of the year, as originally stated					(51,125,539)
Implementation of new accounting standard (Note 16)					(16,589)
Net position - beginning of the year, as restated					(51,142,128)
Net position - ending					\$ (40,094,901)

See Accompanying Notes.



**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	Operational Funds			
	11000	13000	14000	24308
	General	Pupil Transportation	Instructional Materials	CRRSA, ESSER II
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 21,115,116	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-	-
Receivables				
Property taxes	67,363	-	-	-
Due from other governments	-	-	-	1,438,042
Leases receivable	141,690	-	-	-
Prepaid expenditures	-	-	-	47,544
Inventory	264,218	40,606	-	-
Due from other funds	5,303,951	-	-	-
<b>Total assets</b>	<b>\$ 26,892,338</b>	<b>\$ 40,606</b>	<b>\$ -</b>	<b>\$ 1,485,586</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 163,857	\$ -	\$ -	\$ -
Accrued payroll liabilities	4,916,703	-	-	-
Due to other funds	-	-	-	1,485,569
<b>Total liabilities</b>	<b>5,080,560</b>	<b>-</b>	<b>-</b>	<b>1,485,569</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 59,040	\$ -	\$ -	\$ -
Leases	156,845	-	-	-
<b>Total deferred inflows of resources</b>	<b>215,885</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	264,218	40,606	-	47,544
Restricted for instructional materials	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	-	-	17
Restricted for capital acquisitions and improvements	-	-	-	-
Restricted for debt service	-	-	-	-
Unassigned (deficit)	21,331,675	-	-	(47,544)
<b>Total fund balances</b>	<b>21,595,893</b>	<b>40,606</b>	<b>-</b>	<b>17</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 26,892,338</b>	<b>\$ 40,606</b>	<b>\$ -</b>	<b>\$ 1,485,586</b>

*See Accompanying Notes.*

**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**

**JUNE 30, 2022**

	31100	41000	Other	Total
	Bond Building	Debt Service	Governmental	Governmental
	Funds	Funds	Funds	Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 21,115,116
Restricted cash and cash equivalents	21,728,866	9,070,412	16,549,245	47,348,523
Receivables				
Property taxes	-	1,818,052	1,044,635	2,930,050
Due from other governments	-	-	4,616,844	6,054,886
Leases receivable	-	-	-	141,690
Prepaid expenditures	-	-	50,046	97,590
Inventory	-	-	167,622	472,446
Due from other funds	-	-	-	5,303,951
<b>Total assets</b>	<b>\$ 21,728,866</b>	<b>\$ 10,888,464</b>	<b>\$ 22,428,392</b>	<b>\$ 83,464,252</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,125,345	\$ -	\$ 155,775	\$ 1,444,977
Accrued payroll liabilities	-	-	-	4,916,703
Due to other funds	-	-	3,818,382	5,303,951
<b>Total liabilities</b>	<b>1,125,345</b>	<b>-</b>	<b>3,974,157</b>	<b>11,665,631</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ -	\$ 1,571,396	\$ 903,873	\$ 2,534,309
Leases	-	-	-	156,845
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,571,396</b>	<b>903,873</b>	<b>2,691,154</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	217,668	570,036
Restricted for instructional materials	-	-	-	-
Restricted for food services	-	-	2,692,435	2,692,435
Restricted for extracurricular activities	-	-	1,436,863	1,436,863
Restricted for education	-	-	4,568,908	4,568,925
Restricted for capital acquisitions and improvements	20,603,521	-	8,761,190	29,364,711
Restricted for debt service	-	9,317,068	-	9,317,068
Unassigned (deficit)	-	-	(126,702)	21,157,429
<b>Total fund balances</b>	<b>20,603,521</b>	<b>9,317,068</b>	<b>17,550,362</b>	<b>69,107,467</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 21,728,866</b>	<b>\$ 10,888,464</b>	<b>\$ 22,428,392</b>	<b>\$ 83,464,252</b>

*See Accompanying Notes.*

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<b>Governmental Funds</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Fund balances - total governmental funds	\$ 69,107,467
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	157,581,810
Defined benefit pension and OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	103,525,600
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities	2,534,309
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 liability	(111,890,546)
Net OPEB liability	(34,482,537)
Accrued interest payable	(531,496)
Accrued compensated absences	(1,164,259)
Bonds payable	(49,415,000)
Bond premiums	(554,646)
Defined benefit pension and OPEB plans deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(174,805,603)</u>
<b>Net Position - Total Governmental Activities</b>	<b><u>\$ (40,094,901)</u></b>

*See Accompanying Notes.*



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Operational Fund			
	11000	13000	14000	24308
	General	Pupil Transportation	Instructional Materials	CRRSA, ESSER II
<b>REVENUES</b>				
Property taxes	\$ 269,435	\$ -	\$ -	\$ -
Intergovernmental revenue				
State grants	75,074,133	-	-	-
Federal grants	556,599	-	-	2,999,487
Transportation distribution	-	2,826,044	-	-
Charges for services	2,028	-	-	-
Miscellaneous	51,878	-	-	-
Investment income	18,092	-	-	-
<b>Total revenues</b>	<b>75,972,165</b>	<b>2,826,044</b>	<b>-</b>	<b>2,999,487</b>
<b>EXPENDITURES</b>				
Current				
Instruction	40,095,954	-	-	1,964,558
Support services				
Students	8,467,280	-	-	201,064
Instruction	1,458,954	-	-	81,790
General administration	997,720	-	-	113,003
School administration	5,890,756	-	-	42,125
Central services	3,083,043	-	-	13,057
Operation & maintenance of plant	10,659,558	-	-	442,874
Student transportation	281,874	2,826,044	-	-
Other support services	13,854	-	-	-
Food services operations	-	-	-	-
Capital outlay	121,044	-	-	140,999
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>71,070,037</b>	<b>2,826,044</b>	<b>-</b>	<b>2,999,470</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,902,128</b>	<b>-</b>	<b>-</b>	<b>17</b>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	33,960	-	-	-
Bond proceeds	-	-	-	-
Remittal of balances to PED	-	(61,524)	-	-
<b>Total other financing sources (uses)</b>	<b>33,960</b>	<b>(61,524)</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>4,936,088</b>	<b>(61,524)</b>	<b>-</b>	<b>17</b>
Fund balances, beginning of year, as originally stated	16,601,472	61,524	-	-
Implementation of new accounting standard (Note 16)	(16,589)	-	-	-
Fund balances, beginning of year, as restated	16,584,883	61,524	-	-
Changes in non-spendable resources				
Increase (decrease) in inventory	74,922	40,606	-	-
<b>Fund balances, end of year</b>	<b>\$ 21,595,893</b>	<b>\$ 40,606</b>	<b>\$ -</b>	<b>\$ 17</b>

See Accompanying Notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOV'T FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	31100	41000	Other	Total
	Bond Building	Debt Service	Governmental Funds	Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ 8,310,628	\$ 4,712,394	\$ 13,292,457
Intergovernmental revenue				
State grants	-	-	3,725,497	78,799,630
Federal grants	-	-	13,844,517	17,400,603
Transportation distribution	-	-	-	2,826,044
Charges for services	-	-	1,378,834	1,380,862
Miscellaneous	-	-	-	51,878
Investment income	55,561	-	23	73,676
<b>Total revenues</b>	<b>55,561</b>	<b>8,310,628</b>	<b>23,661,265</b>	<b>113,825,150</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	6,491,259	48,551,771
Support services				
Students	-	-	1,505,729	10,174,073
Instruction	-	-	111,291	1,652,035
General administration	-	83,113	382,102	1,575,938
School administration	-	-	1,152,709	7,085,590
Central services	-	-	47,212	3,143,312
Operation & maintenance of plant	-	-	114,899	11,217,331
Student transportation	-	-	122,207	3,230,125
Other support services	-	-	-	13,854
Food services operations	-	-	4,114,083	4,114,083
Capital outlay	5,629,583	-	3,755,395	9,647,021
Debt service				
Principal	-	5,905,000	-	5,905,000
Interest	-	1,074,887	-	1,074,887
<b>Total expenditures</b>	<b>5,629,583</b>	<b>7,063,000</b>	<b>17,796,886</b>	<b>107,385,020</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,574,022)</b>	<b>1,247,628</b>	<b>5,864,379</b>	<b>6,440,130</b>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	-	248,640	282,600
Bond proceeds	6,000,000	-	-	6,000,000
Bond underwriter premium	-	-	(29,935)	(91,459)
<b>Total other financing sources (uses)</b>	<b>6,000,000</b>	<b>-</b>	<b>218,705</b>	<b>6,191,141</b>
<b>Net changes in fund balances</b>	<b>425,978</b>	<b>1,247,628</b>	<b>6,083,084</b>	<b>12,631,271</b>
Fund balances, beginning of year, as originally stated	20,177,543	8,069,440	11,574,038	56,484,017
Implementation of new accounting standard (Note 16)	-	-	-	(16,589)
Fund balances, beginning of year, as restated	20,177,543	8,069,440	11,574,038	56,467,428
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	(106,760)	8,768
<b>Fund balances, end of year</b>	<b>\$ 20,603,521</b>	<b>\$ 9,317,068</b>	<b>\$ 17,550,362</b>	<b>\$ 69,107,467</b>

See Accompanying Notes.

**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, 2022**

	<b>Governmental Funds</b>
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
Net changes in fund balances - total governmental funds	\$ 12,631,271
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(7,942,125)
Capital expenditures	9,482,757
Book value of assets disposed of during the year	(52,828)
Revenues that do not provide current financial resources are not reported as revenues in the fund statements but are reporting in the Statement of Activities	
Change in unavailable revenue related to property tax receivable	(1,257,969)
Governmental funds report the Schools' pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense:	
Schools pension contributions subsequent to the measurement date	8,011,435
Schools OPEB contributions subsequent to the measurement date	1,059,166
Net pension income (expense)	(13,438,779)
Net OPEB income (expense)	2,957,793
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long- term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:	
Change in accrued interest payable	10,581
Change in accrued compensated absences	(455,328)
Bond proceeds	(6,000,000)
Principal payments on bonds	5,905,000
Amortization of bond premium	127,485
Inventory	8,768
<b>Changes in Net Position - Total Governmental Activities</b>	<b><u>\$ 11,047,227</u></b>

*See Accompanying Notes.*

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 COMBINED GENERAL FUND (11000, 13000, 14000)  
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 260,706	\$ 260,706	\$ 269,198	\$ (8,492)
State grants	74,331,438	77,900,178	77,900,179	(1)
Federal grants	305,000	311,772	556,600	(244,828)
Charges for services	10,000	10,000	18,585	(8,585)
Interest	-	-	101	(101)
Miscellaneous	2,000	2,000	51,878	(49,878)
Total revenues	74,909,144	78,484,656	78,796,541	(311,885)
EXPENDITURES				
Current				
Instruction	47,356,770	50,568,843	40,093,229	10,475,614
Support services				
Students	10,921,619	12,501,231	8,467,280	4,033,951
Instruction	1,614,734	1,936,820	1,458,954	477,866
General administration	978,580	1,442,990	1,020,638	422,352
School administration	6,284,218	6,630,161	5,890,756	739,405
Central services	3,380,921	3,589,688	3,075,978	513,710
Operation & maintenance of plant	11,527,028	12,421,667	10,676,442	1,745,225
Student transportation	3,373,122	3,907,995	3,107,918	800,077
Other support services	1,055,953	1,320,953	13,854	1,307,099
Food services operations	21,481	46,481	-	46,481
Community services	-	-	-	-
Capital outlay	65,361	582,265	121,044	461,221
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	86,579,787	94,949,094	73,926,093	21,023,001
Excess (deficiency) of revenues				
over (under) expenditures	(11,670,643)	(16,464,438)	4,870,448	(21,334,886)
Other financing sources				
Proceeds from sale of capital assets	-	-	33,960	(33,960)
Proceeds from bond issues	-	-	-	-
Total other financing sources	-	-	33,960	(33,960)
Net changes in fund balances	(11,670,643)	(16,464,438)	4,904,408	(21,368,846)
Reconciliation to GAAP Basis				
Adjustments to revenues			1,670	
Adjustments to expenditures			(31,514)	
Changes in fund balances			\$ 4,874,564	

See Accompanying Notes.



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND (11000)  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 260,706	\$ 260,706	\$ 269,198	\$ (8,492)
State grants	71,608,316	75,074,134	75,074,135	(1)
Federal grants	305,000	311,772	556,600	(244,828)
Charges for services	10,000	10,000	18,585	(8,585)
Investment income	-	-	101	(101)
Miscellaneous	2,000	2,000	51,878	(49,878)
Total revenues	72,186,022	75,658,612	75,970,497	(311,885)
EXPENDITURES				
Current				
Instruction	47,356,770	50,568,843	40,093,229	10,475,614
Support services				
Students	10,921,619	12,501,231	8,467,280	4,033,951
Instruction	1,614,734	1,936,820	1,458,954	477,866
General administration	978,580	1,442,990	1,020,638	422,352
School administration	6,284,218	6,630,161	5,890,756	739,405
Central services	3,380,921	3,589,688	3,075,978	513,710
Operation & maintenance of plant	11,527,028	12,421,667	10,676,442	1,745,225
Student transportation	650,000	1,081,951	281,874	800,077
Other support services	1,055,953	1,320,953	13,854	1,307,099
Food services operations	21,481	46,481	-	46,481
Community services	-	-	-	-
Capital outlay	65,361	582,265	121,044	461,221
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	83,856,665	92,123,050	71,100,049	21,023,001
Excess (deficiency) of revenues over (under) expenditures	(11,670,643)	(16,464,438)	4,870,448	(21,334,886)
Other financing sources				
Proceeds from sale of capital assets	-	-	33,960	(33,960)
Bond proceeds	-	-	-	-
Total other financing sources	-	-	33,960	(33,960)
Net changes in fund balances	(11,670,643)	(16,464,438)	4,904,408	(21,368,846)
Reconciliation to GAAP Basis				
Adjustments to revenues			1,670	
Adjustments to expenditures			30,010	
Changes in fund balances			\$ 4,936,088	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND (13000)  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
State grants	\$ 2,723,122	\$ 2,826,044	\$ 2,826,044	\$ -
Total revenues	2,723,122	2,826,044	2,826,044	-
EXPENDITURES				
Current				
Student transportation	2,723,122	2,826,044	2,826,044	-
Total expenditures	2,723,122	2,826,044	2,826,044	-
Excess (deficiency) of revenues over (under) expenditures				
	-	-	-	-
Other financing sources				
Proceeds from sale of capital assets	-	-	-	-
Bond proceeds	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances				
	-	-	-	-
Reconciliation to GAAP Basis				
Adjustments to revenues			-	
Adjustments to expenditures			(61,524)	
Changes in fund balances			\$ (61,524)	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND (14000)  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
State grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Instruction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures				
	-	-	-	-
Net changes in fund balances				
	-	-	-	-
Reconciliation to GAAP Basis				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Changes in fund balances			\$ -	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CRRSA, ESSER II FUND (24308)  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,273,068	5,722,994	2,704,253	3,018,741
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,273,068	5,722,994	2,704,253	3,018,741
EXPENDITURES				
Current				
Instruction	2,488,189	3,019,041	1,964,575	1,054,466
Support services				
Students	437,865	599,767	201,064	398,703
Instruction	51,200	143,915	81,790	62,125
General administration	251,593	247,992	113,003	134,989
School administration	241,321	106,926	42,125	64,801
Central services	23,600	33,255	13,057	20,198
Operation & maintenance of plant	1,480,075	1,257,068	442,874	814,194
Student transportation	24,225	1,275	-	1,275
Other support services	-	-	-	-
Food services operations	75,000	75,000	-	75,000
Community services	-	-	-	-
Capital outlay	200,000	238,755	140,999	97,756
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,273,068	5,722,994	2,999,487	2,723,507
Excess (deficiency) of revenues over (under) expenditures				
	-	-	(295,234)	295,234
Net changes in fund balances				
	-	-	(295,234)	295,234
Reconciliation to GAAP Basis				
Adjustments to revenues			295,234	
Adjustments to expenditures			17	
Changes in fund balances			\$ 17	

See Accompanying Notes.



# Notes to Financial Statements

JUNE 30, 2022

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Los Lunas Schools was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes Annotated (NMSA) 1978 to provide public education for the children within the local area. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

The School Board operates 16 schools with a total enrollment of more than 8,200 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 summary of significant accounting policies of the Schools is presented to assist in the understanding of the Los Lunas Schools (the Schools) financial statements. The financial statements and notes are the representation of Los Lunas Schools' management, who is responsible for their integrity and objectivity. The financial statements of the Schools 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 Schools' accounting policies are described below

### A. FINANCIAL REPORTING ENTITY

In evaluating how to define the Schools, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14 as amended by GASB Statement No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. The aggregate of all component units is reported in a separate column in the government-wide financial statements to emphasize that the component unit(s) are legally separate from the primary government.

The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, there are no component units and no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the Schools has a significant relationship.

## 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) report information on all 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. The Schools does not have any business-type activities.

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

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

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Schools does not have any enterprise funds.

### 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Property taxes are recognized as revenues in the year for which the taxes are levied. 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.

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.

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

Governmental funds are used to account for the Schools' 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.

Under the requirements of GASB Statement No. 34, the Schools is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

### **General Funds**

**The Operational Fund (11000)** is used to account for the State Equalization Guarantee from the NM State Legislature and is the primary operating fund of the Schools, and accounts for all financial resources, except those required to be accounted for in other funds. Authority for the creation of this fund is the New Mexico Public Education Department.

**The Pupil Transportation Fund (13000)** is used to account for the costs associated with transporting school age children. Authority for the creation of this fund is the New Mexico Public Education Department.

**The Instructional Materials Fund (14000)** is used to account for the monies received from the New Mexico Public Education Department (NMPED) for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. Authority for the creation of this fund is the New Mexico Public Education Department.

**Capital Projects Fund:** The *Bond Building Capital Projects Fund (31100)* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the Schools. Authority for the creation of this fund is the New Mexico Public Education Department.

**Debt Service Fund:** The *Debt Service Fund (41000)* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest. Authority for the creation of this fund is the New Mexico Public Education Department.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Schools' taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Schools' general revenues. 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 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 SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

The Schools reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with the function. The Schools 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,

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

except for that portion of depreciation that is identified as unallocated in the Statement of Activities. Interest on general 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**

- 1

**CASH AND CASH EQUIVALENTS:** The Schools’ cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of 12 months or less from the date of acquisition. State statutes authorize the Schools to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer’s Investment Pool. Investments for the Schools are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer’s Investment 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. As of June 30, 2022, the Schools did not hold any pool shares in the State Treasurer’s Investment Pool.
- 2

**FAIR VALUE MEASUREMENTS:** The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2022, there are no items are required to be valued using valuation techniques.
- 3

**RESTRICTED ASSETS:** Restricted assets are those that are set aside for restrictions resulting from enabling legislation, including those for future capital outlay expenditures and debt service payments. The Schools’ restricted assets are made up of all cash in special revenue funds, capital project funds, and debt service funds.
- 4

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

Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The Schools receives monthly income from a tax levy in Valencia County. The funds are collected by the County Treasurer and are remitted to the Schools in the following month. Under the modified accrual method of accounting, the amount remitted by the Valencia County Treasurer in July and August is considered ‘measurable and available’ and, accordingly, is recorded as revenue in the governmental fund financial statements during the year ended June 30, 2022. Period of availability is deemed to be 60 days subsequent to year end for property taxed and ninety days subsequent to year end for other nonexchange revenues.

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.

The Schools' lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**5 INVENTORY:** The Schools' method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost. In the General Fund, inventory consists of expendable supplies held for consumption. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

**6 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 statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment, including software, is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5). The Schools do not have any infrastructure assets to report.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Library books 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, 2022.

Capital expenditures made on the Schools' building construction projects by the New Mexico Public School Facilities Authority are included in the Schools' capital asset as appropriate.

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

Land Improvements	Building and Improvements	Equipment and Furniture	Vehicles
20 years	10 to 50 years	5 to 20 years	5 - 7 years

**7 ACCRUED PAYROLL LIABILITIES:** In the fund financial statements, governmental fund types recognize the accrual of unpaid salaries, wages and benefits that employees have earned prior to the end of the fiscal year. The amount recognized in the fund financial statements represents the amounts due to employees or due to third parties for the employee benefits.

**8 DEFERRED OUTFLOWS OF RESOURCES:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Schools has four types of items that qualify



for reporting in this category related to the pension and OEPB plans which are discussed at Notes 10 and 11.

**9 DEFERRED INFLOWS OF RESOURCES:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The Schools has two types of items which arise under the modified accrual basis of accounting that qualifies for reporting in this category – property tax receivable and leases. Unavailable revenue for property taxes is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**10 COMPENSATED ABSENCES:** Qualified employees are entitled to earn and accumulate annual leave according to a graduated leave schedule of up to 20 days per year, depending on length of service, the employee's hire date, and employment status. Employees may accumulate and carry forward, from one fiscal year to the next, up to 50 days of annual leave. Upon termination, employees will be paid for up to 20 days of accrued annual leave depending on employment status.

Qualified employees are entitled to accumulate sick leave at different rates based on their job title and number of contract days, with no limit on the amount to be carried forward. Beginning July 1, 1999, employees who have earned a minimum of twelve (12) years of service in the Los Lunas School District will be eligible for the following compensation upon official retirement from the district through the New Mexico Educational Retirement Board: Eligible employees will receive ten percent (10%) of the average daily rate stated in the final employment contract for all unused sick leave days earned on June 30 of the year prior to the last year of service up to a maximum of one hundred (100) days. Eligible employees will receive one hundred percent (100%) of the average daily rate stated in the final employment contract for all unused sick leave earned in the final school year of employment up to a maximum of seven (7) days.

**11 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 or the straight-line method if the difference from the effective interest method is inconsequential.

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

**12 NET POSITION AND FUND EQUITY:** Governmental funds report fund balance classification 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. The detail of the Schools' fund balances is presented on the face of the fund financial statements.

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

<b>NET INVESTMENT IN CAPITAL ASSETS:</b>	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.
<b>RESTRICTED NET POSITION:</b>	<p>Consists of net position with “legally enforceable” 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. Legally enforceable means that a government can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation, only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment.</p> <p>If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net position should not reflect any reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt services or capital projects”.</p>
<b>UNRESTRICTED NET POSITION:</b>	All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

13

**FUND BALANCE:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Schools is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For committed and assigned fund balance, the Schools’ highest level of decision-making authority is the Board of Education. Formal action by the Board of Education is required to establish a fund balance commitment or assignment.

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

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

<b>NONSPENDABLE:</b>	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. At June 30, 2022, the nonspendable fund balance of the Schools is comprised of inventory in the General and Food Service funds.
<b>RESTRICTED:</b>	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.

<b>COMMITTED:</b>	Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Schools' Board of Education. Those committed amounts cannot be used for any other purpose unless the Schools' Board of Education removes or changes the specified use by taking formal action.
<b>ASSIGNED:</b>	Consist of amounts that are constrained by the Schools' intent to be used for specific purposes but are neither restricted nor committed. Formal action by the Schools' Board of Education is required to assign amounts to be used for specific purposes.
<b>UNASSIGNED:</b>	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 except for those other governmental funds reflecting a deficit.

**14 INTER-FUND 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 inter-fund 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 inter-fund transfers are reported as operating transfers.

**15 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 Schools' financials include management's estimate useful lives of capital assets and the net pension and OPEB liabilities (including the related components).

## 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, Section 825, 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, 5) size, etc. Payment is made from the public school fund under the authority of the Secretary of the Public Education Department.

**Tax Revenues:** The Schools 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 Schools records only the portion of the taxes considered to be 'measurable' and 'available' on a modified accrual basis. 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Valencia 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 Secretary of the Public Education Department. 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 material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 50% is restricted to the purchase of materials listed in the PED "Multiple List", while 50% of each allocation is available for purchases directly from vendors.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a 100% collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the Schools under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced, as necessary.

**Federal Grants:** The Schools 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 is operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local Board and the New Mexico Public Education Department.

The Schools also receives revenues from Federal departments which are unrestricted to expenditures for special purposes. These revenues are reported in the Operational Fund.

**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.

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

## NOTE 2. 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 non-GAAP cash budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is, therefore, presented as restricted fund balance.

Actual expenditures may not exceed the budget at the function level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a ‘function,’ this may be accomplished with only local Board of Education approval. If a transfer between ‘functions’ or a budget increase is required, approval must also be obtained from New Mexico Public Education Department.

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

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

1. In April or May, the local Board submits to the School Budget and Finance Analysis Bureau (SBFAB) 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 are submitted to the State of New Mexico Public Education Department (PED) by the Schools shall contain headings and details as described by law and have been approved by the New Mexico Public Education Department.
2. In May or June of each year, the proposed “operating” budget will be reviewed and approved by the SBFAB and certified and approved by the local school board at a public hearing of which notice has been published by the local school board who fixes the estimated budget for the Schools for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the Schools until they have been notified that the budget has been approved by the SBFAB and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The Schools 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 SBFAB.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the New Mexico Public Education Department.



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

7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the Schools and approved by the SBFAB.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the 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.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.
11. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with Generally Accepted Accounting Principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.
12. 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 function. The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2022, is presented. The appropriated budget for the year ended June 30, 2022, was properly amended by the Board of Education throughout the year.

The Schools is required to balance its budget each year. Accordingly, amounts in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund is included in the individual budgetary comparison. The Schools budgets on a modified cash basis with respect to payroll or held checks being accrued and expensed, therefore, fund balances on the budget statements do not reconcile to cash due to the Schools' accrued payroll which is presented in the accrual basis.

## **NOTE 3. DEPOSITS**

State statutes authorize the investment of Schools 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 Schools properly followed State investment requirements as of June 30, 2022.

**NOTE 3. DEPOSITS (CONTINUED)**

Deposits of funds may be made in interest or noninterest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Schools. 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.

The rate of interest in nondemand 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 II of this report. 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.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the Schools’ deposits may not be returned to it. The Schools 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).

As of June 30, 2022, \$485,447 in deposits were uninsured and uncollateralized.

At June 30, 2022, \$46,302,202 of the Schools’ deposits of \$51,052,900 was exposed to custodial credit risk. \$45,816,755 of the uninsured funds were collateralized by collateral held by the pledging bank’s trust department, not in the Schools’ name. As of June 30, 2022, \$485,447 in deposits were uninsured and uncollateralized. As of June 30, 2022, the carrying amount of

these deposits was \$49,232,788; total amount of deposits of \$51,052,900 less outstanding items of \$1,820,112. 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.

**NOTE 3. DEPOSITS (CONTINUED)**

The following table provides detail on the School's deposits, FDIC insurance, and pledged collateral, at June 30, 2022:

	US Bank	US Bank CDARS	Wells Fargo Bank	Total
<b>DEPOSITS</b>				
Demand deposit	\$ 46,019,323	\$ -	\$ -	\$ 46,019,323
Time and savings	-	4,000,698	1,032,879	5,033,577
FDIC coverage	(500,000)	(4,000,698)	(250,000)	(4,750,698)
<b>Total uninsured public funds</b>	<b>45,519,323</b>	<b>-</b>	<b>782,879</b>	<b>46,302,202</b>
Collateral requirement (50% of uninsured public funds)	22,759,662	-	391,440	23,151,101
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	50,000,000	-	297,432	50,297,432
<b>Total over (under) collateralized</b>	<b>\$ 27,240,339</b>	<b>\$ -</b>	<b>\$ (94,008)</b>	<b>\$ 27,146,331</b>
<b>Uninsured and uncollateralized</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 485,447</b>	<b>\$ 485,447</b>

Certificates of deposits with maturity dates of three months or less were included in the total amount of deposits and included as cash equivalents in the Statement of Net Position.

The Schools also has funds held with New Mexico Finance Authority (NMFA) for unspent bond proceeds in the amount of \$19,230,051. These funds are backed by the full faith and credit of the U.S. government, therefore, there is no custodial, foreign, or interest rate risk subject to disclosure for the Schools. These are classified as restricted cash equivalents due the liquidity of the funds.

The Schools utilizes internal pooled accounts for certain programs and funds. Negative cash balances arise primarily from cost-reimbursement grants. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2022. Funds 24101 through 25211 are federal funds and 27107 through 41000 are non-federal funds.

**NOTE 3. DEPOSITS (CONTINUED)**

The following table presents the cash balances of negative cash funds before and after the reclassification of pooled cash from the General Fund (Fund 11000) as of June 30, 2022:

<b>Fund</b>	<b>Funds with negative cash balances</b>	<b>Pooled cash reclassified from Fund 11000</b>	<b>Ending balance as reported</b>
Fund 24101	\$ (667,871)	\$ 667,871	\$ -
Fund 24106	(965,253)	965,253	-
Fund 24109	(12,203)	12,203	-
Fund 24113	(2,508)	2,508	-
Fund 24153	(112,371)	112,371	-
Fund 24154	(133,809)	133,809	-
Fund 24174	(53,116)	53,116	-
Fund 24189	(158,896)	158,896	-
Fund 24194	(182,067)	182,067	-
Fund 24308	(1,485,569)	1,485,569	-
Fund 24330	(705,140)	705,140	-
Fund 24350	(10,565)	10,565	-
Fund 25184	(7,794)	7,794	-
Fund 25205	(2,143)	2,143	-
Fund 27107	(41,752)	41,752	-
Fund 27149	(513,398)	513,398	-
Fund 27150	(5,188)	5,188	-
Fund 27183	(8,190)	8,190	-
Fund 27407	(211,724)	211,724	-
Fund 27502	(18,957)	18,957	-
Fund 28190	(5,437)	5,437	-
	<u>\$ (5,303,951)</u>	<u>\$ 5,303,951</u>	<u>\$ -</u>

**Investments.** As of June 30, 2022, the Schools did not have investments balances.

**Reconciliation to the Statement of Net Position.**

The carrying amount of deposits and investments shown above are included in the School's financial statements is as follows:

<b>Government Funds - Balance Sheet</b>	
Cash and cash equivalents	\$ 21,115,116
Restricted cash and cash equivalents	47,348,523
<b>Total cash and cash equivalents</b>	<b>68,463,639</b>
Add: outstanding checks and other reconciling items	1,820,112
Less: NM Finance Authority	(19,230,051)
Less: petty cash	(800)
<b>Bank balance of deposits</b>	<b>\$ 51,052,900</b>

#### NOTE 4. RECEIVABLES

Receivables as of June 30, 2022 are as follows. All the receivables are deemed to be fully collectible:

	General Fund	CRRSA, ESSER II	Bond Building	Debt Service	Other Governmental	Total
Property taxes	\$ 67,363	\$ -	\$ -	\$ 1,818,052	\$ 1,044,635	\$ 2,930,050
Intergovernmental	-	1,438,042	-	-	4,616,844	6,054,886
Leases	141,690	-	-	-	-	141,690
<b>Total</b>	<b>\$ 209,053</b>	<b>\$ 1,438,042</b>	<b>\$ -</b>	<b>\$ 1,818,052</b>	<b>\$ 5,661,479</b>	<b>\$ 9,126,626</b>

**Property taxes.** In accordance with GASB Statement No. 33, property tax revenues in the amount of \$2,534,309, which were not collected within the period of availability have been reclassified as deferred inflows of resources—property taxes and grants in the governmental fund financial statements.

**Leases receivable.** In May 2010, the Schools entered into a lease with vendor. Under the lease, the vendor initially paid the Schools \$15,000 annually in equal monthly installments for 5 years, in exchange for a ground lease. The lease agreement automatically extends for four additional 5-year optional terms, which the Schools expect to be utilized. The rent increases by 2% on each anniversary of the commencement of the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is the incremental borrowing rate at the commencement of the lease. In fiscal year 2022, the Schools recognized \$12,601 of lease revenue and \$10,589 of interest revenue under the lease.

In November 1999, the Schools entered into a lease with vendor. Under the lease, the vendor initially pays the Schools \$6,000 annually in equal monthly installments for 25 years, in exchange for a ground lease. The rent increases by 10% on each fifth anniversary of the commencement of the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 8.37%, which is the incremental borrowing rate at the commencement of the lease. In fiscal year 2022, the Schools recognized \$2,818 of lease revenue and \$7,402 of interest revenue under the lease.

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

The Schools did not have any net operating transfers for the year ended June 30, 2022.

The Schools records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. The composition of interfund balances as of June 30, 2022 is as follows:

	Receivables	Payables
Major Funds		
General Fund	\$ 5,303,951	\$ -
CRRSA, ESSER II Fund	-	1,485,569
Nonmajor Funds		
Special Revenue Funds	-	3,818,382
Capital Funds	-	-
	<b>\$ 5,303,951</b>	<b>\$ 5,303,951</b>

All interfund balances are expected to be paid within one year.



## NOTE 6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2022 follows. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Capital Assets not being depreciated</b>					
Land	\$ 4,610,430	\$ -	\$ -	\$ -	\$ 4,610,430
Construction in process	1,804,188	5,502,942	-	(1,007,537)	6,299,593
<b>Total capital assets not being depreciated</b>	<b>6,414,618</b>	<b>5,502,942</b>	<b>-</b>	<b>(1,007,537)</b>	<b>10,910,023</b>
<b>Capital Assets being depreciated</b>					
Land improvements	10,901,124	1,561,698	(244,059)	595,802	12,814,565
Buildings and building improvements	219,436,618	1,567,808	(268,003)	411,735	221,148,158
Furniture, fixtures, vehicles and equipment	15,703,185	850,309	(446,986)	-	16,106,508
<b>Total capital assets being depreciated</b>	<b>246,040,927</b>	<b>3,979,815</b>	<b>(959,048)</b>	<b>1,007,537</b>	<b>250,069,231</b>
<b>Accumulated depreciation</b>					
Land improvements	(6,597,652)	(653,569)	214,361	-	(7,036,860)
Buildings and building improvements	(79,224,008)	(6,241,126)	245,002	-	(85,220,132)
Furniture, fixtures, vehicles, and equipment	(10,539,879)	(1,047,430)	446,857	-	(11,140,452)
<b>Total accumulated depreciation</b>	<b>(96,361,539)</b>	<b>(7,942,125)</b>	<b>906,220</b>	<b>-</b>	<b>(103,397,444)</b>
Net capital assets being depreciated	149,679,388	(3,962,310)	(52,828)	1,007,537	146,671,787
<b>Government activities capital assets, net</b>	<b>\$ 156,094,006</b>	<b>\$ 1,540,632</b>	<b>\$ (52,828)</b>	<b>\$ -</b>	<b>\$ 157,581,810</b>

Depreciation expense for the year ended June 30, 2022 was charged to governmental activities as follows:

<b>Depreciation expenses</b>	
Instruction	\$ 3,840,537
Support services - Students	6,939
Central services	316
Operation & maintenance of plant	3,618,149
Transportation services	447,722
Food services	28,462
<b>Total</b>	<b>\$ 7,942,125</b>

## NOTE 7. LONG-TERM DEBT

### GENERAL OBLIGATION BONDS

The Schools issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Schools. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2022 are for governmental activities.

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

General obligation bonds outstanding at June 30, 2022, are comprised of the following:

Bond Series	Date of Issue	Date of maturity	Balance at June 30, 2022
General Obligation Bond Series 2010	11/30/2010	7/15/2023	\$ 1,250,000
General Obligation Bond Series 2011	10/19/2011	7/15/2024	1,800,000
General Obligation Bond Series 2012	10/17/2012	7/15/2025	3,450,000
General Obligation Bond Series 2013	10/16/2013	7/15/2026	3,675,000
General Obligation Bond Series 2014A	7/1/2014	7/15/2026	4,100,000
General Obligation Bond Series 2015	10/28/2015	7/15/2028	3,425,000
General Obligation Bond Series 2016A	10/18/2016	7/15/2029	920,000
General Obligation Bond Series 2016B	10/18/2016	7/15/2022	930,000
General Obligation Bond Series 2017	9/12/2017	7/15/2030	5,950,000
General Obligation Bond Series 2018	9/28/2018	7/15/2031	6,100,000
General Obligation Bond Series 2019	9/26/2019	7/15/2032	7,325,000
General Obligation Bond Series 2020	9/4/2020	7/15/2033	4,490,000
General Obligation Bond Series 2022	3/25/2022	7/15/2035	6,000,000
			<u>\$ 49,415,000</u>

During the year ended June 30, 2022, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	\$49,320,000	\$ 6,000,000	\$(5,905,000)	<b>\$49,415,000</b>	\$ 6,700,000
Bond Premium	682,131	-	(127,485)	<b>554,646</b>	-
Compensated absences	708,931	1,040,497	(585,169)	<b>1,164,259</b>	793,770
<b>Total long-term debt</b>	<u>\$50,711,062</u>	<u>\$ 7,040,497</u>	<u>\$(6,617,654)</u>	<u><b>\$51,133,905</b></u>	<u>\$ 7,493,770</u>

The annual requirements to amortize the General Obligation Bonds outstanding as of June 30, 2022, including interest payments, are as follows. The interest rates range from 1.00% to 4.00% with maturity dates until July 15, 2031.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 6,700,000	\$ 1,003,742	<b>\$ 7,703,742</b>
2024	6,610,000	869,657	<b>7,479,657</b>
2025	5,905,000	722,385	<b>6,627,385</b>
2026	5,760,000	585,781	<b>6,345,781</b>
2027	5,170,000	460,297	<b>5,630,297</b>
2028-2032	16,360,000	1,065,255	<b>17,425,255</b>
2033-2036	2,910,000	85,571	<b>2,995,571</b>
	<u>\$ 49,415,000</u>	<u>\$ 4,792,688</u>	<u><b>\$ 54,207,688</b></u>

In prior years, the General Fund was typically used to liquidate such long-term liabilities other than general obligation bonds.

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

**Compensated Absences.** Administrative employees of the Schools were able to accrue a limited amount of annual leave and all employees are able to accrue an unlimited amount of sick leave during the year. During fiscal year June 30, 2022, compensated absences increased \$455,328 over the prior year accrual.

## NOTE 8. RISK MANAGEMENT

The Schools 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 Schools 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, Underground Storage Tanks, and Catastrophic 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 for each building. General liability coverage is afforded to all employees, volunteers, and School Board members, and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$1,250,000 per occurrence for Faithful Performance. A limit of \$1,250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, with all crime coverage subject to a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the Schools, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2022, there have been no claims that have exceeded insurance coverage.

## NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

- A. Deficit fund balance of individual funds: The Schools reported the following deficit fund balance at June 30, 2022:

Fund #	Fund Description	Amount
24153	English Language Acquisition	\$ (52,686)
24154	Teacher/Principal Training & Recruiting	(439)
24174	Carl D. Perkins Secondary – Current	(479)
24189	Student Support & Academic Enrichment	(518)
28184	Indian Education Formula Grant	(7,794)
25205	GEAR UP NM State Initiatives	(2,143)
27150	Indian Education Act	(5,188)
27502	Career Tech Ed	(2,400)
28190	GRADS Instructions	(5,437)
<b>Total</b>		<b>\$ (77,084)</b>

## NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

- B. Excess of expenditures over appropriations: No funds of the Schools exceeded approved budgetary authority at the fund level for the year ended June 30, 2022.
- C. Designated cash appropriations in excess of available balance: No funds of the Schools exceeded the budgeted cash appropriations for the year ended June 30, 2022.

## NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

### GENERAL INFORMATION ABOUT THE PENSION PLAN

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

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

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

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

**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 multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

Years of Service	Benefit Percentage Earned
10 or less	1.35%
10.25 to 20	2.35%
20.25 to 30	3.35%
30.25 plus	2.40%

FAS is the average of the member's fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement or the highest average fiscal annual earning for any 20 consecutive calendar quarters.

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

1

**Tier 1: Membership prior to July 1, 2010.** For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

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

2

**Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013.** Chapter 288, Laws of 2009 changed the eligibility requirements for new members who were first employed on or after July 1, 2010, but before July 1, 2013 — or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements:

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

3

**Tier 3: Membership beginning on or after July 1, 2013.** 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.

4

**Tier 4: Membership beginning on or after July 1, 2019.** Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019 — and had, before that date, been refunded all member contributions and had not restored all refunded contributions and interest before July 1, 2019. A member in this tier must meet one of the following requirements.

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58.)
- 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, receive reduced retirement benefits.)
- Or, the member's age is 67, and the member 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.

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

**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.
- **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 may receive an adjustment in their benefit on July 1 following the year a member retires or July 1 following the year a member reaches the age below, whichever is later.

Membership	Age Eligible for COLA
Tier 1	65
Tier 2	65
Tier 3	67
Tier 4	67

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund's funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased). When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%. However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.



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

- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

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

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

**Contributions.** For the fiscal years ended June 30, 2022 and 2021, 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
2022	7-1-21 to 6-30-22	Over \$24K	10.70%	15.15%	25.85%	1.00%
2022	7-1-21 to 6-30-22	\$24K or less	7.90%	15.15%	23.05%	100%
2021	7-1-20 to 6-30-21	Over \$24K	10.70%	14.15%	24.85%	0.25%
2021	7-1-20 to 6-30-21	\$24K or less	7.90%	14.15%	22.05%	0.25%

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, 2022 and 2021, the Schools paid employee and employer contributions of \$12,390,198 and \$13,332,588, respectively, 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, 2022, the Schools reported a liability of \$111,890,546 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. On April 17, 2020, NMERB's Board of Trustees adopted new assumptions presented in the 2020 Actuarial Experience Study. Those new assumptions have been reflected in the roll-forward and in the projections used to determine the single discount rate.

House Bill 360 made several changes to benefit provisions, which were effective July 1, 2019. These included:

- Increasing the employer contribution rate by 0.25%, from 13.9% to 14.15%;
- Increasing from \$20,000 to \$24,000 the member salary range subject to the lower 7.90% contribution rate (higher rate is 10.70%);
- Increasing the employer contribution to ERP on behalf of ARP members from 3.0% to 3.25%;
- Implementing anti-spiking measures to prevent artificially increasing benefits;
- Requiring all working retirees and their employers to contribute to ERP; and
- For members hired after June 30, 2019, using a tiered multiplier instead of a single multiplier to calculate retirement benefits upon retirement.

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

These changes have been reflected in the roll-forward and in the projection used to determine the single discount rate. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2021, actuarially determined. At June 30, 2021, the School's proportion was 1.57871%, which was an decrease of 0.00405% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, as a result of the reduction of the pension liability from the year ended June 30, 2021, the Schools recognized pension expense of \$5,427,344. At June 30, 2022, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,791,696	\$ 275,534
Changes of assumptions	74,480,079	127,425,538
Net differences between projected and actual earnings on pension plan investments	-	27,824,909
Changes in proportion and differences between Schools' contributions and proportionate share of contributions	1,620,835	325,303
Schools' contributions subsequent to the measurement date	8,011,435	-
<b>Total</b>	<b>\$ 92,904,045</b>	<b>\$155,851,284</b>

\$8,011,435 reported as deferred outflows of resources related to pensions resulting from the Schools' contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2022	\$ (2,840,229)
2023	(33,693,516)
2024	(25,140,775)
2025	(9,284,154)
2026	-
Thereafter	-
<b>Total</b>	<b>\$ (70,958,674)</b>

**Actuarial assumptions.** Actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. On April 17, 2020, the Board adopted the new assumptions presented in the 2020 Actuarial Experience Study.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

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

Inflation	2.30%
Salary increases	3.00% composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for members with less than 5 years of service.
Investment rate of return	7.00% compounded annually, net of expenses. This is composed of an assumed 2.30% inflation rate and a 4.70% real rate of return.
Mortality	<p><b>Healthy males:</b> 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p> <p><b>Healthy females:</b> 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p>

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	31%	
Fixed income	24%	
Alternatives	44%	
Cash	1%	
<b>Total</b>	<b>100%</b>	<b>7.00%</b>

**Discount rate.** A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2021. This is an increase of 3.11% from June 30, 2020. The 7.00% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 1.92%. 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 all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the Schools’ proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Schools’ proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1 % Decrease 6.00%	Current Discount Rate 7.00%	1 % Increase 8.00%
Schools' proportionate share of the net pension liability	\$ 158,424,564	\$ 111,890,546	\$ 73,434,827

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’S financial reports. The reports can be found on NMERB’s Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

**Payables to the Pension Plan.** At June 30, 2022, the Schools owed the ERB \$2,269,498 for the contributions withheld in the month of June 2022.

**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

**GENERAL INFORMATION ABOUT THE OPEB**

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

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

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

Employees covered by benefit terms. At June 30, 2021, the Fund’s measurement date, the following employees were covered by the benefit terms:

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

Plan Membership	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,754
Current active members	92,484
	<u>157,330</u>
Active Membership	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal FTRE	756
Educational Retirement Board	49,188
	<u>92,484</u>

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Schools were \$1,059,466 for the year ended June 30, 2022.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2022, the Schools reported a liability of \$34,482,537 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Schools' proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2021. At June 30, 2021, the Schools' proportion was 1.04799%.

As a result of the reduction of the OPEB liability from the year ended June 30, 2021, the Schools recognized OPEB income of \$2,957,366 for the year ended June 30, 2022. At June 30, 2022, the Schools 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
Differences between expected and actual experience	\$ 504,180	\$ 5,499,247
Net difference between actual and projected earnings on OPEB plan investments	-	988,413
Changes of assumptions	6,903,723	12,466,659
Change in proportion	2,154,486	-
Contributions made after the measurement date	1,059,166	-
<b>Total</b>	<b>\$ 10,621,555</b>	<b>\$ 18,954,319</b>

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

Deferred outflows of resources totalling \$1,059,166 represent the Schools 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year Ended June 30,</b>	
2023	\$ (4,156,450)
2024	(2,388,819)
2025	(1,307,894)
2026	(112,641)
2027	(1,426,126)
<b>Total</b>	<b>\$ (9,391,930)</b>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Valuation Date	June 30, 2021
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
<b>Actuarial assumptions:</b>	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, 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
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

**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.



## NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

**Discount Rate.** The discount rate used to measure the Fund's total OPEB liability is 3.62% as of June 30, 2021. 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, 2052. Thus, the 7.00% discount rate was used to calculate the net OPEB liability through 2052. The index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2052, resulting in a blended discount rate of 3.62%.

**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 County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount (2.86%)	1% Increase (3.86%)
\$ 43,326,502	\$ 34,482,537	\$ 27,602,903

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

1% Decrease	Current Trend Rates	1% Increase
\$ 27,735,068	\$ 34,482,537	\$ 39,916,274

**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, 2021.

**Payable Changed in the Net OPEB Liability.** At June 30, 2022, the Schools reported a payable of \$268,544 for outstanding contributions due to NMRHCA for the year ended June 30, 2022.

## NOTE 12. CONCENTRATIONS

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

## NOTE 13. CONTINGENT LIABILITIES

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

The Schools 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 Schools' legal counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the Schools.

## NOTE 14. TAX ABATEMENTS

In accordance with GASB Statement No. 77, the Schools provides the following disclosures regarding foregone tax revenue due to various agreements:

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6110
<b>Abating Agency Name</b>	VILLAGE OF LOS LUNAS
<b>Abating Agency Type</b>	LOCAL GOVERNMENT
<b>Tax Abatement Agreement Name</b>	INDUSTRIAL REVENUE BOND PROJECT AGREEMENT
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	LOS LUNAS SCHOOLS
<b>Agency number of Affected Agency</b>	7053
<b>Agency type of Affected Agency</b>	SCHOOL DISTRICT
<b>Recipient(s) of tax abatement</b>	PROPERTY TAX
<b>Tax abatement program (name and brief description)</b>	INDUSTRIAL REVENUE BONDS – ACIM PROJECT, SERIES 2014; \$30,000,000
<b>Specific Tax(es) Being Abated</b>	PROPERTY TAX
<b>Authority under which abated tax would have been paid to Affected Agency</b>	SECTIONS 3-32-1 TO 3-32-16 NEW MEXICO STATUTES ANNOTATED, 1978 COMPILATION
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$50,000
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$8,298
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6110
<b>Abating Agency Name</b>	VILLAGE OF LOS LUNAS
<b>Abating Agency Type</b>	LOCAL GOVERNMENT
<b>Tax Abatement Agreement Name</b>	INDUSTRIAL REVENUE BOND PROJECT AGREEMENT
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	LOS LUNAS SCHOOLS
<b>Agency number of Affected Agency</b>	7053
<b>Agency type of Affected Agency</b>	SCHOOL DISTRICT
<b>Recipient(s) of tax abatement</b>	PROPERTY TAX
<b>Tax abatement program (name and brief description)</b>	INDUSTRIAL REVENUE BONDS – WAL-MART STORES EAST, INC. PROJECT, SERIES 1997; \$50,000,000
<b>Specific Tax(es) Being Abated</b>	PROPERTY TAX
<b>Authority under which abated tax would have been paid to Affected Agency</b>	SECTIONS 3-32-1 TO 3-32-16 NEW MEXICO STATUTES ANNOTATED, 1978 COMPILATION
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$50,000
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	NONE
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6110
<b>Abating Agency Name</b>	VILLAGE OF LOS LUNAS
<b>Abating Agency Type</b>	LOCAL GOVERNMENT
<b>Tax Abatement Agreement Name</b>	INDUSTRIAL REVENUE BOND PROJECT AGREEMENT
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	LOS LUNAS SCHOOLS
<b>Agency number of Affected Agency</b>	7053
<b>Agency type of Affected Agency</b>	SCHOOL DISTRICT
<b>Recipient(s) of tax abatement</b>	PROPERTY TAX
<b>Tax abatement program (name and brief description)</b>	INDUSTRIAL REVENUE BONDS – FRESENIUS MEDICAL CARE PROJECT, SERIES 2005; \$6,000,000
<b>Specific Tax(es) Being Abated</b>	PROPERTY TAX
<b>Authority under which abated tax would have been paid to Affected Agency</b>	SECTIONS 3-32-1 TO 3-32-16 NEW MEXICO STATUTES ANNOTATED, 1978 COMPILATION
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$30,000
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$16,700

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission

Agency number for Agency making the disclosure (Abating Agency)	6110
Abating Agency Name	VILLAGE OF LOS LUNAS
Abating Agency Type	LOCAL GOVERNMENT
Tax Abatement Agreement Name	INDUSTRIAL REVENUE BOND PROJECT AGREEMENT
Name of agency affected by abatement agreement (Affected Agency)	LOS LUNAS SCHOOLS
Agency number of Affected Agency	7053
Agency type of Affected Agency	SCHOOL DISTRICT
Recipient(s) of tax abatement	PROPERTY TAX
Tax abatement program (name and brief description)	INDUSTRIAL REVENUE BONDS – GREATER KUDU LLC PROJECT, SERIES 2016; NOT TO EXCEED \$5,000,000,000
Specific Tax(es) Being Abated	PROPERTY TAX
Authority under which abated tax would have been paid to Affected Agency	SECTIONS 3-32-1 TO 3-32-16 NEW MEXICO STATUTES ANNOTATED, 1978 COMPILATION
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	UNDER CONSTRUCTION
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	

#### NOTE 15. SUBSEQUENT PRONOUNCEMENTS

**GASB Statement No. 91, *Conduit Debt Obligations*** was issued. On May 6, 2020, the GASB postponed the required implementation. Revised Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***. Effective Date: For reporting periods beginning after June 15, 2022. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangement***. Effective Date: For reporting periods beginning after June 15, 2022. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 98, *The Annual Comprehensive Financial Report***. Effective Date: For reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 99, *Omnibus 2022*.** Effective Date: For reporting periods beginning after June 15, 2022. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB No. 62*.** Effective Date: For reporting periods beginning after June 15, 2023. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**GASB Statement No. 101, *Compensated Absences*.** Effective Date: For reporting periods beginning after December 15, 2023. Earlier application is encouraged. The Schools are still evaluating how this pronouncement will affect future financial statements.

**NOTE 16. IMPLEMENTATION OF NEW ACCOUNTING STANDARD – GASB 87 “LEASES”**

Changes made to the June 30, 2022 financial statements as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87 – Leases are detailed below. The two leases where the Schools is the lessor resulted in a new receivable of \$141,690 and a deferred inflow of resources of \$156,845. The net effect of the GASB restatement to the June 30, 2022 financial statements net position was \$(16,589). The lease receivable is discussed in more detail in the Receivables footnote (Note 4).





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# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



## Required Supplementary Information (Unaudited)

**SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
LAST 10 FISCAL YEARS\* (UNAUDITED)  
FOR THE YEARS ENDED JUNE 30, 2022-2015**

Fiscal Year Measurement Date	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
School's proportion of the net pension liability	<b>1.57871%</b>	1.58276%	1.54495%	1.50887%	1.45671%	1.42830%	1.43310%	1.42530%
School's proportionate share of the net pension liability	<b>\$ 111,890,546</b>	\$ 320,760,398	\$ 117,065,535	\$ 179,424,726	\$ 161,891,003	\$ 102,783,782	\$ 92,828,294	\$ 81,324,343
School's covered employee payroll	<b>\$ 52,784,744</b>	\$ 50,552,361	\$ 50,475,967	\$ 42,172,830	\$ 41,485,259	\$ 40,739,209	\$ 39,129,000	\$ 39,287,000
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	<b>212%</b>	635%	232%	425%	390%	252%	237%	207%
Plan fiduciary net position as a percentage of total pension liability	<b>69.77%</b>	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%

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

*See Notes to Required Supplementary Information.*

**SCHEDULE OF THE SCHOOLS' PENSION CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**  
**FOR THE YEARS ENDED JUNE 30, 2022-2015**

	June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutory required contributions	\$ 8,011,435	\$ 7,158,557	\$ 7,141,405	\$ 6,255,543	\$ 5,843,871	\$ 5,743,399	\$ 5,662,750	\$ 5,166,199
Contributions in relation to contractually required contributions	\$ 8,011,435	\$ 7,158,557	\$ 7,141,405	\$ 6,255,543	\$ 5,843,871	\$ 5,743,399	\$ 5,662,750	\$ 5,166,199
Annual contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

*See Notes to Required Supplementary Information.*

**SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**  
**FOR THE YEARS ENDED JUNE 30, 2022-2018**

	Fiscal Year Measurement Date	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017
School's proportion of the net OPEB liability		<b>1.04799%</b>	1.04668%	1.01982%	0.98642%	0.96680%
School's proportionate share of the net OPEB liability		<b>\$ 34,482,537</b>	\$ 43,949,130	\$ 33,066,529	\$ 42,893,042	\$ 43,812,215
School's covered employee payroll		<b>\$ 48,356,814</b>	\$ 44,987,526	\$ 42,556,361	\$ 42,121,130	\$ 40,273,478
School's proportionate share of the net OPEB liability as a percentage of its covered employee payroll		<b>71.31%</b>	98%	78%	102%	109%
RHCA Plan fiduciary net position as a percentage of the total pension liability		<b>25.39%</b>	16.50%	18.92%	13.14%	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 School will present information for available years.

*See Notes to Required Supplementary Information.*

**SCHEDULE OF THE SCHOOLS' OPEB CONTRIBUTIONS**  
**RETIREE HEALTH CARE AUTHORITY (RHCA) OPEB PLAN**  
**LAST 10 FISCAL YEARS\* (UNAUDITED)**  
**FOR THE YEARS ENDED JUNE 30, 2022-2018**

	June 30,				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,059,166	\$ 1,011,777	\$ 1,008,505	\$ 900,209	\$ 839,823
Contributions in relation to the contractually required contribution	\$ 1,059,166	\$ 1,011,777	\$ 1,008,505	\$ 900,209	\$ 839,823
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 48,356,814	\$ 44,987,526	\$ 42,556,361	\$ 42,121,130	\$ 40,273,478
Contributions as a percentage of covered-employee payroll	2.19%	2.25%	2.37%	2.14%	2.09%

\*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.

*See Notes to Required Supplementary Information.*

# Notes to Required Supplementary Information (Unaudited)

JUNE 30, 2022

## **ERB PLAN**

***Changes in benefit provisions.*** Other than the employer contribution increases attributable to Senate Bill 42, there were no modifications to the benefit provisions with an actuarial impact that were reflected in the actuarial valuation as of June 30, 2022.

***Changes in assumptions and methods.*** Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan's actuary. The Board adopted new assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019. No changes have been made to the assumptions since the prior valuation. The calculation of the funding policy contribution has been updated to reflect an open group projection, recognizing new hire benefits as well as anticipated cost-of-living adjustments less than the assumed 1.80% while the plan is less than fully funded.

## **RHCA PLAN**

In the June 30, 2021 actuarial valuation and the total OPEB liability measured as of June 30, 2021, changes in assumptions include adjustments resulting from an increase in the discount rate from 2.86% to 3.62%.



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## SUPPLEMENTARY INFORMATION





# Non-Major Government Funds Descriptions

JUNE 30, 2022

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Schools with the purpose of accomplishing specific education 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 Schools. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**NON-INSTRUCTION SUPPORT (23000)** – To account for budgeted revenues and expenditures which relate to student activities other than athletics.

**TITLE I - IASA (24101)** – 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 criterion that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the Schools 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 Act (ESEA) of 1965, as amended, Public Law 103-383.

**IDEA-B ENTITLEMENT (24106)** – To account for a program funded by a Federal grant to assist the Schools in providing free appropriate public education to all handicapped children. Program 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.

**IDEA-B PRESCHOOL (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 Schools through the New Mexico Department of Children, Youth and Families. Authority for the 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 Education 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). Program funding is authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**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. This program is authorized by Title III, Part A of the ESEA, as amended.

**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. This program is authorized by Title II, Part A, Subparts 1-3 of the ESEA, as amended.

**CARL D. PERKINS SECONDARY – CURRENT (24174) AND CARL D. PERKINS SECONDARY REDISTRIBUTION (24176)** – The objective of this grant is to provide 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. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006.

**TEEN DATING VIOLENCE AWARENESS (24184)** – The objective of this grant is to provide support for expectant parenting teens, women, fathers, and their families for the State of New Mexico. The fund enables Los Lunas Schools to vary out its Teen Dating Violence Prevention and Campaign Awareness program. Authorized by U.S. Department of Health and Human Services (1SP1AH000021-02-00).

**STUDENT SUPPORT ACADEMIC ACHIEVEMENT TITLE IV (24189)** – This fund is a sub-award for funding through the Student Support and Academic Enrichment Program. This sub-award supports well-rounded educational opportunities, safe and healthy students, and effective use of technology. Assistance Listings Number 84.424.

**CLSD GRANTS (24194)** – Used to improve literacy skills of preschool and increase percentage of elementary, middle, and high school students to meet NM standards, birth to grade 12. Awarding agency – U.S. Department of Education.

**CARES ACT (24301), GOVERNOR’S EMERGENCY EDUCATION RELIEF (24305), CRRSA, ESSER II (24308), CRRSA, ESSER II - AIR QUALITY (24316), ARP ESSER III (24330), AND ARP HOMELESS CHILDREN & YOUTH (24350)** – To account for funds awarded through the Elementary and Secondary School Education Relief Fund (ESSER Fund), a component of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub.L. 116–136. The ESSER Fund is a highly flexible federal program designed to provide local education agencies (LEAs) with funding to meet a diverse array of educational and COVID response related needs. By law, awards from the ESSER Fund are based on LEAs’ proportional share of final 2019-20 Title I, Part A allocations received.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA), Public Law 116-260, was signed into law on December 27, 2020 and provided additional funding for the Elementary and Secondary School Emergency Relief Fund (ESSER II) and Governor’s Emergency Education Relief (GEER) Fund. On March 11, 2021, the American Rescue Plan (ARP) Act, Public Law 117-2, was signed into law. It provided to funds to help safely reopen and sustain the same operation of schools and address the impact of the coronavirus pandemic on the Nation’s students. The GEER Fund awards grants to states’ governor’s offices, to provide assistance to students and student’ families.

**IMPACT AID - SPECIAL EDUCATION (25145) AND INDIAN EDUCATION (25147)** – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA’s) where enrollments or availability of revenue are adversely affected by Federal activities, i.e., where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**TITLE XIX MEDICAID 3/21 YEARS (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. Program funding is authorized by Social Security Act, Title XIX, as amended.

**CHILD CARE BLOCK GRANT CYFD (25157)** – To account for funds received for the transition assistance program funding through the Children, Youth and Families Department and the State of New Mexico. Program funding is authorized by Child Care and Development Block Grant Act of 1990, as amended.

**INDIAN EDUCATION FORMULA GRANT (25184)** – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

**GEAR UP NM STATE INITIATIVES (25205) AND GEAR UP USDE (25211)** – To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244.

**2012 G.O. BOND STUDENT LIBRARY FUND (SB1) (27107)** – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

**INSTRUCTIONAL MATERIALS SPECIAL APPROPRIATION (27109)** – Intended specifically for the purchase of instructional materials to make up for the shortfall in past appropriations. This fund was authorized as a special appropriation to PED, by Laws of 2019, Chapter 271, Section 5, paragraph 114. Funds are distributed by PED to schools proportionate to each district or charter school's program united computed pursuant to Section 22-8-18 NMSA 1978.

**PRE-K INITIATIVE (27149)** – To account for monies received from the State of New Mexico to be used to provide direct services to 20 four-year old children in Pre-Kindergarten programs at Mariposa Elem. and Tome Elem. Program is authorized by state statute.

**INDIAN EDUCATION ACT (27150)** – To account for funds to help support the educational reform initiatives outlined in the Schools' 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.

**K-5 PLUS TRANSPORTATION (27152)** – All funds are solely for expenditures incurred for transporting students to K-5 plus programs during the summer of 2019. Funding was made available through an appropriation contained in the Laws of 2019, Chapter 271, Section 4, Subsection K, Public School Support, paragraph 2 HB 2.

**EXTENDED LEARNING TRANSPORTATION (27153)** – All funds are solely for expenditures incurred for transporting students to Extended Learning time program. Funding was made available through an appropriation contained in the Laws of 2019, Chapter 271, Section 4, Subsection K, Public School Support, paragraph 2 HB 2.

**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 used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools.

**NM GROWN FRESH FRUIT AND VEGETABLE (27183)** – The purpose of the NM Grown Fresh Fruit and Vegetable funding is to purchase only New Mexico grown fresh produces to be used in our district’s school meal and snack programs.

**FAMILY INCOME INDEX (27407)** – This award is for the purpose of providing student supports and services to schools serving the highest concentration of students living in poverty. The funds are statutorily required to be spent on literacy interventions, math interventions, and other student supports and services. The program is authorized by State of New Mexico under Chapter 18, Laws of 2021.

**CAREER TECH ED (PILOT) (27502)** – Sub-award for Next Gen CTE funding to be spent per application. Funding Agency- NM Public Education Dept, Special Appropriation fund, Career Technical. Education Pilot, NM Laws 2019, Section IV, Item (b); Section V, Item (103).

**NM HIGHWAY DEPT (ROAD) (28120)** – The purpose of this budget in 2017-18 for the Local Government Road Fund Program (LGRF) for the design, construction management and parking lot improvements of the school district parking lots and access roads as per Cooperative Agreement.

**OFFICE OF CULTURAL AFFAIRS (28177)** – To account for monies received from the State of New Mexico to be used for preserving and promoting New Mexico’s culture. Program is authorized by state statute.

**GRADS CHILD CARE (28189)** – To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out of wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

**GRADS - INSTRUCTIONAL (28190)** – To account for an agreement to provide childcare services in conjunction with the Graduation, Reality and Dual Role Skills Program. Funding is provided by the State of New Mexico Children Youth and Families Department. Program is authorized by state statute.

**GRADS PLUS (28203)** – Award to help support our Grads program additional award. Our Grads program is for students that are parents or to be parents.

**NM SCHOOLS COVID-19 TESTING PROGRAM (28211)** – To support the prevention, mitigation, and response of COVID-19 through screening and testing of students and staff, the New Mexico Department of Health (NMDOH) has allocated federal funding to the Schools under a vendor relationship.

## **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. The Schools has the following separate funds classified as Capital Projects Funds:

**CAPITAL IMPROVEMENTS HB-33 CAPITAL PROJECTS FUND (31600)** – Is used to account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of purchasing technology assets and supplies.

**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND (31700)** – Is used 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. Pursuant to Chapter 338 of Laws of 2001, a portion of the proceeds from supplemental severance tax bonds are dedicated for the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) as it pertains to the State Match.

**CAPITAL IMPROVEMENTS SB-9 LOCAL (31701)** - 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 Board. Financing is provided by special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**SB-9 STATE MATCH CASH (31703)** - NM State Allocation for state match to be deposited into the school districts account for Capital Improvements. All proceeds shall be expended in accordance with the 22-25-2 NMSA 1978.

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Special Revenue	Capital Projects	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Restricted cash and cash equivalents	\$ 7,811,912	\$ 8,737,333	\$ 16,549,245
Accounts receivable			
Property taxes	-	1,044,635	1,044,635
Due from other governments	4,616,844	-	4,616,844
Prepaid expenditures	50,046	-	50,046
Inventory	167,622	-	167,622
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 12,646,424</b>	<b>\$ 9,781,968</b>	<b>\$ 22,428,392</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 38,870	\$ 116,905	\$ 155,775
Accrued payroll liabilities	-	-	-
Due to other funds	3,818,382	-	3,818,382
<b>Total liabilities</b>	<b>3,857,252</b>	<b>116,905</b>	<b>3,974,157</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	903,873	903,873
<b>FUND BALANCES</b>			
Nonspendable	217,668	-	217,668
Restricted for food services	2,692,435	-	2,692,435
Restricted for extracurricular activities	1,436,863	-	1,436,863
Restricted for education	4,568,908	-	4,568,908
Restricted for capital acquisitions and improvements	-	8,761,190	8,761,190
Unassigned	(126,702)	-	(126,702)
<b>Total fund balances</b>	<b>8,789,172</b>	<b>8,761,190</b>	<b>17,550,362</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 12,646,424</b>	<b>\$ 9,781,968</b>	<b>\$ 22,428,392</b>

See Accompanying Notes.



COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue	Capital Projects	Total
<b>REVENUES</b>			
Property taxes	\$ -	\$ 4,712,394	\$ 4,712,394
State grants	1,864,330	1,861,167	3,725,497
Federal grants	13,844,517	-	13,844,517
Charges for services	1,378,834	-	1,378,834
Miscellaneous	-	-	-
Interest	-	23	23
<b>Total revenues</b>	<b>17,087,681</b>	<b>6,573,584</b>	<b>23,661,265</b>
<b>EXPENDITURES</b>			
Current			
Instruction	6,491,259	-	6,491,259
Support services			
Students	1,505,729	-	1,505,729
Instruction	111,291	-	111,291
General administration	335,494	46,608	382,102
School administration	1,152,709	-	1,152,709
Central services	47,212	-	47,212
Operation & maintenance of plant	114,899	-	114,899
Student transportation	122,207	-	122,207
Other support services	-	-	-
Food services operations	4,114,083	-	4,114,083
Community services	-	-	-
Capital outlay	131,164	3,624,231	3,755,395
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>14,126,047</b>	<b>3,670,839</b>	<b>17,796,886</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,961,634</b>	<b>2,902,745</b>	<b>5,864,379</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	248,640	248,640
Bond proceeds	-	-	-
Remittal of balances to PED	(29,935)	-	(29,935)
<b>Total other financing sources (uses)</b>	<b>(29,935)</b>	<b>248,640</b>	<b>218,705</b>
<b>Net changes in fund balances</b>	<b>2,931,699</b>	<b>3,151,385</b>	<b>6,083,084</b>
Fund balances, beginning of year, as originally stated	5,964,233	5,609,805	11,574,038
Implementation of new accounting standard (Note 16)	-	-	-
Fund balances, beginning of year, as restated	5,964,233	5,609,805	11,574,038
Changes in non-spendable resources			
Increase (decrease) in inventory	(106,760)	-	(106,760)
<b>Fund balances, end of year</b>	<b>\$ 8,789,172</b>	<b>\$ 8,761,190</b>	<b>\$ 17,550,362</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022

	21000	22000	23000	24101
	Food Service	Athletics	Non-Instructional Support	Title I IASA
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ 2,094,766	\$ 15,599	\$ 1,421,264	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	597,669	-	-	670,425
Prepaid expenditures	-	-	-	428
Inventory	167,622	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 2,860,057</b>	<b>\$ 15,599</b>	<b>\$ 1,421,264</b>	<b>\$ 670,853</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	-	667,871
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667,871</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	167,622	-	-	428
Restricted for food services	2,692,435	-	-	-
Restricted for extracurricular activities	-	15,599	1,421,264	-
Restricted for education	-	-	-	2,554
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>2,860,057</b>	<b>15,599</b>	<b>1,421,264</b>	<b>2,982</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,860,057</b>	<b>\$ 15,599</b>	<b>\$ 1,421,264</b>	<b>\$ 670,853</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	24106	24109	24113	24153
	IDEA-B	IDEA-B	Education of	English
	Entitlement	Preschool	Homeless	Language
				Acquisition
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	917,172	12,203	2,508	59,685
Prepaid expenditures	48,274	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 965,446</b>	<b>\$ 12,203</b>	<b>\$ 2,508</b>	<b>\$ 59,685</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	965,253	12,203	2,508	112,371
<b>Total liabilities</b>	<b>965,253</b>	<b>12,203</b>	<b>2,508</b>	<b>112,371</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	48,274	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	193	-	-	-
Unassigned	(48,274)	-	-	(52,686)
<b>Total fund balances</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>(52,686)</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 965,446</b>	<b>\$ 12,203</b>	<b>\$ 2,508</b>	<b>\$ 59,685</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	24154 Teacher/Prin Training & Recruiting	24174 Carl D. Perkins Secondary Current	24176 Carl D. Perkins Secondary Redistribution	24184 Teen Dating Violence Awareness
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ 33
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	132,426	52,637	-	-
Prepaid expenditures	944	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 133,370</b>	<b>\$ 52,637</b>	<b>\$ -</b>	<b>\$ 33</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	133,809	53,116	-	-
<b>Total liabilities</b>	<b>133,809</b>	<b>53,116</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	944	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	-	-	33
Unassigned	(1,383)	(479)	-	-
<b>Total fund balances</b>	<b>(439)</b>	<b>(479)</b>	<b>-</b>	<b>33</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 133,370</b>	<b>\$ 52,637</b>	<b>\$ -</b>	<b>\$ 33</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	24189 Student Support & Academic Enrichment	24194 CLSD Grants	24301 CARES Act	24305 Governor's Emergency Educ. Relief
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	158,378	182,067	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 158,378</u>	<u>\$ 182,067</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	158,896	182,067	-	-
<b>Total liabilities</b>	<u>158,896</u>	<u>182,067</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	-	-	-
Unassigned	(518)	-	-	-
<b>Total fund balances</b>	<u>(518)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 158,378</u>	<u>\$ 182,067</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	24316	24330	24350	25145
	CRRSA, ESSER II		ARP Homeless	Impact Aid
	- Air Quality	ARP ESSER III	Children & Youth	Special Education
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ 190,512
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	744,010	10,565	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 744,010</u>	<u>\$ 10,565</u>	<u>\$ 190,512</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ 38,870	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	705,140	10,565	-
<b>Total liabilities</b>	<u>-</u>	<u>744,010</u>	<u>10,565</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	-	-	190,512
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,512</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ -</u>	<u>\$ 744,010</u>	<u>\$ 10,565</u>	<u>\$ 190,512</u>

See Accompanying Notes.



COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	25147 Impact Aid Indian Education	25153 Title XIX Medicaid	25157 Child Care Block Grant CYFD	25184 Indian Ed Formula Grant
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ 190,646	\$ 3,709,261	\$ 296	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	285,878	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 190,646</b>	<b>\$ 3,995,139</b>	<b>\$ 296</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	-	7,794
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,794</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	190,646	3,995,139	296	-
Unassigned	-	-	-	(7,794)
<b>Total fund balances</b>	<b>190,646</b>	<b>3,995,139</b>	<b>296</b>	<b>(7,794)</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 190,646</b>	<b>\$ 3,995,139</b>	<b>\$ 296</b>	<b>\$ -</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	25205	25211	27107	27109
	GEAR UP NM		2012 GO Bonds- Student Library	Instructional Materials
	State Initiatives	GEAR UP USDE	Fund	Special Approp
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ 5,969	\$ -	\$ 66,564
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	41,752	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 5,969</b>	<b>\$ 41,752</b>	<b>\$ 66,564</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	2,143	-	41,752	-
<b>Total liabilities</b>	<b>2,143</b>	<b>-</b>	<b>41,752</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	5,969	-	66,564
Unassigned	(2,143)	-	-	-
<b>Total fund balances</b>	<b>(2,143)</b>	<b>5,969</b>	<b>-</b>	<b>66,564</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ -</b>	<b>\$ 5,969</b>	<b>\$ 41,752</b>	<b>\$ 66,564</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	27149	27150	27152	27153
		Indian	K-5 Plus	Extended
	Pre-K Initiative	Education Act	Transportation	Learning
				Transportation
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ -	\$ -	\$ 1,767	\$ 31,236
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	513,398	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 513,398</b>	<b>\$ -</b>	<b>\$ 1,767</b>	<b>\$ 31,236</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	513,398	5,188	-	-
<b>Total liabilities</b>	<b>513,398</b>	<b>5,188</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	-	-	1,767	31,236
Unassigned	-	(5,188)	-	-
<b>Total fund balances</b>	<b>-</b>	<b>(5,188)</b>	<b>1,767</b>	<b>31,236</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 513,398</b>	<b>\$ -</b>	<b>\$ 1,767</b>	<b>\$ 31,236</b>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	27166	27183	27407	27502
	Kindergarten -	NM Grown	Family Income	Career Tech Ed
	Three Plus	Fresh Fruit & Vegetables	Index	(Pilot)
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ 1	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	8,190	211,724	16,157
Prepaid expenditures	-	-	-	400
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 1</u>	<u>\$ 8,190</u>	<u>\$ 211,724</u>	<u>\$ 16,557</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	8,190	211,724	18,957
<b>Total liabilities</b>	<u>-</u>	<u>8,190</u>	<u>211,724</u>	<u>18,957</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	400
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	1	-	-	-
Unassigned	-	-	-	(2,800)
<b>Total fund balances</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>(2,400)</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1</u>	<u>\$ 8,190</u>	<u>\$ 211,724</u>	<u>\$ 16,557</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	28120	28177	28189	28190
	NM Highway Dept (Road)	Office of Cultural Affairs	GRADS Child Care	GRADS Instructions
<b>ASSETS</b>				
<b>Current Assets</b>				
Restricted cash and cash equivalents	\$ 72,423	\$ 276	\$ 5,956	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 72,423</u>	<u>\$ 276</u>	<u>\$ 5,956</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	-	5,437
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,437</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted for food services	-	-	-	-
Restricted for extracurricular activities	-	-	-	-
Restricted for education	72,423	276	5,956	-
Unassigned	-	-	-	(5,437)
<b>Total fund balances</b>	<u>72,423</u>	<u>276</u>	<u>5,956</u>	<u>(5,437)</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 72,423</u>	<u>\$ 276</u>	<u>\$ 5,956</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	28203	28211	
		NM Schools	
		Covid-19	
	GRADS Plus	Testing	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Restricted cash and cash equivalents	\$ 212	\$ 5,131	\$ 7,811,912
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	4,616,844
Prepaid expenditures	-	-	50,046
Inventory	-	-	167,622
Due from other funds	-	-	-
<b>Total assets</b>	<u>\$ 212</u>	<u>\$ 5,131</u>	<u>\$ 12,646,424</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 38,870
Accrued payroll liabilities	-	-	-
Due to other funds	-	-	3,818,382
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>3,857,252</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
<b>FUND BALANCES</b>			
Nonspendable	-	-	217,668
Restricted for food services	-	-	2,692,435
Restricted for extracurricular activities	-	-	1,436,863
Restricted for education	212	5,131	4,568,908
Unassigned	-	-	(126,702)
<b>Total fund balances</b>	<u>212</u>	<u>5,131</u>	<u>8,789,172</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 212</u>	<u>\$ 5,131</u>	<u>\$ 12,646,424</u>

See Accompanying Notes.



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	21000	22000	23000	24101
	Food Service	Athletics	Non- Instructional Support	Title I IASA
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	6,246,883	-	-	1,529,945
Charges for services	11,005	139,566	1,228,263	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>6,257,888</b>	<b>139,566</b>	<b>1,228,263</b>	<b>1,529,945</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	135,325	921,011	1,009,787
Support services				
Students	-	-	-	13,493
Instruction	-	-	-	9,555
General administration	-	-	-	131,886
School administration	-	-	-	365,224
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	4,089,392	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>4,089,392</b>	<b>135,325</b>	<b>921,011</b>	<b>1,529,945</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,168,496</b>	<b>4,241</b>	<b>307,252</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>2,168,496</b>	<b>4,241</b>	<b>307,252</b>	<b>-</b>
Fund balances, beginning of year	798,321	11,358	1,114,012	2,982
Changes in non-spendable resources				
Increase (decrease) in inventory	(106,760)	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 2,860,057</b>	<b>\$ 15,599</b>	<b>\$ 1,421,264</b>	<b>\$ 2,982</b>

*See Accompanying Notes.*

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	24106	24109	24113	24153
	IDEA-B Entitlement	IDEA-B Preschool	Education of Homeless	English Language Acquisition
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,387,794	28,895	17,286	59,685
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>2,387,794</b>	<b>28,895</b>	<b>17,286</b>	<b>59,685</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,487,450	10,015	11,520	58,515
Support services				
Students	297,419	-	1,285	-
Instruction	-	-	-	-
General administration	94,710	1,085	-	1,170
School administration	426,259	17,795	4,481	-
Central services	47,212	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	34,744	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>2,387,794</b>	<b>28,895</b>	<b>17,286</b>	<b>59,685</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	193	-	-	(52,686)
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 193</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (52,686)</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	24154	24174	24176	24184
	Teacher/Prin	Carl D. Perkins	Carl D. Perkins	Teen Dating
	Training & Recruiting	Secondary Current	Secondary	Violence Awareness
	Redistribution			
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	327,182	102,366	43,480	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>327,182</b>	<b>102,366</b>	<b>43,480</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	141,806	99,281	43,480	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	14,781	3,085	-	-
School administration	170,595	-	-	-
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>	<b>327,182</b>	<b>102,366</b>	<b>43,480</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	(439)	(479)	-	33
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ (439)</b>	<b>\$ (479)</b>	<b>\$ -</b>	<b>\$ 33</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	24189 Student Support & Academic Enrichment	24194 CLSD Grants	24301 CARES Act	24305 Governor's Emergency Educ. Relief
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	169,787	453,602	(430,131)	(6,046)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>169,787</u>	<u>453,602</u>	<u>(430,131)</u>	<u>(6,046)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	164,675	429,131	-	-
Support services				
Students	-	24,471	-	-
Instruction	-	-	-	-
General administration	5,112	-	-	-
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>169,787</u>	<u>453,602</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(430,131)</u>	<u>(6,046)</u>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>(430,131)</u>	<u>(6,046)</u>
Fund balances, beginning of year	<u>(518)</u>	<u>-</u>	<u>430,131</u>	<u>6,046</u>
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ (518)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	24316	24330	24350	25145
	CRRSA, ESSER II - Air Quality	ARP ESSER III	ARP Homeless Children & Youth	Impact Aid Special Education
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	77,277	-	31,237	-
Federal grants	-	744,010	-	60,481
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>77,277</b>	<b>744,010</b>	<b>31,237</b>	<b>60,481</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	24,891	2,853	21,313
Support services				
Students	-	665,060	28,384	3,807
Instruction	-	-	-	-
General administration	-	26,468	-	980
School administration	-	15,900	-	-
Central services	-	-	-	-
Operation & maintenance of plant	77,277	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	11,691	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>77,277</b>	<b>744,010</b>	<b>31,237</b>	<b>26,100</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,381</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,381</b>
Fund balances, beginning of year	-	-	-	156,131
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 190,512</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	25147	25153	25157	25184
	Impact Aid Indian		Child Care Block	Indian Ed Formula
	Education	Title XIX Medicaid	Grant CYFD	Grant
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	48,492	1,767,408	37,096	44,578
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>48,492</b>	<b>1,767,408</b>	<b>37,096</b>	<b>44,578</b>
<b>EXPENDITURES</b>				
Current				
Instruction	7,114	474,069	36,061	14,580
Support services				
Students	12,827	364,033	-	5,092
Instruction	-	28,304	-	29,659
General administration	1,028	39,430	-	3,048
School administration	6,424	134,168	-	-
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>	<b>27,393</b>	<b>1,040,004</b>	<b>36,061</b>	<b>52,379</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>21,099</b>	<b>727,404</b>	<b>1,035</b>	<b>(7,801)</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>21,099</b>	<b>727,404</b>	<b>1,035</b>	<b>(7,801)</b>
Fund balances, beginning of year	169,547	3,267,735	(739)	7
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 190,646</b>	<b>\$ 3,995,139</b>	<b>\$ 296</b>	<b>\$ (7,794)</b>

See Accompanying Notes.



COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	25205	25211	27107	27109
	GEAR UP NM State		2012 GO Bonds-	Instructional
	Initiatives	GEAR UP USDE	Student Library Fund	Materials Special
				Approp
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	43,773	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>43,773</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	259	-	209
Support services				
Students	-	-	-	-
Instruction	-	-	43,773	-
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>	<b>-</b>	<b>259</b>	<b>43,773</b>	<b>209</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(259)</b>	<b>-</b>	<b>(209)</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(259)</b>	<b>-</b>	<b>(209)</b>
Fund balances, beginning of year	(2,143)	6,228	-	66,773
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ (2,143)</b>	<b>\$ 5,969</b>	<b>\$ -</b>	<b>\$ 66,564</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	27149	27150	27152	27153
	Pre-K Initiative	Indian Education Act	K-5 Plus Transportation	Extended Learning Transportation
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,283,777	-	-	47,454
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>1,283,777</b>	<b>-</b>	<b>-</b>	<b>47,454</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,150,336	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	12,711	-	-	-
School administration	11,863	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	37,622	-	-	-
Student transportation	71,245	-	-	16,218
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,283,777</b>	<b>-</b>	<b>-</b>	<b>16,218</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,236</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	(29,935)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,935)</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,301</b>
Fund balances, beginning of year	-	(5,188)	1,767	29,935
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ (5,188)</b>	<b>\$ 1,767</b>	<b>\$ 31,236</b>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	27166	27183	27407	27502
	Kindergarten - Three Plus	NM Grown Fresh Fruit & Vegetables	Family Income Index	Career Tech Ed (Pilot)
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	7,544	2,599	18,357
Federal grants	-	-	211,724	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>7,544</b>	<b>214,323</b>	<b>18,357</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	214,323	18,357
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	13,000	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>13,000</b>	<b>214,323</b>	<b>18,357</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(5,456)</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(5,456)</b>	<b>-</b>	<b>-</b>
Fund balances, beginning of year	1	5,456	-	(2,400)
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,400)</b>

*See Accompanying Notes.*

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	28120	28177	28189	28190
	NM Highway Dept (Road)	Office of Cultural Affairs	GRADS Child Care	GRADS Instructions
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	242,423	-	10,923	3,977
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>242,423</b>	<b>-</b>	<b>10,923</b>	<b>3,977</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	4,970	9,928
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	131,164	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>131,164</b>	<b>-</b>	<b>4,970</b>	<b>9,928</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>111,259</b>	<b>-</b>	<b>5,953</b>	<b>(5,951)</b>
<b>Other financing sources (uses)</b>				
Remittal of balances to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>111,259</b>	<b>-</b>	<b>5,953</b>	<b>(5,951)</b>
Fund balances, beginning of year	(38,836)	276	3	514
Changes in non-spendable resources				
Increase (decrease) in inventory	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 72,423</b>	<b>\$ 276</b>	<b>\$ 5,956</b>	<b>\$ (5,437)</b>

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

	28203	28211	
		NM Schools Covid-19	
	GRADS Plus	Testing	Total
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	94,989	1,864,330
Federal grants	-	-	13,844,517
Charges for services	-	-	1,378,834
Miscellaneous	-	-	-
Interest	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>94,989</b>	<b>17,087,681</b>
<b>EXPENDITURES</b>			
Current			
Instruction	-	-	6,491,259
Support services			
Students	-	89,858	1,505,729
Instruction	-	-	111,291
General administration	-	-	335,494
School administration	-	-	1,152,709
Central services	-	-	47,212
Operation & maintenance of plant	-	-	114,899
Student transportation	-	-	122,207
Other support services	-	-	-
Food services operations	-	-	4,114,083
Community services	-	-	-
Capital outlay	-	-	131,164
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>89,858</b>	<b>14,126,047</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>5,131</b>	<b>2,961,634</b>
<b>Other financing sources (uses)</b>			
Remittal of balances to PED	-	-	(29,935)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(29,935)</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>5,131</b>	<b>2,931,699</b>
Fund balances, beginning of year	212	-	5,964,233
Changes in non-spendable resources			
Increase (decrease) in inventory	-	-	(106,760)
<b>Fund balances, end of year</b>	<b>\$ 212</b>	<b>\$ 5,131</b>	<b>\$ 8,789,172</b>

See Accompanying Notes.

**COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2022**

	31600 Capital Improvements HB-33	31700 Capital Improvements SB-9 (State)	31701 Capital Improvements SB-9 (Local)	31703 SB-9 State Match Cash	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Restricted cash and cash equivalents	\$ 5,687,164	\$ -	\$ 983,491	\$ 2,066,678	\$ 8,737,333
Accounts receivable					
Taxes	626,353	-	418,282	-	1,044,635
Due from other governments	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,313,517</b>	<b>\$ -</b>	<b>\$ 1,401,773</b>	<b>\$ 2,066,678</b>	<b>\$ 9,781,968</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 87,900	\$ -	\$ 29,005	\$ -	\$ 116,905
Accrued payroll liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>87,900</b>	<b>-</b>	<b>29,005</b>	<b>-</b>	<b>116,905</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	541,903	-	361,970	-	903,873
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for capital acquisitions and improvements	5,683,714	-	1,010,798	2,066,678	8,761,190
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>5,683,714</b>	<b>-</b>	<b>1,010,798</b>	<b>2,066,678</b>	<b>8,761,190</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 6,313,517</b>	<b>\$ -</b>	<b>\$ 1,401,773</b>	<b>\$ 2,066,678</b>	<b>\$ 9,781,968</b>

See Accompanying Notes.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR  
CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	31600 Capital Improvements HB-33	31700 Capital Improvements SB-9 (State)	31701 Capital Improvements SB-9 (Local)	31703 SB-9 State Match Cash	Total
<b>REVENUES</b>					
Property taxes	\$ 2,848,280	\$ -	\$ 1,864,114	\$ -	\$ 4,712,394
State grants	-	-	-	1,861,167	1,861,167
Federal grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	23	-	-	-	23
<b>Total revenues</b>	<b>2,848,303</b>	<b>-</b>	<b>1,864,114</b>	<b>1,861,167</b>	<b>6,573,584</b>
<b>EXPENDITURES</b>					
Current					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	28,287	-	18,321	-	46,608
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	1,443,100	-	1,775,352	405,779	3,624,231
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>1,471,387</b>	<b>-</b>	<b>1,793,673</b>	<b>405,779</b>	<b>3,670,839</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,376,916</b>	<b>-</b>	<b>70,441</b>	<b>1,455,388</b>	<b>2,902,745</b>
<b>Other financing sources</b>					
Proceeds from sale of capital assets	248,640	-	-	-	248,640
Bond proceeds	-	-	-	-	-
<b>Total other financing sources</b>	<b>248,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,640</b>
<b>Net changes in fund balances</b>	<b>1,625,556</b>	<b>-</b>	<b>70,441</b>	<b>1,455,388</b>	<b>3,151,385</b>
Fund balances, beginning of year	4,058,158	-	940,357	611,290	5,609,805
<b>Fund balances, end of year</b>	<b>\$ 5,683,714</b>	<b>\$ -</b>	<b>\$ 1,010,798</b>	<b>\$ 2,066,678</b>	<b>\$ 8,761,190</b>

*See Accompanying Notes*





**LOS LUNAS SCHOOLS**

*Every Student Matters. Every Moment Counts.*

**OTHER  
SUPPLEMENTARY  
INFORMATION**



**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS**  
**JUNE 30, 2022**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2022
<b>Wells Fargo</b>				
	FMAC FEPC 3.000%	12/01/49	3133A0DW1	\$ 15,711
	FNMA FNMS 2.500%	10/01/49	3140HBWV6	23,413
	FNMA FNMS 3.000%	12/01/49	3140K14G8	58,935
	FNMA FNMS 2.500%	11/01/51	3140M2D66	124,668
	GNMA G2SF 3.500%	01/20/48	36179TQP3	1,578
	GNMA G2SF 2.00%	01/20/51	3617UCET1	5,936
	GNMA G2SF 2.500%	01/20/52	3622ABMC3	67,191
<b>Total Wells Fargo</b>				<b>297,432</b>
Name and location of safe keeper for above pledged collateral: New York Mellon (BNYM), NY				
<b>U.S. Bank</b>				
	FHLB Line of Credit-Cincinnati	N/A	LOC No.: 567688	45,000,000
	FHLB Line of Credit-Cincinnati	N/A	LOC No.: 566943	5,000,000
<b>Total US Bank</b>				<b>50,000,000</b>
<b>Total Pledged Collateral</b>				<b>\$ 50,297,432</b>

**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Bank Account Type	Account Type	Interest- Bearing	Wells Fargo Bank	US Bank	Total
Operational	Checking	No	\$ -	\$ 43,723,188	\$ 43,723,188
Payroll Clearing	Checking	No	-	1,693	1,693
Savings	Money Market	Yes	-	2,294,442	2,294,442
Time Deposit	Certificate of Deposit	Yes	1,032,879	4,000,698	5,033,577
Total on Deposit			1,032,879	50,020,021	51,052,900
Reconciling Items			-	(1,820,112)	(1,820,112)
<b>Reconciled Balance, June 30, 2022</b>			<u>\$ 1,032,879</u>	<u>\$ 48,199,909</u>	<u>49,232,788</u>
Plus: Petty cash					800
Plus: NM Finance Authority					<u>19,230,051</u>
<b>Cash and cash equivalents per Government-Wide Financial Statements</b>					<u><b>\$ 68,463,639</b></u>

**SCHEDULE OF CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2022**

	Operational Fund			
	11000	13000	14000	21000
	General	Pupil Transportation	Instructional Materials	Food Service
Cash, June 30, 2021	\$ 17,485,198	\$ 61,524	\$ -	\$ 523,939
Add:				
2021-22 revenues	76,004,454	2,826,044	-	5,213,872
Current year accrued payroll	4,916,703	-	-	-
Current year loans from other funds	-	-	-	-
Receipt of prior year loans	4,030,853	-	-	-
<b>Total cash available</b>	<b>102,437,208</b>	<b>2,887,568</b>	<b>-</b>	<b>5,737,811</b>
Less:				
2021-22 expenditures	(71,100,047)	(2,826,044)	-	(3,643,045)
Remittal of balances to PED	-	(61,524)	-	-
Prior year accrued payroll	(4,918,094)	-	-	-
Repayment of prior year loans	-	-	-	-
Current year loans to other funds	(5,303,951)	-	-	-
Prepaid account activity and other accruals	-	-	-	-
<b>Cash, June 30, 2022</b>	<b>\$ 21,115,116</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,094,766</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2022 per financial statements	\$ 21,115,116	\$ -	\$ -	\$ 2,094,766
Loans to other funds	114,976	-	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ 21,230,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,094,766</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	22000	23000	24000	25000
	Athletics	Non-Instructional	Federal Flowthrough Fund	Federal Direct Fund
Cash, June 30, 2021	\$ 11,358	\$ 1,115,462	\$ 33	\$ 3,615,195
Add:				
2021-22 revenues	139,566	1,228,263	8,001,491	1,693,399
Current year accrued payroll	-	-	-	-
Current year loans from other funds	-	-	4,489,368	9,937
Receipt of prior year loans	-	-	-	-
<b>Total cash available</b>	<b>150,924</b>	<b>2,343,725</b>	<b>12,490,892</b>	<b>5,318,531</b>
Less:				
2021-22 expenditures	(135,325)	(922,461)	(8,963,406)	(1,197,747)
Remittal of balances to PED	-	-	-	-
Prior year accrued payroll	-	-	-	-
Repayment of prior year loans	-	-	(3,546,004)	(24,100)
Current year loans to other funds	-	-	-	-
Prepaid account activity and other accruals	-	-	18,551	-
<b>Cash, June 30, 2022</b>	<b>\$ 15,599</b>	<b>\$ 1,421,264</b>	<b>\$ 33</b>	<b>\$ 4,096,684</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2022 per financial statements	\$ 15,599	\$ 1,421,264	\$ 33	\$ 4,096,684
Loans to other funds	-	-	(33)	(9,937)
<b>Cash per NM PED Cash Report</b>	<b>\$ 15,599</b>	<b>\$ 1,421,264</b>	<b>\$ -</b>	<b>\$ 4,086,747</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	27000	28000	29000	31100
	State Flowthrough	State Direct	Local or State Fund	Bond Building
Cash, June 30, 2021	\$ 98,476	\$ 1,005	\$ -	\$ 20,489,974
Add:				
2021-22 revenues	1,243,787	352,312	-	6,055,562
Current year accrued payroll	-	-	-	-
Current year loans from other funds	799,209	5,437	-	-
Receipt of prior year loans	-	-	-	-
<b>Total cash available</b>	<b>2,141,472</b>	<b>358,754</b>	<b>-</b>	<b>26,545,536</b>
Less:				
2021-22 expenditures	(1,589,657)	(235,920)	-	(4,816,670)
Remittal of balances to PED	(29,935)	-	-	-
Prior year accrued payroll	-	-	-	-
Repayment of prior year loans	(421,912)	(38,836)	-	-
Current year loans to other funds	-	-	-	-
Prepaid account activity and other accruals	(400)	-	-	-
<b>Cash, June 30, 2022</b>	<b>\$ 99,568</b>	<b>\$ 83,998</b>	<b>\$ -</b>	<b>\$ 21,728,866</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2022 per financial statements	\$ 99,568	\$ 83,998	\$ -	\$ 21,728,866
Loans to other funds	(99,568)	(5,438)	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ -</b>	<b>\$ 78,560</b>	<b>\$ -</b>	<b>\$ 21,728,866</b>

**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	31400 Public School Capital Outlay State	31600 Capital Improvements HB-33	31700 Capital Improvements SB9 (State)	31701 Capital Improvements SB9 (Local)
Cash, June 30, 2021	\$ -	\$ 3,993,270	\$ -	\$ 883,886
Add:				
2021-22 revenues	-	3,077,381	-	1,886,091
Current year accrued payroll	-	-	-	-
Current year loans from other funds	-	-	-	-
Receipt of prior year loans	-	-	-	-
<b>Total cash available</b>	-	<b>7,070,651</b>	-	<b>2,769,977</b>
Less:				
2021-22 expenditures	-	(1,383,487)	-	(1,786,486)
Remittal of balances to PED	-	-	-	-
Prior year accrued payroll	-	-	-	-
Repayment of prior year loans	-	-	-	-
Current year loans to other funds	-	-	-	-
Prepaid account activity and other accruals	-	-	-	-
<b>Cash, June 30, 2022</b>	<b>\$ -</b>	<b>\$ 5,687,164</b>	<b>\$ -</b>	<b>\$ 983,491</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2022 per financial statements	\$ -	\$ 5,687,164	\$ -	\$ 983,491
Loans to other funds	-	-	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ -</b>	<b>\$ 5,687,164</b>	<b>\$ -</b>	<b>\$ 983,491</b>



**SCHEDULE OF CASH RECONCILIATION (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	31703 SB-9 State Match Cash	41000 Debt Service	Total
Cash, June 30, 2021	\$ 620,687	\$ 7,822,156	\$ 56,722,163
Add:			
2021-22 revenues	1,861,167	8,311,256	117,894,645
Current year accrued payroll	-	-	4,916,703
Current year loans from other funds	-	-	5,303,951
Receipt of prior year loans	-	-	4,030,853
<b>Total cash available</b>	<b>2,481,854</b>	<b>16,133,412</b>	<b>188,868,315</b>
Less:			
2021-22 expenditures	(415,176)	(7,063,000)	(106,078,471)
Remittal of balances to PED	-	-	(91,459)
Prior year accrued payroll	-	-	(4,918,094)
Repayment of prior year loans	-	-	(4,030,852)
Current year loans to other funds	-	-	(5,303,951)
Prepaid account activity and other accruals	-	-	18,151
<b>Cash, June 30, 2022</b>	<b>\$ 2,066,678</b>	<b>\$ 9,070,412</b>	<b>\$ 68,463,639</b>

**Reconciliation of cash balances reported  
to the NM Public Education Department**

Cash, June 30, 2022 per financial statements	\$ 2,066,678	\$ 9,070,412	\$ 68,463,639
Loans to other funds	-	-	-
<b>Cash per NM PED Cash Report</b>	<b>\$ 2,066,678</b>	<b>\$ 9,070,412</b>	<b>\$ 68,463,639</b>



**LOS LUNAS SCHOOLS**  
*Every Student Matters. Every Moment Counts.*

# COMPLIANCE SECTION



Jaramillo Accounting Group LLC

Certified Public Accountants

Audit, Fraud, Consulting

[www.JAG.CPA](http://www.JAG.CPA)

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

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Education**  
**Los Lunas Schools**  
Los Lunas, New Mexico

and

**Mr. Joseph M. Maestas, P.E.**  
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, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of the Los Lunas Schools (the Schools) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the Table of Contents, and have issued our report thereon dated November 14, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Schools' 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 Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools' 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 did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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

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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Schools' financial statements are free from 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 did not disclose any instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

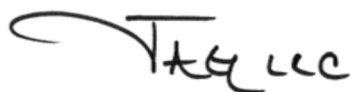
We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings as item 2022-002.

### **Schools' Response to Finding**

The Schools' response to the finding identified in our audit are described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings. The Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in black ink, appearing to read "JAG LLC", with a stylized flourish above the letters.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2022



**REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Education  
Los Lunas Schools**  
Los Lunas, New Mexico

and

**Mr. Joseph M. Maestas, P.E.**  
New Mexico State Auditor  
Santa Fe, New Mexico

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

***OPINION ON EACH MAJOR FEDERAL PROGRAM***

We have audited Los Lunas School's (the Schools) 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 Schools' major federal programs for the year ended June 30, 2022. The Schools' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Schools' compliance with the compliance requirements referred to above.



## RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Schools' federal programs.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## OTHER MATTERS

The results of our auditing procedures disclosed an instance of noncompliance 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 item 2022-001. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

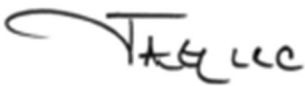
## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Schools' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Schools' response was not subjected to the other 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.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2022



# Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor or Pass-Through Grantor/Assistance Listings Program Title	Federal Assistance Listings Number	Passthrough Number	Amounts Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
Impact Aid	84.041		\$ -	\$ 247,445
Indian Education Grants to Local Educational Agencies	84.060		-	52,378
Pass-through State of New Mexico Public Education Department				
Title I Grants to Local Educational Agencies	84.010	24101	-	1,529,945
<i>Special Education Cluster</i>				
Special Education Grants to States	84.027	24106	-	2,387,794
Special Education Preschool Grants	84.173	24109	-	28,895
<i>Total Special Education Cluster</i>			-	2,416,689
Education for Homeless Children and Youth	84.196	24113	-	17,286
English Language Acquisition State Grants	84.365	24153	-	59,685
Supporting Effective Instruction State Grants	84.367	24154	-	327,182
Student Support and Academic Enrichment Program	84.424	24189	-	169,787
Comprehensive Literacy Development	84.371	24194	-	453,602
Career and Technical Education - Basic Grants to States	84.048	24174/24176	-	145,846
		24308/24316/		
COVID 19 - Education Stabilization Fund	84.425	24330/24350	-	3,852,012
Subtotal - Pass-through State of New Mexico PED			-	8,972,034
<b>Total U.S. Department of Education</b>			-	9,271,857
<b>U.S. Department of Agriculture</b>				
<i>Child Nutrition Cluster</i>				
Pass-through State of New Mexico Children, Youth, & Families Department				
Summer Food Service Program for Children	10.559	21000	-	43,409
Pass-through State of New Mexico Public Education Department				
Cash Assistance				
School Breakfast Program	10.553	21000	-	1,404,215
National School Lunch Program	10.555	21000	-	4,352,913
Pass-through State of New Mexico Human Services Department				
Non-Cash Assistance (Commodities)	10.555	21000	-	446,346
<i>Total Child Nutrition Cluster</i>			-	6,246,883
Rural Development, Forestry, and Communities	10.672		-	6,772
<b>Total U.S. Department of Agriculture</b>			-	6,253,655
<b>Total Federal Financial Assistance</b>			\$ -	\$ 15,525,512

See Notes to Schedule of Expenditures of Federal Awards.

# Notes to Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2022

## NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Los Lunas Schools (the Schools) under programs of the federal government for the year ended June 30, 2022. 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 Schools, it is not intended to and does not present the financial position or changes in financial position of the Schools.

## 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

The Schools did not have any subrecipients during the year ended June 30, 2022.

## NOTE 4. NON-CASH FEDERAL ASSISTANCE

The Schools receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same Assistance Listings Number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2022 was \$446,346. Commodities are recorded as revenues and expenditures in the Food Service fund.

## NOTE 5. INDIRECT COST RATE

During the year ended June 30, 2022, the New Mexico Public Education Department reimbursed the Schools for indirect costs at 3.9%.

## NOTE 6. RECONCILIATION OF FEDERAL REVENUE TO FEDERAL EXPENDITURES

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	\$ 15,525,512
The Schools as contractor relationship:	
Medicaid (Fund 25153)	1,767,408
Indirect cost recovery (Fund 11000)	355,876
Advanced Reimbursement Grants (Impact Aid - Fund 25145 and 25147)	55,480
Advanced Reimbursement Grants (CARES Act- Fund 24301 and 24305)	(436,177)
Reporting differences	132,504
<b>Federal revenue as reported in the financial statements</b>	<b>\$ 17,400,603</b>

# Summary Schedule of Prior Audit Findings

FOR THE YEAR ENDED JUNE 30, 2022

## FINANCIAL STATEMENT FINDINGS

NONE

## FEDERAL AWARD FINDINGS

NONE

## SECTION 12-6-5 NMSA 1978 FINDINGS

2021-001	Supply Inventory Controls	Resolved
2021-002	Gift Cards – Anti-donation Clause of the New Mexico Committee	Resolved



# Schedule of Findings and Questioned Costs

FOR THE YEAR ENDED JUNE 30, 2022

## SECTION I: SUMMARY OF AUDITOR'S RESULTS

### FINANCIAL STATEMENTS:

1	Type of auditor's report issued	Unmodified
2	Internal Control over Financial Reporting	
	a. Material Weakness Identified?	No
	b. Significant Deficiencies not considered to be material weakness?	No
	c. Non-compliance Material to the financial statements noted?	No

### FEDERAL AWARDS:

1	Internal Control over major programs	
	a. Material Weakness Identified?	No
	b. Significant Deficiencies not considered to be material weakness?	Yes
2	Type of auditor's report issued on compliance on major programs	Unmodified
3	Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes
4	Identification of Major Programs	
	<u>Federal Assistance Listings Number</u>	<u>Federal Assistance Listings Program Title</u>
	84.425	COVID 19 – Education Stabilization Fund
	10.553, 10.555, 10.559	Child Nutrition Cluster
5	Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6	Auditee qualified as a low-risk auditee?	Yes

## SECTION II: FINANCIAL STATEMENT FINDINGS

NONE

# Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2022

## SECTION III: FEDERAL AWARDS FINDINGS

2022-001	CHILD NUTRITION REPORTING CONTROLS
<b>Federal Program Information</b>	<p>Funding agency: U.S. Department of Agriculture, Passed through the New Mexico Department of Public Education</p> <p>Title: National School Lunch Program and School Breakfast Program</p> <p>ALN Number: 10.553 and 10.555</p> <p>Award Year: 2022</p> <p>Question Costs: None</p> <p>Type of Finding: Significant Deficiency, Non-compliance</p>
<b>Condition</b>	We tested 25 meal count tally sheets to review for compliance and controls over compliance with reporting requirements. On 23 out of the 25 tested tally sheets, at 13 out of 14 unique school sites in the sample, did not have sufficient evidence of review in accordance with federal guidelines.
<b>Criteria</b>	The OMB Compliance Supplement 2 CFR 200 section 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. Further guidance over food service counts, reconciliations, and approvals are found in the PSAB Supplement 17 of the Manual of Procedures outlined by the New Mexico Department of Public Education.
<b>Effect</b>	The Schools was not in compliance with its policies of reviewing the meal count tally sheets. There is a lack of accountability over meal counts performed.
<b>Cause</b>	New procedures had previously been implemented to resolve this finding during fiscal year 2020, but changes to procedures occurred as a result of the Schools change to participate in the Community Eligibility Program (CEP) in fiscal year 2022. Cash was no longer collected from students under this program, so simple tally sheets are now used at the "point of sale". There was a lack of standardization and oversight in implementing this transition, as school sites began to utilize their own newly created forms, which no longer contained required signatures.
<b>Recommendation</b>	We recommend the Schools utilize a standardized tally sheet form that requires review and approval by two different individuals, for each of breakfast and lunch counts. This form should be sent to the state oversight agency for approval of this new system of controls.
<b>Management Response</b>	<p><b>Corrective Action:</b> We will be creating universal tick sheets for the elementary and secondary schools. The internal control will be more manageable when we make this change. The tick sheets will be on separate sheets for breakfast and lunch and there will be a signature line on each sheet in order to identify the employee that ticked during the meal. All Student Nutrition employees will be instructed to use the standardized tick sheet and will be advised not to make any change to the form.</p> <p><b>Due Date of Completion:</b> December 31, 2022</p> <p><b>Responsible Party:</b> Director of Student Nutrition</p>

## Schedule of Section 12-6-5 NMSA 1978 Findings

FOR THE YEAR ENDED JUNE 30, 2022

<b>2022-002</b>	<b>BANK COLLATERALIZATION</b>
<b>Type of Finding</b>	Other Matters
<b>Condition</b>	The Schools had one bank account that was uninsured in the amount of \$782,879. State law requires collateralization of \$391,440 of this uninsured amount. The Schools did not have sufficient collateral in place to meet the State requirement and was under-collateralized by \$94,008.
<b>Criteria</b>	New Mexico State Statute Section 6-10-17, NMSA 1978, requires the Academy to collateralize an amount equal to one-half of the balance not covered by the Federal Deposit Insurance Corporation (FDIC) for depository accounts.
<b>Effect</b>	If the bank failed due to insufficient capital, the Schools could lose public monies. Public funds were not secured as required.
<b>Cause</b>	Management did not ensure this requirement was met – internal controls were not in place.
<b>Recommendation</b>	The Schools should arrange for collateral for bank deposits in excess of \$250,000. Alternatively, the Schools could maintain deposits with multiple banks with less than \$250,000 in each.
<b>Management Response</b>	<b>Corrective Action:</b> The District has met with the financial institution and will put appropriate collateralization into place.
<b>Due Date of Completion:</b> December 31, 2022	
<b>Responsible Party:</b> Chief Financial Officer	

## Exit Conference

JUNE 30, 2022

The contents of this report were discussed, in a closed session, on November 10, 2022 with Los Lunas Schools. The following individuals were in attendance:

### REPRESENTING LOS LUNAS SCHOOLS:

**DR. ARSENIO ROMERO**  
Superintendent

**CLAIRE CIEREMANS**  
Chief Financial Officer

**SANDY TRACZYK**  
Director of Finance

**BRUCE BENNETT**  
Board of Education - Secretary

**HENRY LOPEZ**  
Audit Committee Parent Representative

**KRISTEN GAMBOA**  
Audit Committee Community Member

### REPRESENTING JARAMILLO ACCOUNTING GROUP LLC (JAG):

**AUDREY J. JARAMILLO, CPA, CFE, J.M.**  
Managing Partner

**JUSTIN MEHNERT**  
Audit Supervisor

*JAG, the Schools' independent public auditor, assisted in the financial statements presented in this report. The Schools' management has reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes and they believe that their records adequately support the financial statements.*







# OTHER INFORMATION



## **CORRECTIVE ACTION PLAN**

November 14, 2022

U.S. Department of Education

Los Lunas Schools respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

**Jaramillo Accounting Group LLC  
4700 Lincoln Rd NE  
Albuquerque, New Mexico 87109**

Audit period:

**June 30, 2022**

The findings from the June 30, 2022 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS - FEDERAL AWARDS**

#### **SIGNIFICANT DEFICIENCY**

##### **2022-001 CHILD NUTRITION REPORTING CONTROLS**

##### **RECOMMENDATION**

We recommend the Schools utilize a standardized tally sheet form that requires review and approval by two different individuals, for each of breakfast and lunch counts. This form should be sent to the state oversight agency for approval of this new system of controls.

##### **MANAGEMENT RESPONSE**

**Corrective Action:** We will be creating universal tick sheets for the elementary and secondary schools. The internal control will be more manageable when we make this change. The tick sheets will be on separate sheets for breakfast and lunch and there will be a signature line on each sheet in order to identify the employee that ticked during the meal. All Student Nutrition employees will be instructed to use the standardized tick sheet and will be advised not to make any change to the form.

**Due Date of Completion:** December 31, 2022

**Responsible Party(ies):** Director of Student Nutrition

If the US Department of Education has questions regarding this plan, please call me at 505.866.8223.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Sandra Traczyk". The signature is fluid and cursive, with the first name "Sandra" and last name "Traczyk" clearly distinguishable.

Sandra Traczyk  
Director of Finance



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# JARAMILLO ACCOUNTING GROUP LLC (JAG)

CERTIFIED PUBLIC ACCOUNTANTS

4700 LINCOLN RD NE, ALBUQUERQUE, NM 87109

T: 505.323.2035

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