

Los Alamos Public Schools
Financial Statements
For the Year Ended June 30, 2022



Los Alamos
PUBLIC SCHOOLS

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LOS ALAMOS PUBLIC SCHOOLS

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LOS ALAMOS PUBLIC SCHOOLS

Official Roster

June 30, 2022

| <u>Name</u> | <u>Board of Education</u> | <u>Title</u> |
|---------------------|---------------------------------|------------------|
| Melanie Colgan | | President |
| Christine Bernstein | | Vice President |
| Antonio Jaurigue | | Secretary |
| Ellen Specter | | Member |
| Erin Green | | Member |
| | <u>Administrative Officials</u> | |
| Dr. Jose Delfin | | Superintendent |
| Teresa Gatewood | | Business Manager |

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INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq
New Mexico State Auditor
U.S. Office of Management and Budget
Board of Education and Management
Los Alamos Public Schools
Los Alamos, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of Los Alamos Public Schools (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of Los Alamos Public Schools, as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof, 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 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 Los Alamos Public 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 Los Alamos Public School's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Los Alamos Public School's 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 Los Alamos Public School's 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

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

Accounting principles generally accepted in the United States of America require Schedules A-1 through B-2 and notes to the Required Supplementary Information on pages 72 through 81 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 Los Alamos Public School's basic financial statements. The combining and individual fund financial statements, the combining financial statements for the general fund, 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*, and Supporting Schedules I through III required by 2.2.2 NMAC 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 combining and individual fund financial statements, the combining financial statements for the general fund, the Schedule of Expenditures of Federal Awards and the Supporting Schedules I through III required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022 on our consideration of the Los Alamos Public School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Los Alamos Public School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Los Alamos Public School's internal control over financial reporting and compliance.



Cordova CPAs LLC
Albuquerque, New Mexico
November 11, 2022

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**BASIC
FINANCIAL STATEMENTS**

LOS ALAMOS PUBLIC SCHOOLS

Statement of Net Position

June 30, 2022

| | <u>Primary Government</u> | | | |
|--|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> | <u>Component Unit</u> |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 19,468,109 | \$ 3,916,510 | \$ 23,384,619 | \$ 33,617 |
| Investments | 4,021,579 | 8,241,826 | 12,263,405 | - |
| Receivables: | | | | |
| Property taxes | 148,179 | - | 148,179 | - |
| Due from other governments | 1,550,204 | - | 1,550,204 | - |
| Miscellaneous | 40,944 | 2,115 | 43,059 | - |
| Lease receivable | - | 2,841,636 | - | - |
| Prepaid expenses | 5,563 | - | 5,563 | - |
| Inventory | 293,062 | - | 293,062 | - |
| Total current assets | <u>25,527,640</u> | <u>15,002,087</u> | <u>40,529,727</u> | <u>33,617</u> |
| Noncurrent assets | | | | |
| Restricted cash and cash equivalents | 11,516,909 | - | 11,516,909 | 74,260 |
| Investments | - | - | - | 435,205 |
| Right of use assets, net | 219,909 | - | 219,909 | - |
| Lease receivable | - | 24,969,304 | 24,969,304 | - |
| Capital assets | 211,833,092 | - | 211,833,092 | 2,515 |
| Less: accumulated depreciation | <u>(53,225,531)</u> | <u>-</u> | <u>(53,225,531)</u> | <u>(715)</u> |
| Total noncurrent assets | <u>170,344,379</u> | <u>24,969,304</u> | <u>195,313,683</u> | <u>511,265</u> |
| <i>Total assets</i> | <u>195,872,019</u> | <u>39,971,391</u> | <u>235,843,410</u> | <u>544,882</u> |
| Deferred outflows of resources | | | | |
| Deferred outflows- pension | 53,584,178 | 1,170,091 | 54,754,269 | - |
| Deferred outflows- OPEB | <u>6,110,520</u> | <u>152,849</u> | <u>6,263,369</u> | <u>-</u> |
| <i>Total deferred outflows of resources</i> | <u>59,694,698</u> | <u>1,322,940</u> | <u>61,017,638</u> | <u>-</u> |
| <i>Total assets and deferred outflows of resources</i> | <u>\$ 255,566,717</u> | <u>\$ 41,294,331</u> | <u>\$ 296,861,048</u> | <u>\$ 544,882</u> |

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

| | Primary Government | | | Component Unit |
|---|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 508,975 | \$ 2,437 | \$ 511,412 | \$ - |
| Accrued payroll | 1,475,070 | 15,540 | 1,490,610 | 3,558 |
| Unearned revenue | - | 142,158 | | |
| Accrued interest | 450,194 | - | 450,194 | - |
| Accrued compensated absences | 718,449 | - | 718,449 | - |
| Current portion of leases payable | 109,922 | - | 109,922 | - |
| Current portion of bonds payable | 8,595,000 | - | 8,595,000 | - |
| Total current liabilities | 11,857,610 | 160,135 | 12,017,745 | 3,558 |
| Noncurrent liabilities | | | | |
| Bonds payable | 23,445,000 | - | 23,445,000 | - |
| Bond premium, net of accumulated amortization of \$1,328,392 | 1,965,415 | - | 1,965,415 | - |
| Leases payable | 113,265 | - | 113,265 | - |
| Net pension liability | 63,506,094 | 1,386,751 | 64,892,845 | - |
| Net OPEB liability | 19,811,442 | 157,362 | 19,968,804 | - |
| Total noncurrent liabilities | 108,841,216 | 1,544,113 | 110,385,329 | - |
| Total liabilities | 120,698,826 | 1,704,248 | 122,403,074 | |
| Deferred inflows of resources | | | | |
| Deferred inflows- pension | 88,272,404 | 1,927,561 | 90,199,965 | - |
| Deferred inflows- OPEB | 10,777,513 | 198,916 | 10,976,429 | - |
| Deferred inflows- leases | - | 27,810,940 | 27,810,940 | - |
| Total deferred inflows of resources | 99,049,917 | 29,937,417 | 128,987,334 | - |
| Net position | | | | |
| Net investment in capital assets | 136,399,072 | - | 136,399,072 | 1,800 |
| Restricted for: | | | | |
| Debt service | 11,172,960 | - | 11,172,960 | - |
| Capital projects | 5,927,067 | - | 5,927,067 | - |
| Special revenue | 1,394,316 | - | 1,394,316 | - |
| Scholarships & endowments | - | - | - | 509,465 |
| Unrestricted | (119,075,441) | 9,652,666 | (109,422,775) | 30,059 |
| Total net position | 35,817,974 | 9,652,666 | 45,470,640 | 541,324 |
| Total liabilities, deferred inflows of resources, and net position | \$ 255,566,717 | \$ 41,294,331 | \$ 296,861,048 | \$ 544,882 |

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Activities
For the Year Ended June 30, 2022

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---|----------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary government: | | | | |
| Governmental Activities: | | | | |
| Instruction | \$ 28,977,975 | \$ 497,255 | \$ 7,362,918 | \$ 198,513 |
| Support services - students | 5,579,388 | 95,741 | 1,417,648 | 38,221 |
| Support services - instruction | 1,665,999 | 28,588 | 423,308 | 11,413 |
| Support services - general administration | 665,304 | 11,416 | 169,045 | 4,558 |
| Support services - school administration | 2,585,185 | 44,361 | 656,861 | 17,710 |
| Central services | 5,883,435 | 100,958 | 1,494,903 | 40,304 |
| Operation and maintenance of plant | 5,131,696 | 88,058 | 1,303,896 | 35,155 |
| Student transportation | 1,610,867 | - | 637,204 | - |
| Food services operations | 196,250 | - | 907 | - |
| Community services operations | 12,181 | 209 | 3,095 | 83 |
| Interest and other charges | 760,144 | - | - | - |
| <i>Total governmental activities</i> | <u>53,068,424</u> | <u>866,586</u> | <u>13,469,785</u> | <u>345,957</u> |
| Business-type activities: | | | | |
| Leased facilities | 2,373,484 | 3,758,863 | - | - |
| <i>Total business-type activities</i> | <u>2,373,484</u> | <u>3,758,863</u> | <u>-</u> | <u>-</u> |
| <i>Total Primary Government</i> | <u>\$ 55,441,908</u> | <u>\$ 4,625,449</u> | <u>\$ 13,469,785</u> | <u>\$ 345,957</u> |
| Component Unit: | | | | |
| Los Alamos Education Foundation | <u>\$ 300,031</u> | <u>\$ 69,822</u> | | |

General Revenues and Transfers:

Taxes:

Property taxes, levied for operating programs

Property taxes, levied for debt services

Property taxes, levied for capital projects

State equalization guarantee

Investment income (loss)

Loss on disposition of capital assets

Miscellaneous income

Transfers

Donations

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

| Net (Expense) Revenue and Changes in Net Position | | | |
|--|-------------------------------------|------------------------|-----------------------|
| Governmental Activities | Business-type Activities | Total | Component Unit |
| \$ (20,919,289) | \$ - | \$ (20,919,289) | \$ - |
| (4,027,778) | - | (4,027,778) | - |
| (1,202,690) | - | (1,202,690) | - |
| (480,285) | - | (480,285) | - |
| (1,866,253) | - | (1,866,253) | - |
| (4,247,270) | - | (4,247,270) | - |
| (3,704,587) | - | (3,704,587) | - |
| (973,663) | - | (973,663) | - |
| (195,343) | - | (195,343) | - |
| (8,794) | - | (8,794) | - |
| (760,144) | - | (760,144) | - |
| <u>(38,386,096)</u> | <u>-</u> | <u>(38,386,096)</u> | <u>-</u> |
| - | 1,385,379 | 1,385,379 | - |
| - | 1,385,379 | 1,385,379 | - |
| <u>\$ (38,386,096)</u> | <u>\$ 1,385,379</u> | <u>\$ (37,000,717)</u> | <u>-</u> |
| | | | <u>(230,209)</u> |
| 286,120 | - | 286,120 | - |
| 7,606,814 | - | 7,606,814 | - |
| 2,588,371 | - | 2,588,371 | - |
| 32,098,679 | - | 32,098,679 | - |
| 40,132 | 944,211 | 984,343 | (64,550) |
| (6,000) | - | (6,000) | - |
| 72,974 | - | 72,974 | - |
| 140,000 | (140,000) | - | - |
| - | - | - | 235,887 |
| <u>42,827,090</u> | <u>804,211</u> | <u>43,631,301</u> | <u>171,337</u> |
| 4,440,994 | 2,189,590 | 6,630,584 | (58,872) |
| <u>31,376,980</u> | <u>7,463,076</u> | <u>38,840,056</u> | <u>600,196</u> |
| <u>\$ 35,817,974</u> | <u>\$ 9,652,666</u> | <u>\$ 45,470,640</u> | <u>\$ 541,324</u> |

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

LOS ALAMOS PUBLIC SCHOOLS

Balance Sheet
Governmental Funds
June 30, 2022

| | General Fund | Bond Building Capital Projects Fund 31100 | Capital Improvements HB-33 Capital Projects Fund 31600 |
|--|---------------------|--|---|
| | <u>General Fund</u> | <u>Fund 31100</u> | <u>31600</u> |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 3,984,589 | \$ 11,982,026 | \$ 2,014,654 |
| Investments | - | - | 4,021,579 |
| Receivables: | | | |
| Property taxes | 4,615 | - | 37,319 |
| Due from other governments | 3,516 | - | 130,580 |
| Miscellaneous | 37,765 | - | - |
| Prepaid expenses | - | - | - |
| Inventory | 293,062 | - | - |
| Due from other funds | 1,439,694 | - | - |
| | <u>1,439,694</u> | <u>-</u> | <u>-</u> |
| <i>Total assets</i> | <u>\$ 5,763,241</u> | <u>\$ 11,982,026</u> | <u>\$ 6,204,132</u> |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ 27,786 | \$ 181,822 | \$ 277,065 |
| Accrued payroll | 1,419,692 | - | - |
| Due to other funds | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Total liabilities</i> | <u>1,447,478</u> | <u>181,822</u> | <u>277,065</u> |
| <i>Fund balances</i> | | | |
| Nonspendable: | | | |
| Inventory | 293,062 | - | - |
| Spendable: | | | |
| Restricted for: | | | |
| Transportation | 3,516 | - | - |
| Instructional materials | 947 | - | - |
| Food services | - | - | - |
| Extracurricular activities | - | - | - |
| Education | - | - | - |
| Capital acquisitions and improvements | - | 11,800,204 | 5,927,067 |
| Debt service | - | - | - |
| Committed for: | | | |
| Subsequent year's expenditures | 2,593,999 | - | - |
| Unassigned | 1,424,239 | - | - |
| | <u>1,424,239</u> | <u>-</u> | <u>-</u> |
| <i>Total fund balances</i> | <u>4,315,763</u> | <u>11,800,204</u> | <u>5,927,067</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 5,763,241</u> | <u>\$ 11,982,026</u> | <u>\$ 6,204,132</u> |

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

| Debt Service Fund 41000 | Other Governmental Funds | Total |
|--|---|----------------------|
| \$ 11,516,909 | \$ 1,486,840 | \$ 30,985,018 |
| - | - | 4,021,579 |
| 106,245 | - | 148,179 |
| - | 1,416,108 | 1,550,204 |
| - | 3,179 | 40,944 |
| - | 5,563 | 5,563 |
| - | - | 293,062 |
| - | - | 1,439,694 |
| <u>\$ 11,623,154</u> | <u>\$ 2,911,690</u> | <u>\$ 38,484,243</u> |
| \$ - | \$ 22,302 | \$ 508,975 |
| - | 55,378 | 1,475,070 |
| - | 1,439,694 | 1,439,694 |
| - | 1,517,374 | 3,423,739 |
| - | - | 293,062 |
| - | - | 3,516 |
| - | - | 947 |
| - | 128,330 | 128,330 |
| - | 998,680 | 998,680 |
| - | 311,982 | 311,982 |
| - | - | 17,727,271 |
| 11,623,154 | - | 11,623,154 |
| - | - | 2,593,999 |
| - | (44,676) | 1,379,563 |
| <u>11,623,154</u> | <u>1,394,316</u> | <u>35,060,504</u> |
| <u>\$ 11,623,154</u> | <u>\$ 2,911,690</u> | <u>\$ 38,484,243</u> |

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

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LOS ALAMOS PUBLIC SCHOOLS
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 June 30, 2022

Exhibit B-1
 Pages 2 of 2

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

| | |
|--|---------------|
| Fund balances - total governmental funds | \$ 35,060,504 |
|--|---------------|

| | |
|---|-------------|
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds | 158,607,561 |
|---|-------------|

| | |
|---|---------|
| Right of use asset, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds | 219,909 |
|---|---------|

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

| | |
|------------------------------|--------------|
| Deferred outflows - pensions | 53,584,178 |
| Deferred outflows - OPEB | 6,110,520 |
| Deferred inflows - pensions | (88,272,404) |
| Deferred outflows - OPEB | (10,777,513) |

Liabilities, including bonds payable, leases payable, and net pension and OPEB liabilities are not due and
 payable in the current period and, therefore, are not reported in the funds:

| | |
|--|--------------|
| Accrued compensated absences not due and payable | (718,449) |
| Accrued interest payable | (450,194) |
| Leases payable | (223,187) |
| Bonds payable | (32,040,000) |
| Bond premiums (net of amortization) | (1,965,415) |
| Net pension liability | (63,506,094) |
| Net OPEB liability | (19,811,442) |

| | |
|---|-----------------------------|
| <i>Total net position - governmental activities</i> | <u><u>\$ 35,817,974</u></u> |
|---|-----------------------------|

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

| | <u>General Fund</u> | <u>Bond Building Capital Projects Fund 31100</u> | <u>Capital Improvements HB-33 Capital Projects Fund 31600</u> |
|--|---------------------|--|---|
| <i>Revenues</i> | | | |
| Property taxes | \$ 287,621 | \$ - | \$ 2,600,667 |
| Intergovernmental revenue: | | | |
| Federal flowthrough | 18,959 | - | - |
| Federal direct | 8,965,208 | - | - |
| Local sources | 500 | - | - |
| State flowthrough | 588,800 | - | 345,957 |
| State direct | 32,098,679 | - | - |
| Transportation distribution | 637,204 | - | - |
| Charges for services | 176,611 | - | - |
| Investment income | 5,236 | 9,360 | 22,065 |
| Miscellaneous | - | - | 69,474 |
| <i>Total revenues</i> | <u>42,778,818</u> | <u>9,360</u> | <u>3,038,163</u> |
| <i>Expenditures</i> | | | |
| Current: | | | |
| Instruction | 26,216,483 | - | - |
| Support services - students | 4,272,673 | - | - |
| Support services - instruction | 1,514,456 | - | - |
| Support services - general administration | 526,867 | - | 25,875 |
| Support services - school administration | 2,370,291 | - | - |
| Central services | 1,747,768 | - | - |
| Operation and maintenance of plant | 5,387,666 | - | - |
| Student transportation | 942,736 | - | - |
| Food services operations | - | - | - |
| Community services operations | 1,749 | - | - |
| Capital outlay | - | 1,043,154 | 3,853,797 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Bond issuance costs | - | 128,059 | - |
| <i>Total expenditures</i> | <u>42,980,689</u> | <u>1,171,213</u> | <u>3,879,672</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(201,871)</u> | <u>(1,161,853)</u> | <u>(841,509)</u> |
| <i>Other financing sources (uses)</i> | | | |
| Transfers in | 387 | - | - |
| Transfers (out) | - | - | - |
| Bond premium | - | 128,059 | - |
| Bond proceeds | - | 10,000,000 | - |
| Lease proceeds | - | 329,864 | - |
| <i>Total other financing sources (uses)</i> | <u>387</u> | <u>10,457,923</u> | <u>-</u> |
| <i>Net change in fund balances</i> | (201,484) | 9,296,070 | (841,509) |
| <i>Fund balances - beginning</i> | <u>4,517,247</u> | <u>2,504,134</u> | <u>6,768,576</u> |
| <i>Fund balances - end of year</i> | <u>\$ 4,315,763</u> | <u>\$ 11,800,204</u> | <u>\$ 5,927,067</u> |

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

| Debt Service Fund 41000 | Other Governmental Funds | Total |
|--|---|----------------------|
| \$ 7,640,752 | \$ - | \$ 10,529,040 |
| - | 1,466,486 | 1,485,445 |
| - | 372,420 | 9,337,628 |
| - | 23,983 | 24,483 |
| - | 1,386,290 | 2,321,047 |
| - | 9,935 | 32,108,614 |
| - | - | 637,204 |
| - | 689,975 | 866,586 |
| 3,454 | 17 | 40,132 |
| - | 3,500 | 72,974 |
| <u>7,644,206</u> | <u>3,952,606</u> | <u>57,423,153</u> |
| - | 2,626,668 | 28,843,151 |
| - | 933,042 | 5,205,715 |
| - | 22,838 | 1,537,294 |
| 76,031 | - | 628,773 |
| - | 5,115 | 2,375,406 |
| - | - | 1,747,768 |
| - | 35,901 | 5,423,567 |
| - | 24,768 | 967,504 |
| - | 195,793 | 195,793 |
| - | 9,838 | 11,587 |
| - | 478,897 | 5,375,848 |
| 5,395,000 | - | 5,395,000 |
| 753,222 | - | 753,222 |
| - | - | 128,059 |
| <u>6,224,253</u> | <u>4,332,860</u> | <u>58,588,687</u> |
| <u>1,419,953</u> | <u>(380,254)</u> | <u>(1,165,534)</u> |
| - | 140,000 | 140,387 |
| - | (387) | (387) |
| 718,690 | - | 846,749 |
| - | - | 10,000,000 |
| - | - | 329,864 |
| <u>718,690</u> | <u>139,613</u> | <u>11,316,613</u> |
| 2,138,643 | (240,641) | 10,151,079 |
| <u>9,484,511</u> | <u>1,634,957</u> | <u>24,909,425</u> |
| <u>\$ 11,623,154</u> | <u>\$ 1,394,316</u> | <u>\$ 35,060,504</u> |

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

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LOS ALAMOS PUBLIC SCHOOLS
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2022

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

| | |
|--|---------------|
| Net change in fund balances - total governmental funds | \$ 10,151,079 |
|--|---------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

| | |
|---------------------------------------|-------------|
| Capital expenditures and adjustments | 5,210,738 |
| Depreciation expense | (4,321,796) |
| Loss on disposition of capital assets | (6,000) |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

| | |
|--|----------|
| Change in unavailable revenue related to property taxes receivable | (47,735) |
|--|----------|

Expenses in the Statement of Activities that are not paid from current financial resources are not reported as expenditures in the funds:

| | |
|--|-----------|
| Amortization expense on right of use asset | (109,955) |
|--|-----------|

Governmental funds report District pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension and OPEB expense:

| | |
|---|-------------|
| District pension contributions subsequent to measurement date | 4,503,056 |
| District OPEB contributions subsequent to measurement date | 592,735 |
| Net Pension expense | (7,987,980) |
| Net OPEB income | 1,659,655 |

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

| | |
|--|--------------|
| Principal payments on leases | 106,677 |
| Original issue bond premiums | (846,749) |
| Current year amortization of bond premiums and discounts | 225,213 |
| Decrease in accrued compensated absences not due and payable | 20,120 |
| Increase in accrued interest payable | (103,064) |
| Proceeds from bond proceeds | (10,000,000) |
| Principal payments on bonds | 5,395,000 |

| | |
|--|----------------------------|
| <i>Change in net position of governmental activities</i> | <u><u>\$ 4,440,994</u></u> |
|--|----------------------------|

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

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LOS ALAMOS PUBLIC SCHOOLS

Exhibit C-1

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variations |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | Favorable (Unfavorable) Final to Actual |
| <i>Revenues</i> | | | | |
| Property taxes | \$ 283,399 | \$ 283,399 | \$ 285,833 | \$ 2,434 |
| Intergovernmental revenue: | | | | |
| Federal flowthrough | - | 18,958 | 18,959 | 1 |
| Federal direct | 9,053,176 | 9,053,176 | 8,965,208 | (87,968) |
| Local sources | 129,227 | 129,227 | 500 | (128,727) |
| State flowthrough | - | 490,018 | 583,101 | 93,083 |
| State direct | 31,757,019 | 32,098,679 | 32,098,679 | - |
| Transportation distribution | 633,688 | 633,688 | 633,688 | - |
| Charges for services | 20,000 | 20,000 | 168,264 | 148,264 |
| Investment income | 66,000 | 66,000 | 5,236 | (60,764) |
| Total revenues | 41,942,509 | 42,793,145 | 42,759,468 | (33,677) |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| Instruction | 26,982,434 | 27,614,112 | 26,198,982 | 1,415,130 |
| Support services - students | 4,805,823 | 4,805,823 | 4,280,775 | 525,048 |
| Support services - instruction | 1,592,902 | 1,592,902 | 1,514,456 | 78,446 |
| Support services - general administration | 836,320 | 836,320 | 526,867 | 309,453 |
| Support services - school administration | 2,172,569 | 2,172,569 | 2,370,291 | (197,722) |
| Central services | 1,757,833 | 1,857,833 | 1,748,273 | 109,560 |
| Operation and maintenance of plant | 5,583,714 | 5,683,714 | 5,422,447 | 261,267 |
| Student transportation | 746,695 | 765,653 | 952,343 | (186,690) |
| Community services operations | 5,134 | 5,134 | 1,749 | 3,385 |
| Total expenditures | 44,483,424 | 45,334,060 | 43,016,183 | 2,317,877 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (2,540,915) | (2,540,915) | (256,715) | 2,284,200 |
| <i>Other financing sources (uses)</i> | | | | |
| Designated cash (budgeted increase in cash) | 2,540,915 | 2,540,915 | - | (2,540,915) |
| Transfers in | - | - | 387 | 387 |
| Total other financing sources (uses) | 2,540,915 | 2,540,915 | 387 | (2,540,528) |
| <i>Net change in fund balance</i> | - | - | (256,328) | (256,328) |
| <i>Fund balance - beginning of year</i> | - | - | 4,260,919 | 4,260,919 |
| <i>Fund balance - end of year</i> | \$ - | \$ - | \$ 4,004,591 | \$ 4,004,591 |
| Net change in fund balance (Non-GAAP Budgetary Basis) | | | | \$ (256,328) |
| Adjustments to revenues for taxes and intergovernmental revenue | | | | 19,350 |
| Adjustments to expenditures for supplies, professional development, and other charges | | | | 35,494 |
| <i>Net change in fund balance (GAAP Basis)</i> | | | | \$ (201,484) |

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

LOS ALAMOS PUBLIC SCHOOLS

Statement of Net Position

Proprietary Funds

June 30, 2022

| | Leased Facilities 62000 |
|--|--|
| Assets | |
| <i>Current assets</i> | |
| Cash and cash equivalents | \$ 3,916,510 |
| Investments | 8,241,826 |
| Due from other governments | 2,115 |
| Lease receivable | 2,841,636 |
| <i>Total current assets</i> | <u>15,002,087</u> |
| <i>Noncurrent assets</i> | |
| Lease receivable | 24,969,304 |
| <i>Total noncurrent assets</i> | <u>24,969,304</u> |
| <i>Total assets</i> | <u>39,971,391</u> |
| Deferred outflows of resources | |
| Deferred outflows- pension | 1,170,091 |
| Deferred outflows- OPEB | 152,849 |
| <i>Total deferred outflows of resources</i> | <u>1,322,940</u> |
| <i>Total assets and deferred outflows of resources</i> | <u><u>\$ 41,294,331</u></u> |

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

| | Leased Facilities 62000 |
|--|--|
| Liabilities | |
| <i>Current liabilities</i> | |
| Accounts payable | \$ 2,437 |
| Accrued payroll | 15,540 |
| Unearned revenue | 142,158 |
| <i>Total current liabilities</i> | <u>160,135</u> |
| <i>Noncurrent liabilities</i> | |
| Net pension liability | 1,386,751 |
| Net OPEB Liability | 157,362 |
| <i>Total noncurrent liabilities</i> | <u>1,544,113</u> |
| <i>Total liabilities</i> | <u>1,704,248</u> |
| Deferred inflows of resources | |
| Deferred inflows- pension | 1,927,561 |
| Deferred inflows- OPEB | 198,916 |
| Deferred inflows- leases | 27,810,940 |
| <i>Total deferred inflows of resources</i> | <u>29,937,417</u> |
| Net position | |
| Unrestricted | <u>9,652,666</u> |
| <i>Total net position</i> | <u>9,652,666</u> |
| <i>Total liabilities, deferred inflows of resources and net position</i> | <u><u>\$ 41,294,331</u></u> |

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit D-2

| | Leased Facilities 62000 |
|--|--|
| <i>Operating revenues</i> | |
| Charges for services | \$ 3,758,863 |
| <i>Total operating revenues</i> | 3,758,863 |
| <i>Operating expenses</i> | |
| Payroll costs | 865,514 |
| Contractual services | 172,448 |
| Other operating costs | 1,158,484 |
| Non-capital equipment | 177,038 |
| <i>Total operating expenses</i> | 2,373,484 |
| <i>Operating loss</i> | 1,385,379 |
| <i>Non-operating revenues (expenses)</i> | |
| Interest income | 944,211 |
| <i>Total non-operating revenues (expenses)</i> | 944,211 |
| <i>Income before contributions and transfers</i> | 2,329,590 |
| Transfers (out) | (140,000) |
| <i>Change in net position</i> | 2,189,590 |
| <i>Total net position, beginning of year</i> | 7,463,076 |
| <i>Total net position, end of year</i> | \$ 9,652,666 |

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit D-3

| | | Leased Facilities 62000 |
|--|----|--|
| | | 62000 |
| <i>Cash flows from operating activities:</i> | | |
| Cash received from user charges | \$ | 3,606,419 |
| Cash payments to employees for services | | (787,404) |
| Cash payments to suppliers for goods and services | | (1,518,747) |
| <i>Net cash provided by operating activities</i> | | 1,300,268 |
| <i>Cash flows from investing activities:</i> | | |
| Interest from leases | | 870,277 |
| Interest on investments | | 73,934 |
| <i>Net cash provided by investing activities</i> | | 944,211 |
| <i>Net increase in cash and cash equivalents</i> | | 2,104,479 |
| <i>Cash and cash equivalents - beginning of year</i> | | 10,053,857 |
| <i>Cash and cash equivalents - end of year</i> | \$ | 12,158,336 |
| <i>Reconciliation of operating income to net cash provided (used) by operating activities:</i> | | |
| Operating income | \$ | 1,385,379 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Net pension and OPEB income | | 79,475 |
| Changes in assets and liabilities: | | |
| Receivables | | (2,115) |
| Accounts payable | | (10,777) |
| Accrued payroll expenses | | (1,365) |
| Unearned revenue | | (150,329) |
| <i>Net cash provided by operating activities</i> | \$ | 1,300,268 |

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Fiduciary Net Position
June 30, 2022

Exhibit E-1

| | Private Purpose Trust Funds |
|---------------------------|--|
| <i>Current assets</i> | |
| Cash and cash equivalents | \$ 2,402 |
| Investments | <u>253,905</u> |
| <i>Total assets</i> | <u><u>\$ 256,307</u></u> |
| | |
| <i>Net Position</i> | |
| Restricted net position | <u>256,307</u> |
| <i>Total net position</i> | <u><u>\$ 256,307</u></u> |

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

LOS ALAMOS PUBLIC SCHOOLS
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022

Exhibit E-2

| | Private Purpose Trust Funds |
|--------------------------|--|
| | |
| <i>Additions:</i> | |
| Investment earnings | \$ 2,613 |
| <i>Total additions</i> | 4,676 |
| <i>Deductions:</i> | |
| Scholarships | 22,050 |
| <i>Total deductions</i> | 22,050 |
| Change in net position | (17,374) |
| Beginning - net position | 273,681 |
| Ending - net position | \$ 256,307 |

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

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. **Summary of Significant Accounting Policies**

Los Alamos Public Schools (the “District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of Los Alamos, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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 Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates eight schools within the District with a total enrollment of approximately 3,449 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the District provides transportation and school food services for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of Los Alamos Public Schools’ management, who is responsible for their integrity and objectivity. The financial statements of the Los Alamos Public Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District’s accounting policies are described below. For the year ended June 30, 2022, there is no GASB Statement No. 77 disclosure requirement.

A. Financial Reporting Entity

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

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

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

Based upon the application of these criteria, the District has one component unit as described in the following paragraphs, and is not a component unit of another governmental agency. The Los Alamos Education Foundation is a component unit of the District, as defined by GASB Statement No. 61, and has a separate governing board. The Foundation is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

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 of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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.

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 District's 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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statements. 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.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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.

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

Under the requirements of GASB Statement No. 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the 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 Fund:

The *Operational Fund* is used to account for the State Equalization Guarantee from the NM State Legislature and is the primary operating fund of the District, 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 *Transportation Fund* 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* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. Authority for the creation of this fund is the New Mexico Public Education Department.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Capital Projects Funds:

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

The *Capital Improvements HB-33 Capital Projects Fund* is used to account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of purchasing assets and supplies.

Debt Service Funds:

The *Debt Service Fund* 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.

Additionally, the government reports the following proprietary and fiduciary fund types:

Proprietary Funds

The *Leased Facilities Fund* is used to account for the rental income generated from facilities leased by the District.

Fiduciary Funds:

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. These funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or student organizations.

The *Private Purpose Trust Fund* (The Zenas Boone Memorial Scholarship) stems from money bequeathed by the family of Irene Boone (husband is Zenas Boone) to Los Alamos High School. Irene Boone had owned a pediatric and adolescent medical practice in Los Alamos for thirty-one years. Prior to that she had worked at Los Alamos National Laboratory as the Section Leader for Cellular Biology in the Health Research Division. No instructions were left for the use of the money but it was determined that the best use of the money would be the establishment of scholarships for needy students graduating from Los Alamos High School. As this was determined to be a Private Purpose Trust Fund, Los Alamos Public Schools houses the money in its own separate account while the Foundation has established a committee to determine the parameters for the amounts to be awarded annually and to whom the awards are made.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. 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 and IDEA-B to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from the state resources 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 District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with the function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated 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

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from the date of acquisition. For purposes of the Statement of Cash Flows, cash and cash equivalents include cash and cash equivalents and investments as these are certificates of deposit.

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

Investments for the District are reported at fair value. 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 District did not hold any pool shares in the State Treasurer's Investment Pool.

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).

Restricted Assets: Restricted assets are those that are set aside for restrictions resulting from enabling legislation for future capital outlay expenditures and debt service payments. The District's restricted assets are made up of debt service funds that cannot be spent in the subsequent year.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables: Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund 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 costs as a reimbursement. All other inter-fund 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 District receives monthly income from a tax levy in Los Alamos County. The funds are collected by the County Treasurer and are remitted to the District in the following month. Under the modified accrual method of accounting, the amount remitted by the Los Alamos County Treasurers 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 sixty days subsequent to year end for property taxes 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.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories are actually consumed. Inventory is valued at cost. In the General Fund, inventory consists of expendable supplies held for consumption.

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.

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 District was a phase II government for purposes of implementing GASB Statement No. 34. However, the District does not have any infrastructure assets to report.

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

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 District's building construction projects by the New Mexico Public School Facilities Authority are included in the District's capital assets as appropriate.

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

| | |
|-----------------------------------|-------------|
| Land improvements | 10-50 years |
| Buildings and improvements | 10-50 years |
| Furniture, fixtures and equipment | 5-15 years |

Accrued Payroll Liabilities: In the fund financial statements, governmental fund types recognize the accrual of unpaid salaries, wages, and benefits that employees 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.

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 District has four types of items that qualify for reporting in this category related to the pension and OPEB plans which are discussed at Notes 11 and 12.

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 a 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 District has two types of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded no deferred inflows of resources related to property taxes that are considered “unavailable”. In addition the District has recorded \$27,810,940 related to leases as noted in Note 6. The District also has items related to the pension and OPEB plans which are discussed at Notes 11 and 12.

Compensated Absences: Qualified employees are entitled to earn and accumulate annual leave according to a graduated level schedule of up to 20 days per year, depending on length of service and employment status. Employees may accumulate and carry forward from one fiscal year to the next up to 40 days of annual leave. Upon termination, employees will be paid for up to 40 days of accrued annual leave. Administrators can be paid out to 65 days, dependent upon their years of service.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Qualified employees are entitled to accumulate sick leave according to a graduated level schedule of up to 16 days per year, depending on length of service and employment status. Employees may accumulate and carry forward a maximum of 230 days of sick leave. Employees are eligible for deferred sick leave payment upon retirement from the District at a rate of 25-30% of the employee's daily salary rate for any days above a 90 day base, up to a maximum of 140 days.

Vested or accumulated vacation leave that is expected to be liquidated with the expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with the expendable available financial resources are reported in the government-wide statement of net position.

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 debt proceeds received, are reported as debt services expenditures.

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

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District has \$11,800,204 in unspent bond proceeds at June 30, 2022.

Restricted Net Position: Consist 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. 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 "special revenue, debt service or capital projects."

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Unrestricted Net Position: All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

The government-wide Statement of Net Position reports \$18,494,343 of restricted net position related to grants, capital projects and debt service.

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

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

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2022, the nonspendable fund balance of the District is comprised of inventory in the General fund of \$293,062 which is not in spendable form.

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

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s Board of Education. Those committed amounts cannot be used for any other purpose unless the District’s Board of Education removes or changes the specified use by taking formal action.

Assigned: Consist of amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. Formal action by the District’s Board of Education is required to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund except for those other governmental funds reflecting a deficit.

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.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets and the net pension and net 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. The District received \$32,098,679 in state equalization guarantee distributions during the year ended June 30, 2022.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available' on a modified accrual basis. The District recognized \$10,529,040 in tax revenues during the year ended June 30, 2022. 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.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Los Alamos 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 twelve attending public school within the school district. The District received \$637,204 in transportation distributions during the year ended June 30, 2022.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (Continued)

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of materials listed in the PED "Multiple List", while fifty percent of each allocation is available for purchases directly from vendors. The District did not receive any allocations from the State for the year ended June 30, 2022.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The school district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During fiscal year 2022, the District did not receive any special capital outlay funds. The District did, however, receive \$172,568 from PSFA which flows through the Bond Building Capital Project Fund.

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

The District received no amounts in state SB-9 matching during the year end June 30, 2022.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (Continued)

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program 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 School Board and the New Mexico Public Education Department.

F. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board 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 payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Postemployment 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.

H. Newly Adopted GASB Pronouncements

During the year ended June 30, 2022 the District assessed GASB Statements No. 87, Lease's effect on its financial statements and management has made the changes to the financial statements, see Note 6 for more detail.

The District also adopted GASB Statements No. 89, Accounting for Interest Cost Incurred before the End of a Construction period, No. 92 Omnibus, No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance, No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. None of these pronouncements have a significant impact on these financial statements.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

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 a designated portion of the 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 the New Mexico Public Education Department.

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

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

1. In April or May, the local school board submits to the 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 submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the 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 District 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 District 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 District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the 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.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information - (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 District 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 Los Alamos Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
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.

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. These amendments resulted in the following changes:

| | Excess (deficiency) of revenues over expenditures | |
|-----------------|--|-------------------------|
| | Original Budget | Final Budget |
| Budgeted Funds: | | |
| General Fund | \$ (2,540,915) | \$ (2,540,915) |

The District is required to balance its budgets 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 District 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 District's accrued payroll which is presented on the accrual basis.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 3. Deposits and Investments

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2022.

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

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

Excess 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 Schedule I 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.

Deposits:

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978.) At June 30, 2022, \$36,348,531 of the District's deposits of \$47,696,277 was exposed to custodial credit risk. \$36,348,531 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. As of June 30, 2022, there was no amounts uninsured and uncollateralized. As of June 30, 2022, the carrying amount of these deposits was \$41,859,375; total amount of deposits of \$42,138,332 less outstanding items of \$278,957. 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 District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 3. Deposits and Investments (continued)

Primary Government

| | Sunflower/First National Bank 1870 | Enterprise Bank & Trust | Century Bank |
|---|---|--|---------------------|
| Amount of deposits | \$ 16,845,535 | \$ 25,595,660 | \$ 5,006,367 |
| FDIC Coverage | (5,842,664) | (250,000) | (5,006,367) |
| Total uninsured public funds | 11,002,871 | 25,345,660 | - |
| Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name | 11,002,871 | 25,345,660 | - |
| Uninsured and uncollateralized | \$ - | \$ - | \$ - |
| Collateral requirement (50% of uninsured funds) | \$ 5,501,436 | \$ 12,672,830 | \$ - |
| Pledged Collateral | 12,220,569 | 27,973,168 | - |
| Over (Under) collateralized | \$ 6,719,133 | \$ 15,300,338 | \$ - |
| | Los Alamos Credit Union | Century Trust | Total |
| Amount of deposits | \$ 202,790 | \$ 45,925 | \$ 47,696,277 |
| FDIC Coverage | (202,790) | (45,925) | (11,347,746) |
| Total uninsured public funds | - | - | 36,348,531 |
| Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name | - | - | 36,348,531 |
| Uninsured and uncollateralized | \$ - | \$ - | \$ - |
| Collateral requirement (50% of uninsured funds) | \$ - | \$ - | \$ 18,174,266 |
| Pledged Collateral | - | - | 40,193,737 |
| Over (Under) collateralized | \$ - | \$ - | \$ 22,019,471 |

The District obtained three shadow accounts during the year end 2022. The shadow accounts are accounts set up to reflect the balances which are in ICS. When the District places a deposit into the ICS account at Sunflower Bank it is sent into the IntraFi Network (ICS network) which is then placed in network banks in amounts below the FDIC Insurance amount of \$250,000. The result is the District has one bank relationship and is able to obtain security by FDIC protection via the ICS network.

Certificates of deposits with maturity dates of three months or less were included in the total amount of deposits. The District has presented certificates of deposits of \$12,263,405 as investments in the Statement of Net Position, as these have maturity dates greater than 90 days.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 3. Deposits and Investments (continued)

Primary Government(continued)

Reconciliation to the Statement of Net Position:

| | |
|---|----------------------|
| Cash and cash equivalents- Exhibit A-1 | \$ 23,384,619 |
| Restricted cash and cash equivalents- Exhibit A-1 | 11,516,909 |
| Investments- Exhibit A-1 | 12,263,405 |
| Cash and cash equivalents - Fiduciary funds - Exhibit E-1 | 2,402 |
| Investments- Fiduciary funds - Exhibit E-1 | <u>253,905</u> |
| Total cash and cash equivalents | 47,421,240 |
| Plus: reconciling items | 278,957 |
| Less: petty cash | <u>(3,920)</u> |
| Bank balance of deposits | <u>\$ 47,696,277</u> |

Component Unit

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. At June 30, 2022, there were no deposits of the Foundation's bank balance of \$131,961 subject to custodial credit risk. As of June 30, 2022, the carrying amount of these deposits was \$107,877. The Foundation is a 501(c)(3) tax exempt organization not subject to the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Investments

The Foundation maintains equity investments in the Edward Jones Association Account in the amount of \$435,205 as of June 30, 2022:

Fair Value Measurement

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). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 3. Deposits and Investments (continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2022:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------|------------------|----------------|----------------|-------------------|
| Equities | <u>\$435,205</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 435,205</u> |

Component Unit

Reconciliation to the Statement of Net Position:

| | |
|---|-------------------|
| Cash and cash equivalents- Exhibit A-1 | \$ 33,617 |
| Investments- Exhibit A-1 | 435,205 |
| Restricted cash and cash equivalents- Exhibit A-1 | <u>74,260</u> |
| Total cash and cash equivalents | 543,082 |
| Plus: reconciling items | 24,084 |
| Less: Investments- Exhibit A-1 | <u>(435,205)</u> |
| Bank balance of deposits | <u>\$ 131,961</u> |

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 4. Receivables

Receivables as of June 30, 2022 are as follows:

| Governmental activities | General Fund | Capital Improvements HB-33 Capital Projects Fund | Debt Service Fund |
|--|---|---|------------------------------|
| Property taxes receivable | \$ 4,615 | \$ 37,319 | \$ 106,245 |
| Due from other governments: | | | |
| Federal sources | - | - | - |
| State sources | 3,516 | 130,580 | - |
| Other receivables: | | | |
| Reimbursement for insurance and specialists | 37,765 | - | - |
| Miscellaneous | - | - | - |
| | <u>\$ 45,896</u> | <u>\$ 167,899</u> | <u>\$ 106,245</u> |
| | Other Governmental Funds | Total | |
| Property taxes receivable | \$ - | \$ 148,179 | |
| Due from other governments: | | | |
| Federal sources | 744,457 | 744,457 | |
| State sources | 671,651 | 805,747 | |
| Other receivables: | | | |
| Reimbursement for insurance and specialists | - | 37,765 | |
| Miscellaneous | 3,179 | 3,179 | |
| | <u>\$ 1,419,287</u> | <u>\$ 1,739,327</u> | |

In accordance with GASB No. 33, there were no property tax 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. All of the above receivables are deemed to be fully collectible.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 5. Interfund Receivables, Payables, and Transfers

The District records temporary interfund receivable 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:

All Interfund balances are to be paid within one year.

Governmental activities

| <u>Due from Other Funds</u> | <u>Due to Other Funds</u> | <u>Amount</u> |
|-----------------------------|---|----------------------------|
| Operational - 11000 | Title I IASA - 24101 | \$ 6,563 |
| Operational - 11000 | IDEA-B Entitlement - 24106 | 635,600 |
| Operational - 11000 | IDEA-B Preschool - 24109 | 1,215 |
| Operational - 11000 | IDEA-B Private School Share - 24115 | 4,983 |
| Operational - 11000 | English Language Acquisitions - 24153 | 10,958 |
| Operational - 11000 | Teacher/Principal Training Recruiting - 24154 | 27,875 |
| Operational - 11000 | Student Support Academic Achievement Title IV - 24189 | 1,378 |
| Operational - 11000 | CRSSA, ESSER II - 24308 | 19,972 |
| Operational - 11000 | ARP ESSER III CDF - 24330 | 62,347 |
| Operational - 11000 | 2012 G.O. Bond Student Library - 27107 | 16,302 |
| Operational - 11000 | Pre-K Initiative - 27149 | 222,303 |
| Operational - 11000 | School Buses - 27178 | 404,413 |
| Operational - 11000 | 2020 School Bus Cameras - 27405 | 9,768 |
| Operational - 11000 | Career Technical Education - 27502 | 6,082 |
| Operational - 11000 | Bond Building Capital Projects Fund - 28208 | 9,935 |
| | Total Governmental Activities | <u><u>\$ 1,439,694</u></u> |

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

| <u>Transfer from Other Funds</u> | <u>Transfers to Other Funds</u> | <u>Amount</u> |
|----------------------------------|---------------------------------|--------------------------|
| Food Service - 21000 | Leased Facilities - 62000 | \$ 140,000 |
| Golden Apple Foundation - 26163 | Operational - 11000 | 387 |
| | | <u><u>\$ 140,387</u></u> |

NOTE 6. Leases

As Lessee

During the year 2022 the District implemented GASB Statement No. 87, Leases and the District has long term agreements for the use of equipment which began on July 1, 2021 and will continue through fiscal year 2024. These leases are paid monthly with payments ranging from \$9,569 to \$8,768 and started on July 1, 2021. The equipment has useful lives that range from 4 to 6 years with no purchase option and a discount rate of 3%.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 6. Leases (continued)

A summary of the right to use the assets and changes occurring during the year ended June 30, 2022 follows:

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Dispositions</u> | <u>Balance June 30, 2022</u> |
|------------------------------------|----------------------------------|-------------------|---------------------|----------------------------------|
| Right of Use Asset | | | | |
| Equipment | \$ - | \$ 329,864 | \$ - | \$ 329,864 |
| Total right of use asset | <u>-</u> | <u>329,864</u> | <u>-</u> | <u>329,864</u> |
| Less accumulated amortization for: | | | | |
| Equipment | \$ - | \$ 109,955 | \$ - | \$ 109,955 |
| Total accumulated amortization | <u>-</u> | <u>109,955</u> | <u>-</u> | <u>109,955</u> |
| Right of use asset, net | <u>\$ -</u> | <u>\$ 219,909</u> | <u>\$ -</u> | <u>\$ 219,909</u> |

During the year ended June 30, 2022, the following changes occurred in the lease liability related to the right of use assets reported above in the government-wide statement of net position:

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2022</u> | <u>Due Within One Year</u> |
|-----------------|----------------------------------|-------------------|--------------------|----------------------------------|--------------------------------|
| Lease liability | \$ - | \$ 329,864 | \$ 106,677 | \$ 223,187 | \$ 109,922 |
| | <u>\$ -</u> | <u>\$ 329,864</u> | <u>\$ 106,677</u> | <u>\$ 223,187</u> | <u>\$ 109,922</u> |

The annual requirements to amortize the lease as of June 30, 2022, including interest payments, is as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|--|-------------------|-----------------|-------------------------------|
| 2023 | \$ 109,922 | \$ 4,905 | \$ 114,827 |
| 2024 | 113,265 | 1,562 | 114,827 |
| | <u>\$ 223,187</u> | <u>\$ 6,467</u> | <u>\$ 229,654</u> |

As Lessor

The District leases, as lessor, building spaces and land leases as part of its Leased Facilities Fund to several entities in Los Alamos. This is a proprietary relationship as the District has partnership arrangements with these entities enabling the District to support funds critical to the District's operations as well as to the District and students.

The District has entered into long-term leases as lessor which were in effect at July 1, 2021 when it implemented GASB Statement No. 87, and including lessee options to renew, run through as long as 2085. Payments are due monthly, in amounts of a total from \$714 to \$100,723 per month. In some cases the lessee has an option to renew, and it is assumed that the option will be exercised. No purchase options exist. For purposes determining lease asset and deferred inflows of resources under GASB Statement No. 87, the District has discounted at a rate of 3%. A lease receivable, totaling \$27,810,940, and corresponding deferred inflow of resources due to leases are recognized. In FY22, the District recognized \$3,628,032 in lease revenue and \$870,277 in interest revenue, due to inflows of resources from the leases.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 7. Capital Assets

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

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Dispositions and Adjustments</u> | <u>Balance June 30, 2022</u> |
|--|----------------------------------|-------------------|---|----------------------------------|
| Governmental activities: | | | | |
| Capital assets not depreciated | | | | |
| Land | \$ 52,785,577 | \$ - | \$ - | \$ 52,785,577 |
| Construction in process | 6,271,408 | 3,026,280 | (7,786,497) | 1,511,191 |
| Total assets not depreciated | <u>59,056,985</u> | <u>3,026,280</u> | <u>(7,786,497)</u> | <u>54,296,768</u> |
| Capital assets depreciated | | | | |
| Land improvements | 10,729,104 | 43,154 | 103,555 | 10,875,813 |
| Buildings and improvements | 128,362,317 | 356,044 | 7,137,153 | 135,855,514 |
| Furniture, fixtures and equipment | 10,387,272 | 1,442,813 | (1,025,088) | 10,804,997 |
| Total assets depreciated | <u>149,478,693</u> | <u>1,842,011</u> | <u>6,215,620</u> | <u>157,536,324</u> |
| Total assets | 208,535,678 | 4,868,291 | (1,570,877) | 211,833,092 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 7,102,978 | 575,905 | 197,117 | 7,876,000 |
| Buildings and improvements | 35,659,491 | 3,128,462 | (858,501) | 37,929,452 |
| Furniture, fixtures and equipment | 8,048,590 | 617,429 | (1,245,940) | 7,420,079 |
| Total accumulated depreciation | <u>50,811,059</u> | <u>4,321,796</u> | <u>(1,907,324)</u> | <u>53,225,531</u> |
| Governmental activities capital assets, net | <u>\$ 157,724,619</u> | <u>\$ 546,495</u> | <u>\$ 336,447</u> | <u>\$ 158,607,561</u> |

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

| | |
|-----------------------------------|---------------------|
| Instruction | \$ 89,249 |
| Support Services – Students | 2,008 |
| Central Services | 4,001,651 |
| Operations / Maintenance of Plant | 47,185 |
| Transportation Services | 181,246 |
| Food Services | 457 |
| Total | <u>\$ 4,321,796</u> |

The District has active construction projects as of June 30, 2022. The projects include additions, renovations and improvements to school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Public School Capital Outlay Council (PSCOC). The PSCOC was created under the public school capital outlay council pursuant to Subsection A of Section 22-24-9 NMSA 1978 to assist in identifying and funding all outstanding deficiencies in public schools and grounds. During the year ended June 30, 2022, the District received \$172,568 in PSCOC awards.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 7. Capital Assets (continued)

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Dispositions</u> | <u>Balance June 30, 2022</u> |
|------------------------------------|----------------------------------|------------------|---------------------|----------------------------------|
| Component Unit: | | | | |
| Capital assets depreciated | | | | |
| Furniture, fixtures and equipment | \$ 2,515 | \$ - | \$ - | \$ 2,515 |
| Total assets depreciated | <u>2,515</u> | <u>-</u> | <u>-</u> | <u>2,515</u> |
| Total assets | <u>2,515</u> | <u>-</u> | <u>-</u> | <u>2,515</u> |
| Less accumulated depreciation for: | | | | |
| Furniture, fixtures and equipment | (515) | (200) | - | (715) |
| Total accumulated depreciation | <u>(515)</u> | <u>(200)</u> | <u>-</u> | <u>(715)</u> |
| Capital assets, net | <u>\$ 2,000</u> | <u>\$ (200)</u> | <u>\$ -</u> | <u>\$ 1,800</u> |

NOTE 8. Long-Term Debt

General Obligation Bonds:

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of the outstanding general obligation bonds as of June 30, 2022 was \$84,865,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2022 are for governmental activities.

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

| | <u>Series 2009</u> | <u>Series 2010</u> | <u>Series 2011</u> | <u>Series 2012</u> |
|-----------------|--------------------|--------------------|--------------------|--------------------|
| Original Issue: | \$10,000,000 | \$20,000,000 | \$6,865,000 | \$5,000,000 |
| Principal Due: | August 1 | August 1 | August 1 | August 1 |
| Interest Due: | February 1 | February 1 | February 1 | February 1 |
| | August 1 | August 1 | August 1 | August 1 |
| Interest Rates: | 3.00% - 4.00% | 2.15% - 3.10% | 2.00% - 3.00% | 2.00% - 2.25% |
| Maturity Date: | 08/01/2021 | 8/01/2022 | 08/01/2023 | 08/01/2024 |

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 8. Long-Term Debt (continued)

| | <u>Series 2013</u> | <u>Series 2014</u> | <u>Series 2015</u> | <u>Series 2017</u> |
|-----------------|------------------------|------------------------|------------------------|------------------------|
| Original Issue: | \$6,900,000 | \$4,900,000 | \$8,200,000 | \$6,500,000 |
| Principal Due: | August 1 | August 1 | August 1 | August 1 |
| Interest Due: | February 1 August 1 | February 1 August 1 | February 1 August 1 | February 1 August 1 |
| Interest Rates: | 2.00% - 3.00% | 2.25% - 3.00% | 2.00% - 3.00% | 2.50% - 3.00% |
| Maturity Date: | 08/01/2025 | 08/01/2026 | 08/01/2027 | 08/01/2029 |
| | <u>Series 2019</u> | <u>Series 2022</u> | | |
| Original Issue: | \$6,500,000 | \$10,000,000 | | |
| Principal Due: | August 1 | August 1 | | |
| Interest Due: | February 1 August 1 | February 1 August 1 | | |
| Interest Rates: | 1.31% - 2.10% | 4.00% - 5.00% | | |
| Maturity Date: | 08/01/2031 | 08/01/2033 | | |

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 | Retirements | Balance June 30, 2022 | Due Within One Year |
|-----------------------------|--------------------------|----------------------|---------------------|--------------------------|------------------------|
| General Obligation Bonds | \$ 27,435,000 | \$ 10,000,000 | \$ 5,395,000 | \$ 32,040,000 | \$ 8,595,000 |
| Compensated Absences | 738,659 | 1,663,996 | 1,684,206 | 718,449 | 718,449 |
| Total long-term debt | \$ 28,173,659 | \$ 11,663,996 | \$ 7,079,206 | \$ 32,758,449 | \$ 9,313,449 |

The annual requirements to amortize the General Obligation Bonds as of June 30, 2022, including interest payments are as follows. The interest rates range from 1.31% to 5% with maturity dates until August 1, 2034.

| Fiscal Year Ending June 30, | Principal | Interest | Total Debt Service |
|--------------------------------|----------------------|---------------------|-----------------------|
| 2023 | \$ 8,595,000 | \$ 953,970 | \$ 9,548,970 |
| 2024 | 6,820,000 | 693,674 | 7,513,674 |
| 2025 | 3,650,000 | 502,543 | 4,152,543 |
| 2026 | 3,150,000 | 396,694 | 3,546,694 |
| 2027 | 2,550,000 | 304,536 | 2,854,536 |
| 2028-2032 | 6,675,000 | 599,140 | 7,274,140 |
| 2033-2034 | 600,000 | 24,000 | 624,000 |
| | \$ 32,040,000 | \$ 3,474,557 | \$ 35,514,557 |

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 8. Long-Term Debt (continued)

Compensated Absences – Administrative employees of the Schools are able to accrue a limited amount of annual leave and all employees are able to accrue an unlimited amount of general leave during the year. During fiscal year June 30, 2022, compensated absences decreased \$20,120 for annual leave over the prior year accrual. In prior years the general fund was used to liquidate such long-term liabilities. See Note 1 for more details.

NOTE 9. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler and 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 Security, 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 District, 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 10. Other Required Individual Fund Disclosures

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

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

| | |
|--------------------------------|-----------|
| IDEA-B Entitlement | \$ 41,857 |
| ARP ESSER III CDF | 1 |
| 2012 G.O. Bond Student Library | 2,231 |
| PreK Initiative | 586 |
| Career Technical Education | 1 |
| | \$ 44,676 |

B. Excess of expenditures over appropriations: No funds of the District 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 District exceeded the budgeted cash appropriations for the year ended June 30, 2022.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board

General Information about the Pension Plan

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

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

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

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11- 2, NMSA 1978. Employees of public schools, universities, junior and community colleges, public technical and vocational institutions, state special schools, charter schools, regional education cooperatives at state agencies that provide 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% |
| 10.25-20 | 2.35% |
| 20.25-30 | 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 earning for any 20 consecutive calendar quarters.

Summary of Plan Provisions for Retirement Eligibility –

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.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board (continued)

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 totaling 30 years or more.

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 receive reduced retirement benefits.)
- Or, the member's age is 67, and the member has earned 5 or more years of service credit.

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.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. 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%.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board (continued)

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%.
- 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 year 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 \$20K | 10.70% | 15.15% | 25.85% | 1.00% |
| 2022 | 7-1-21 to 6-30-22 | \$20K or less | 7.90% | 15.15% | 23.05% | 1.00% |
| 2021 | 7-1-20 to 6-30-21 | Over \$20K | 10.70% | 14.15% | 24.85% | 0.25% |
| 2021 | 7-1-20 to 6-30-21 | \$20K 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 District paid employer contributions of \$4,601,387 and \$4,148,512, 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 District reported a liability of \$64,892,845 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.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board (continued)

The District’s proportion of the net pension liability was based on a projection of the District’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 District’s proportion was 0.91560% percent, which was an decrease of 0.01634% percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$8,230,037. At June 30, 2022, District 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 |
|--|---|--|
| Differences between expected and actual experience | \$ 5,098,895 | \$ 159,800 |
| Net difference between expected and actual investments on pension plan investments | - | 16,137,534 |
| Changes of assumptions | 43,196,002 | 73,902,631 |
| Change in proportion | 1,857,985 | - |
| District’s contributions subsequent to the measurement date | 4,601,387 | - |
| Total | \$ 54,754,269 | \$ 90,199,965 |

\$4,601,387 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a 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:

Year ended June 30:

| | | |
|------------|----|--------------|
| 2023 | \$ | (1,248,616) |
| 2024 | | (19,072,861) |
| 2025 | | (14,341,102) |
| 2026 | | (5,384,504) |
| 2027 | | - |
| Thereafter | | - |

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, 2020 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|--|
| 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. |

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board (continued)

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 Healthy Males: 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.

Healthy females: 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.

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, dividend, 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% | |
| Total | 100% | 7.00% |

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.

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

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 11. Pension Plan – Educational Retirement Board (continued)

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|--------------------------------|--|--------------------------------|
| District's proportionate share of the net pension liability | \$ 91,881,049 | \$ 64,892,845 | \$ 42,589,790 |

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.

Payables to the pension plan. At June 30, 2022, the District owed the ERB \$660,222 for the contributions withheld in the month of June 2022.

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

General Information about the OPEB

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

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

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

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

| | |
|--|----------------|
| Plan membership | |
| Current retirees and surviving spouses | 53,092 |
| Inactive and eligible for deferred benefit | 11,754 |
| Current active members | <u>92,484</u> |
| | <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 fire | 756 |
| Educational Retirement Board | <u>49,188</u> |
| | <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 District were \$1,826,168 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 District reported a liability of \$19,968,804 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 District’s 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 District’s proportion was 0.60689 percent.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

For the year ended June 30, 2022, the District recognized OPEB income of \$1,702,457. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 291,970 | \$ 3,184,609 |
| Net difference between expected and actual investments on OPEB plan investments | - | 572,389 |
| Changes of assumptions | 3,997,939 | 7,219,431 |
| Changes in proportion | 1,365,113 | - |
| District's contributions subsequent to the measurement | 608,347 | - |
| Total | \$ 6,263,369 | \$ 10,976,429 |

Deferred outflows of resources totaling \$608,347 represent District contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

| | | |
|------|----|-------------|
| 2023 | \$ | (2,396,846) |
| 2024 | | (1,364,492) |
| 2025 | | (737,860) |
| 2026 | | (82,228) |
| 2027 | | (739,981) |

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

| | |
|-----------------------------|---|
| Validation 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 |
| Actuarial assumptions: | |
| Inflation | 2.30% for ERB; 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.

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

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

| | 1% Decrease (2.62%) | Current Discount Rate (3.62%) | 1% Increase (4.62%) |
|--|--------------------------------|--|--------------------------------|
| District's proportionate share of the net OPEB liability | <u>\$ 25,090,335</u> | <u>\$ 19,968,804</u> | <u>\$ 15,984,814</u> |

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

| | 1% Decrease | Trend Rate Sensitivity Analysis Rate | 1% Increase |
|--|----------------------|---|----------------------|
| District's proportionate share of the net OPEB liability | <u>\$ 16,061,351</u> | <u>\$ 19,968,804</u> | <u>\$ 23,115,476</u> |

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 Changes in the Net OPEB Liability. At June 30, 2022, the District reported a payable of \$79,474 for outstanding contributions due to NMRHCA for the year ended June 30, 2022.

LOS ALAMOS PUBLIC SCHOOLS

Notes to Financial Statements

June 30, 2022

NOTE 13. Construction and Other Significant Commitments

The District has committed to the following construction contracts that were not completed as of June 30, 2022, and will continue throughout year end 2023:

| <u>Contract</u> | <u>Year Ending</u> | <u>Amount</u> |
|---|--------------------|---------------------|
| Pueblo Roof | 2023 | \$ 1,000,000 |
| Barranca Elementary- playground and turf | 2023 | 28,634 |
| Chamisa Design Services | 2023 | 708,324 |
| Pinon Design Services | 2023 | 710,498 |
| Relocation of Portable from Mountain to Aspen | 2023 | 395,983 |
| Barranca Elementary- playgroud installation | 2023 | 105,961 |
| Total Outstanding Commitments | | <u>\$ 2,949,400</u> |

NOTE 14. Concentrations

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

NOTE 15. Subsequent Events

The date to which events occurring after June 30, 2022, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 11, 2022, which is the date on which the financial statements were issued. No issues were noted for disclosure at November 11, 2022.

NOTE 16. 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 District expects such amount, if any, to be immaterial.

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

NOTE 17. Joint Powers Agreements

Facilities Management Assistance and Oversight
Participants – Los Alamos Public Schools
Public School Capital Outlay Council

Responsible party – All participants

Description – To provide ongoing capital outlay projects and inventory of facilities and equipment, their condition and maintenance activities for them.

Begin date – September 14, 2010

Ending date – Until notified

Estimated amount of project – Unknown

Audit responsibility – Each participant

Fiscal agent – Not applicable

LOS ALAMOS PUBLIC SCHOOLS
Notes to Financial Statements
June 30, 2022

NOTE 18. Subsequent Pronouncements

In May 2021, GASB Statement No. 91, Conduit Debt Obligations, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The District does not expect this pronouncement to have a material effect on the financial statements.

In March 2021, GASB Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2022. The District does not expect this pronouncement to have a material effect on the financial statements.

In May 2021, GASB Statement No. 96 Subscription-Based Information Technology Arrangements, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2022. The District does not expect this pronouncement to have a material effect on the financial statements.

In October 2021, GASB Statement No. 98 The Annual Comprehensive Financial Report, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after December 15, 2021. The District does not expect this pronouncement to have a material effect on the financial statements.

In April 2022, GASB Statement No. 99 Omnibus 2022, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2022. The District does not expect this pronouncement to have a material effect on the financial statements.

In June 2022, GASB Statement No. 100 Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2023. The District does not expect this pronouncement to have a material effect on the financial statements.

In June 2022, GASB Statement No. 101 Compensated Absences, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after December 15, 2023. The District does not expect this pronouncement to have a material effect on the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Proportionate Share of the Net Pension Liability
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

| | 2022 Measurement Date (As of and for the Year Ended June 30, 2021) | 2021 Measurement Date (As of and for the Year Ended June 30, 2020) | 2020 Measurement Date (As of and for the Year Ended June 30, 2019) |
|---|---|---|---|
| Los Alamos Public Schools proportion of the net pension liability (asset) | 0.91560% | 0.89926% | 0.89621% |
| Los Alamos Public Schools proportionate share of the net pension liability (asset) | \$ 64,892,845 | \$ 182,243,041 | \$ 67,908,543 |
| Los Alamos Public Schools covered-payroll | 29,352,753 | 28,732,000 | 26,194,461 |
| Los Alamos Public Schools proportionate share of the net pension liability (asset) as a percentage of its covered-payroll | 221% | 634% | 259% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.77% | 39.11% | 64.13% |

* 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 Los Alamos Public Schools is not available prior to fiscal year 2015, the year the statement's requirements became effective.

See independent auditors' report.
See notes to required supplementary information.

| 2019 Measurement Date (As of and for the Year Ended June 30, 2018) | 2018 Measurement Date (As of and for the Year Ended June 30, 2017) | 2017 Measurement Date (As of and for the Year Ended June 30, 2016) | 2016 Measurement Date (As of and for the Year Ended June 30, 2015) | 2015 Measurement Date (As of and for the Year Ended June 30, 2014) |
|---|---|---|---|---|
| 0.86551% | 0.84189% | 0.86560% | 0.85983% | 0.86523% |
| \$ 102,920,659 | \$ 93,563,178 | \$ 62,292,329 | \$ 55,693,479 | \$ 49,367,686 |
| 24,196,447 | 23,992,338 | 24,717,550 | 24,318,885 | 23,848,938 |
| 425% | 390% | 252% | 229% | 207% |
| 52.17% | 52.95% | 61.58% | 63.97% | 66.54% |

See independent auditors' report.
See notes to required supplementary information.

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Contributions
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

| | As of and for the Year Ended June 30, 2022 | As of and for the Year Ended June 30, 2021 |
|---|---|---|
| Contractually required contribution | \$ 4,601,387 | \$ 4,148,512 |
| Contributions in relation to the contractually required contribution | <u>4,601,387</u> | <u>4,148,512</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| Los Alamos Public Schools covered-payroll | 30,465,305 | 29,352,753 |
| | | |
| Contribution as a percentage of covered payroll | 15.10% | 14.13% |

* 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 Los Alamos Public Schools is not available prior to fiscal year 2015, the year the statement's requirements became effective.

See independent auditors' report.
See notes to required supplementary information.

| As of and for the Year Ended June 30, 2020 | As of and for the Year Ended June 30, 2019 | As of and for the Year Ended June 30, 2018 | As of and for the Year Ended June 30, 2017 | As of and for the Year Ended June 30, 2016 | As of and for the Year Ended June 30, 2015 |
|---|---|---|---|---|---|
| \$ 4,067,000 | \$ 3,640,021 | \$ 3,361,509 | \$ 3,334,935 | \$ 3,435,739 | \$ 3,380,325 |
| <u>4,067,000</u> | <u>3,640,021</u> | <u>3,361,509</u> | <u>3,334,935</u> | <u>3,435,739</u> | <u>3,380,325</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 28,732,000 | 26,194,461 | 24,196,447 | 23,992,338 | 24,717,550 | 24,318,885 |
| 14.15% | 13.90% | 13.89% | 13.90% | 13.90% | 13.90% |

See independent auditors' report.
See notes to required supplementary information.

LOS ALAMOS PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2022

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, 2020.

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.

See independent auditors' report.
See notes to required supplementary information.

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LOS ALAMOS PUBLIC SCHOOLS
Schedule of Proportionate Share of the Net OPEB Liability
Retiree Health Care OPEB Plan
Last 10 Fiscal Years*

| | 2022 Measurement Date (As of and for the Year Ended June 30, 2021) | 2021 Measurement Date (As of and for the Year Ended June 30, 2020) |
|---|---|---|
| Los Alamos Public School's proportion of the net OPEB liability (asset) | 0.60689% | 0.59531% |
| Los Alamos Public School's proportionate share of the net OPEB liability (asset) | \$ 19,968,804 | \$ 24,996,519 |
| Los Alamos Public School's covered payroll | 29,308,423 | 28,724,941 |
| Los Alamos Public School's proportionate share of the net OPEB liability as a percentage of its covered payroll | 68.13% | 87.02% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 25.39% | 16.50% |

* Governmental Accounting Standards Board Statement No. 75 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 Los Alamos Public Schools is not available prior to fiscal year 2018, the year the statement's requirements became effective.

See independent auditors' report.
See notes to required supplementary information.

| 2020 Measurement Date (As of and for the Year Ended June 30, 2019) | 2019 Measurement Date (As of and for the Year Ended June 30, 2018) | 2018 Measurement Date (As of and for the Year Ended June 30, 2017) |
|---|---|---|
| 0.59219% | 0.56662% | 0.55846% |
| \$ 19,201,102 | \$ 24,638,648 | \$ 25,307,581 |
| 26,209,108 | 24,195,330 | 23,263,474 |
| 73.26% | 101.83% | 108.79% |
| 18.92% | 13.14% | 11.34% |

See independent auditors' report.
See notes to required supplementary information.

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Contributions
Retiree Health Care OPEB Plan
Last 10 Fiscal Years*

| | <u>As of and for the Year Ended June 30, 2022</u> | <u>As of and for the Year Ended June 30, 2021</u> |
|---|---|---|
| Contractually required contribution | \$ 608,347 | \$ 585,265 |
| Contributions in relation to the contractually required | <u>608,347</u> | <u>585,265</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Los Alamos Public School's covered payroll | 30,516,670 | 29,308,423 |
| Contribution as a percentage of covered payroll | 1.99% | 2.00% |

* Governmental Accounting Standards Board Statement No. 75 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 Los Alamos Public School's is not available prior to fiscal year 2018, the year the statement's requirements became effective.

Notes to Required Supplementary Information

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%.

See independent auditors' report.
See notes to required supplementary information.

| As of and for the Year Ended June 30, 2020 | As of and for the Year Ended June 30, 2019 | As of and for the Year Ended June 30, 2018 |
|---|---|---|
| \$ 574,190 | \$ 524,146 | \$ 483,931 |
| <u>574,190</u> | <u>524,146</u> | <u>483,931</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 28,724,941 | 26,209,108 | 24,195,330 |
| 2.00% | 2.00% | 2.00% |

See independent auditors' report.
See notes to required supplementary information.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

LOS ALAMOS PUBLIC SCHOOLS
Nonmajor Governmental Fund Descriptions
June 30, 2022

Special Revenue Funds

Food Service (21000) – This fund is used to account for costs of operating a student food program and is financed with the fees paid by program users. Authority for the creation of this fund is the New Mexico Public Education Department.

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

Non-Instructional Support (23000) – To account for budgeted revenues and expenditures which relate to student activities other than athletics. Authority for the creation of this fund is the New Mexico Public Education Department.

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 Education 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. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

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. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

IDEA-B Private School Share (24115) – A proportionate allocation subtracted from the total IDEA-B Entitlement award to private school students with disabilities. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446).

IDEA-B Risk Pool (24120) – To account for a program funded by a Federal Grant to assist the schools in providing free appropriate public education to all handicapped children. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, part B (Public Law 108-446) Assistance Listing number 84.027A Special Education Grants to States Part 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. Authorized by the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, Title III (Public Law 107-110).

LOS ALAMOS PUBLIC SCHOOLS
Nonmajor Governmental Fund Descriptions
June 30, 2022

Special Revenue Funds (continued)

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

Immigrant Funding - Title III (24163) – Funds allocated to the District to support additional programs to improve the education performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. Authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Title III, Part B (Public Law 107-110).

Carl D. Perkins Secondary (24174) – This fund allows LAPS to partner with UNM-LA and community employers to prepare students for high demand careers in electro-mechanical technologies, business marketing, emergency medical services-Basic and robotics. The aim of this program and partnerships is to support students earning post-secondary credentials while simultaneously completing their high school diplomas. Assistance Listing Number 84.048A, Vocational Education – Basic Grants to States.

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 Listing number -84.424A

CRRSA,ESSR II (24308) –The ESSER II Fund is a highly flexible federal program designed to provide local education agencies (LEAs) with funding to safely reopen schools, measure and effectively address significant learning loss, and take other actions to mitigate the impact of COVID-19. By law, awards from the ESSER II Fund are based on LEAs' proportional share of final 2019-20 Title I, Part A allocations received.

USDA CRRSA ESSER II Air Quality (24316) – The funding for this award must be used specifically for expenditures related to air quality improvements specifically related to COVID-19. Must be used to purchase portable HEPA air purification units and filters, MERV-13 filters for your HVAC system and ACs, fans, repairing windows and/or doors so that they can open to let fresh air in, purchasing equipment to run outdoor classes, and Other spending that supports the repair, replacement, and upgrade projects to improve the indoor air quality in school facilities. Assistance Listing Number- 84.425C.

ARP ESSER IIICDF (24330) – The New Mexico Public Education Department (PED) has granted its preliminary FY20-21 subawards for funding through the American Rescue Plan (ARP) Act; Elementary and Secondary School Emergency Relief Fund (24330) to help schools to return safely to in-person instruction, maximize in-person instructional time, sustain the safe operation of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on New Mexico's students. In accordance with federal regulations at 2 C.F.R. § 200.332(a).

Impact Aid Indian Education (25147) – To account for federal funds providing assistance for Indian students' needs, support services and special projects. The authority for this fund is Public Law 103-382.

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.

LANL Foundation (26113) – Educational enrichment grant in support of the Renaissance Program. The authority for creation of this fund is the New Mexico Public Education Department.

LOS ALAMOS PUBLIC SCHOOLS
Nonmajor Governmental Fund Descriptions
June 30, 2022

Special Revenue Funds (continued)

Golden Apple Foundation (26163) – To account for a program in which Wells Fargo and Golden Apple Foundation of New Mexico partnered to provide opportunities for academic enrichment and to encourage positive change in New Mexico classrooms. The authority for creation of this fund is the New Mexico Public Education Department.

Los Alamos Public School Foundation (26189) – Grant funds awarded from The Bridge of Southern New Mexico Daniels Fund Grant to expand Early College High Schools throughout New Mexico. Authority for creation of this fund is the New Mexico Public Education Department.

2012 G.O. Bond Student Library (27107) – To account for funds provided to be used for library resource acquisitions, including library books for public school libraries. Authority for the creation of this fund is the New Mexico Public Education Department.

Instructional Materials Special Appropriation (27109) – The Public Education Department has awarded Los Alamos Public Schools \$276,479 for the purchase of instructional materials for all school sites.

NM Reads to Lead K-3 Initiative (27114) – This fund is to account for funds received to provide children to acquire a firm foundation in literacy and are not only prepared for future academic success but will possess a lifelong love of reading. New Mexico's early reading initiative, New Mexico Reads to Lead, provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. The New Mexico Reads to Lead! Initiative funds a reading K–3 Formative Assessment System provided to districts at no cost. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators. In addition, this site highlights literacy resources for parents, teachers, administrators, and other stakeholders. Please visit often as the content will be regularly updated. Authority for the creation of this fund is the New Mexico Public Education Department.

Feminine Hygiene Products (27130) – The purpose of this fund is to purchase and dispense free feminine hygiene products for select public school districts serving students in grades 5-12. Authority for the creation of this fund is the New Mexico Public Education Department.

PreK Initiative (27149) – The purpose of this fund is to allow the opportunity for every child to receive a high-quality education program prior to attending Kindergarten. Specifically, for the FY 2017-2018, funds were provided to outfit and establish new classrooms for this start-up program in Los Alamos. Authority for the creation of this fund is the New Mexico Public Education Department.

School Buses (27178) – The purpose of this fund to purchase school buses for the To/From transportation for the school district. Authority for the fund is the NM Public Education Department, Capital Outlay Bureau.

2020 School Bus Cameras (27405) – The purpose of this fund to purchase school buses cameras for the school district. Authority for the fund is the NM Public Education Department, Capital Outlay Bureau.

Career Technical Education (27502) – This fund allows LAPS to partner with UNM-LA and community employers to prepare students for high demand careers in electro-mechanical technologies, business marketing, emergency medical services-basic and robotics. The aim of this program and partnerships is to support students earning post-secondary credentials while simultaneously completing their high school diplomas. Authority for creation of this fund is the New Mexico Public Education Department.

LOS ALAMOS PUBLIC SCHOOLS
Nonmajor Governmental Fund Descriptions
June 30, 2022

Special Revenue Funds (continued)

ECECD Direct (28208) – Early Childhood Education and Care Department is mandated to coordinate and align an early childhood education and care system to include child care, pre-kindergarten, early pre-kindergarten, home visitation, early head start, head start, early childhood special education, and early intervention and family support. Fund 28208 is to be used for a Pre-Kindergarten Summer JumpStart program. Authority for creation of this fund is the New Mexico Public Education Department.

Zenas Boone Memorial (29102) – To account for funds received as an endowment. These funds will be used to fund scholarships for graduating seniors in need. Authority for creation of this fund is the New Mexico Public Education Department.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue |
|--|------------------------|
| <i>Assets</i> | |
| Cash and cash equivalents | \$ 1,486,840 |
| Receivables: | |
| Due from other governments | 1,416,108 |
| Miscellaneous | 3,179 |
| Prepaid expenses | 5,563 |
| <i>Total assets</i> | \$ 2,911,690 |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | |
| <i>Liabilities</i> | |
| Accounts payable | \$ 22,302 |
| Accrued payroll | 55,378 |
| Due to other funds | 1,439,694 |
| <i>Total liabilities</i> | 1,517,374 |
| <i>Fund balances</i> | |
| <i>Spendable:</i> | |
| <i>Restricted for:</i> | |
| Food services | 128,330 |
| Extracurricular activities | 998,680 |
| Education | 311,982 |
| Unassigned | (44,676) |
| <i>Total fund balances</i> | 1,394,316 |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | \$ 2,911,690 |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

| | Special Revenue |
|--|------------------------|
| <i>Revenues</i> | |
| Intergovernmental revenue: | |
| Federal flowthrough | \$ 1,466,486 |
| Federal direct | 372,420 |
| Local sources | 23,983 |
| State flowthrough | 1,386,290 |
| State direct | 9,935 |
| Charges for services | 689,975 |
| Investment income | 17 |
| Miscellaneous | 3,500 |
| <i>Total revenues</i> | 3,952,606 |
| <i>Expenditures</i> | |
| Current: | |
| Instruction | 2,626,668 |
| Support services - students | 933,042 |
| Support services - instruction | 22,838 |
| Support services - school administration | 5,115 |
| Operation and maintenance of plant | 35,901 |
| Student transportation | 24,768 |
| Food services operations | 195,793 |
| Community service operations | 9,838 |
| Capital outlay | 478,897 |
| <i>Total expenditures</i> | 4,332,860 |
| <i>Excess (deficiency) of revenues over expenditures</i> | (380,254) |
| <i>Other financing sources (uses)</i> | |
| Transfers in | 140,000 |
| Transfers (out) | (387) |
| <i>Total other financing sources (uses)</i> | 139,613 |
| <i>Net change in fund balances</i> | (240,641) |
| <i>Fund balances - beginning</i> | 1,634,957 |
| <i>Fund balances - end of year</i> | \$ 1,394,316 |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

| | Food Service 21000 | Athletics 22000 | Non- Instructional Support 23000 |
|--|-------------------------------|----------------------------|---|
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 128,330 | \$ 19,991 | \$ 995,232 |
| Receivables: | | | |
| Due from other governments | - | 350 | - |
| Miscellaneous | - | - | 3,179 |
| Prepaid expenses | - | - | - |
| <i>Total assets</i> | \$ 128,330 | \$ 20,341 | \$ 998,411 |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ - | \$ - | \$ 20,072 |
| Accrued payroll | - | - | - |
| Due to other funds | - | - | - |
| <i>Total liabilities</i> | - | - | 20,072 |
| <i>Fund balances</i> | | | |
| <i>Spendable:</i> | | | |
| <i>Restricted for:</i> | | | |
| Food services | 128,330 | - | - |
| Extracurricular activities | - | 20,341 | 978,339 |
| Education | - | - | - |
| Unassigned | - | - | - |
| <i>Total fund balances</i> | 128,330 | 20,341 | 978,339 |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | \$ 128,330 | \$ 20,341 | \$ 998,411 |

See independent auditors' report.

| Title I- IASA 24101 | IDEA-B Entitlement 24106 | IDEA-B Preschool 24109 | IDEA-B Private School Share 24115 | IDEA-B Risk Pool 24120 | English Language Acquisition 24153 |
|--------------------------------|---|---------------------------------------|--|---------------------------------------|---|
| \$ 650 | \$ - | \$ 1,076 | \$ - | \$ 3 | \$ - |
| 6,563 | 609,167 | 1,215 | 4,983 | - | 10,958 |
| - | - | - | - | - | - |
| - | 5,563 | - | - | - | - |
| <u>\$ 7,213</u> | <u>\$ 614,730</u> | <u>\$ 2,291</u> | <u>\$ 4,983</u> | <u>\$ 3</u> | <u>\$ 10,958</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 627 | 20,987 | - | - | - | - |
| 6,563 | 635,600 | 1,215 | 4,983 | - | 10,958 |
| <u>7,190</u> | <u>656,587</u> | <u>1,215</u> | <u>4,983</u> | <u>-</u> | <u>10,958</u> |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 23 | - | 1,076 | - | 3 | - |
| - | (41,857) | - | - | - | - |
| <u>23</u> | <u>(41,857)</u> | <u>1,076</u> | <u>-</u> | <u>3</u> | <u>-</u> |
| | | | | | |
| <u>\$ 7,213</u> | <u>\$ 614,730</u> | <u>\$ 2,291</u> | <u>\$ 4,983</u> | <u>\$ 3</u> | <u>\$ 10,958</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

| | Supportive Effective Education 24154 | Immigrant Funding- Title III 24163 | Carl D. Perkins Secondary 24174 |
|--|---|---|--|
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 5,598 | \$ - | \$ - |
| Receivables: | | | |
| Due from other governments | 27,875 | - | - |
| Miscellaneous | - | - | - |
| Prepaid expenses | - | - | - |
| <i>Total assets</i> | <u>\$ 33,473</u> | <u>\$ -</u> | <u>\$ -</u> |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued payroll | 831 | - | - |
| Due to other funds | 27,875 | - | - |
| <i>Total liabilities</i> | <u>28,706</u> | <u>-</u> | <u>-</u> |
| <i>Fund balances</i> | | | |
| <i>Spendable:</i> | | | |
| <i>Restricted for:</i> | | | |
| Food services | - | - | - |
| Extracurricular activities | - | - | - |
| Education | 4,767 | - | - |
| Unassigned | - | - | - |
| <i>Total fund balances</i> | <u>4,767</u> | <u>-</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 33,473</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

| Student Support Academic Achievement Title IV 24189 | CRRSA, ESSER II 24308 | USDA CRRSA ESSER II Air Quality 24316 | ARP ESSER III CDF 24330 | Impact Aid Indian Education 25147 | Indian Education Formula Grant 25184 |
|--|------------------------------|--|--------------------------------|--|---|
| \$ - | \$ 166 | \$ - | \$ 12,631 | \$ 260,876 | \$ 337 |
| 1,378 | 19,972 | - | 62,346 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 1,378</u> | <u>\$ 20,138</u> | <u>\$ -</u> | <u>\$ 74,977</u> | <u>\$ 260,876</u> | <u>\$ 337</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 166 | - | 12,631 | 618 | 305 |
| <u>1,378</u> | <u>19,972</u> | <u>-</u> | <u>62,347</u> | <u>-</u> | <u>-</u> |
| <u>1,378</u> | <u>20,138</u> | <u>-</u> | <u>74,978</u> | <u>618</u> | <u>305</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 260,258 | 32 |
| - | - | - | (1) | - | - |
| - | - | - | (1) | 260,258 | 32 |
| <u>\$ 1,378</u> | <u>\$ 20,138</u> | <u>\$ -</u> | <u>\$ 74,977</u> | <u>\$ 260,876</u> | <u>\$ 337</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

| | LANL Foundation 26113 | Golden Apple Foundation 26163 | Los Alamos Public School Foundation 26189 |
|--|--------------------------------------|--|--|
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 5,259 | \$ - | \$ 15,960 |
| Receivables: | | | |
| Due from other governments | - | - | - |
| Miscellaneous | - | - | - |
| Prepaid expenses | - | - | - |
| <i>Total assets</i> | \$ 5,259 | \$ - | \$ 15,960 |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - |
| Due to other funds | - | - | - |
| <i>Total liabilities</i> | - | - | - |
| <i>Fund balances</i> | | | |
| <i>Spendable:</i> | | | |
| <i> Restricted for:</i> | | | |
| Food services | - | - | - |
| Extracurricular activities | - | - | - |
| Education | 5,259 | - | 15,960 |
| Unassigned | - | - | - |
| <i>Total fund balances</i> | 5,259 | - | 15,960 |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | \$ 5,259 | \$ - | \$ 15,960 |

See independent auditors' report.

| 2012 G.O. Bond Student Library Fund 27107 | Instructional Materials- Special Appropriations 27109 | NM Reads to Lead K-3 Initiative 27114 | Feminine Hygiene Products 27130 | PreK Initiative 27149 | School Buses 27178 |
|--|--|--|--|----------------------------------|-------------------------------|
| \$ - | \$ - | \$ 12,009 | \$ - | \$ 15,977 | \$ - |
| 16,301 | - | - | - | 222,303 | 404,413 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 16,301</u> | <u>\$ -</u> | <u>\$ 12,009</u> | <u>\$ -</u> | <u>\$ 238,280</u> | <u>\$ 404,413</u> |
| | | | | | |
| \$ 2,230 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 16,563 | - |
| 16,302 | - | - | - | 222,303 | 404,413 |
| <u>18,532</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>238,866</u> | <u>404,413</u> |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (2,231) | - | 12,009 | - | - | - |
| <u>(2,231)</u> | <u>-</u> | <u>12,009</u> | <u>-</u> | <u>(586)</u> | <u>-</u> |
| | | | | | |
| <u>\$ 16,301</u> | <u>\$ -</u> | <u>\$ 12,009</u> | <u>\$ -</u> | <u>\$ 238,280</u> | <u>\$ 404,413</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

| | 2020 School Bus Cameras 27405 | Career Technical Education 27502 | ECECD Direct 28208 |
|--|--|---|-------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ 1,498 | \$ 1,152 |
| Receivables: | | | |
| Due from other governments | 9,768 | 6,081 | 9,935 |
| Miscellaneous | - | - | - |
| Prepaid expenses | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total assets</i> | <u>\$ 9,768</u> | <u>\$ 7,579</u> | <u>\$ 11,087</u> |
| | | | |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued payroll | - | 1,498 | 1,152 |
| Due to other funds | 9,768 | 6,082 | 9,935 |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total liabilities</i> | <u>9,768</u> | <u>7,580</u> | <u>11,087</u> |
| | | | |
| <i>Fund balances</i> | | | |
| <i>Spendable:</i> | | | |
| <i>Restricted for:</i> | | | |
| Food services | - | - | - |
| Extracurricular activities | - | - | - |
| Education | - | - | - |
| Unassigned | - | (1) | - |
| | <u> </u> | <u> </u> | <u> </u> |
| <i>Total fund balances</i> | <u>-</u> | <u>(1)</u> | <u>-</u> |
| | | | |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 9,768</u> | <u>\$ 7,579</u> | <u>\$ 11,087</u> |

See independent auditors' report.

| Zenas Boone Memorial 29102 | Total |
|---|---------------------|
| \$ 10,095 | \$ 1,486,840 |
| 2,500 | 1,416,108 |
| - | 3,179 |
| - | 5,563 |
| <u>\$ 12,595</u> | <u>\$ 2,911,690</u> |
| \$ - | \$ 22,302 |
| - | 55,378 |
| - | 1,439,694 |
| <u>-</u> | <u>1,517,374</u> |
| - | 128,330 |
| - | 998,680 |
| 12,595 | 311,982 |
| - | (44,676) |
| <u>12,595</u> | <u>1,394,316</u> |
| <u>\$ 12,595</u> | <u>\$ 2,911,690</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

| | Food Service 21000 | Athletics 22000 | Non- Instructional Support 23000 |
|--|-------------------------------|----------------------------|---|
| <i>Revenues</i> | | | |
| Intergovernmental revenue: | | | |
| Federal flowthrough | \$ 7,234 | \$ - | \$ - |
| Federal direct | - | - | - |
| Local sources | - | - | - |
| State flowthrough | - | 1,009 | - |
| State direct | - | - | - |
| Charges for services | - | 75,015 | 614,960 |
| Investment income | - | - | 17 |
| Miscellaneous income | - | - | - |
| <i>Total revenues</i> | <u>7,234</u> | <u>76,024</u> | <u>614,977</u> |
| <i>Expenditures</i> | | | |
| Current: | | | |
| Instruction | - | 97,338 | 657,074 |
| Support services - students | - | - | - |
| Support services - instruction | - | - | - |
| Support services - school administration | - | - | - |
| Operation and maintenance of plant | - | - | - |
| Student transportation | - | - | - |
| Food services operations | 195,793 | - | - |
| Community service operations | - | - | - |
| Capital outlay | - | - | - |
| <i>Total expenditures</i> | <u>195,793</u> | <u>97,338</u> | <u>657,074</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(188,559)</u> | <u>(21,314)</u> | <u>(42,097)</u> |
| <i>Other financing sources (uses)</i> | | | |
| Transfers in | 140,000 | - | - |
| Transfers (out) | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>140,000</u> | <u>-</u> | <u>-</u> |
| <i>Net change in fund balances</i> | (48,559) | (21,314) | (42,097) |
| <i>Fund balances - beginning</i> | <u>176,889</u> | <u>41,655</u> | <u>1,020,436</u> |
| <i>Fund balances - end of year</i> | <u>\$ 128,330</u> | <u>\$ 20,341</u> | <u>\$ 978,339</u> |

See independent auditors' report.

| Title I- IASA 24101 | IDEA-B Entitlement 24106 | IDEA-B Preschool 24109 | IDEA-B Private School Share 24115 | IDEA-B Risk Pool 24120 | English Language Acquisition 24153 |
|--------------------------------|---|---------------------------------------|--|---------------------------------------|---|
| \$ 46,664 | \$ 1,271,992 | \$ 22,439 | \$ 4,983 | \$ - | \$ 10,958 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>46,664</u> | <u>1,271,992</u> | <u>22,439</u> | <u>4,983</u> | <u>-</u> | <u>10,958</u> |
| 46,664 | 522,581 | 20,716 | - | - | 10,958 |
| - | 817,826 | 902 | 4,983 | - | - |
| - | 3,484 | 822 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>46,664</u> | <u>1,343,891</u> | <u>22,440</u> | <u>4,983</u> | <u>-</u> | <u>10,958</u> |
| - | (71,899) | (1) | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | (71,899) | (1) | - | - | - |
| <u>23</u> | <u>30,042</u> | <u>1,077</u> | <u>-</u> | <u>3</u> | <u>-</u> |
| <u>\$ 23</u> | <u>\$ (41,857)</u> | <u>\$ 1,076</u> | <u>\$ -</u> | <u>\$ 3</u> | <u>\$ -</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

| | Supportive Effective Education 24154 | Immigrant Funding- Title III 24163 | Carl D. Perkins Secondary 24174 |
|--|---|---|--|
| <i>Revenues</i> | | | |
| Intergovernmental revenue: | | | |
| Federal flowthrough | \$ 88,366 | \$ (2,655) | \$ 7,792 |
| Federal direct | - | - | - |
| Local sources | - | - | - |
| State flowthrough | - | - | - |
| State direct | - | - | - |
| Charges for services | - | - | - |
| Investment income | - | - | - |
| Miscellaneous income | - | - | - |
| Total revenues | 88,366 | (2,655) | 7,792 |
| <i>Expenditures</i> | | | |
| Current: | | | |
| Instruction | 84,751 | (2,655) | 7,801 |
| Support services - students | - | - | - |
| Support services - instruction | - | - | - |
| Support services - school administration | 3,615 | - | - |
| Operation and maintenance of plant | - | - | - |
| Student transportation | - | - | - |
| Food services operations | - | - | - |
| Community service operations | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 88,366 | (2,655) | 7,801 |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | - | (9) |
| <i>Other financing sources (uses)</i> | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total other financing sources (uses) | - | - | - |
| <i>Net change in fund balances</i> | - | - | (9) |
| <i>Fund balances - beginning</i> | 4,767 | - | 9 |
| Fund balances - end of year | \$ 4,767 | \$ - | \$ - |

See independent auditors' report.

| Student Support Academic Achievement Title IV 24189 | CRRSA, ESSER II 24308 | USDA CRRSA ESSER II Air Quality 24316 | ARP ESSER III CDF 24330 | Impact Aid Indian Education 25147 | Indian Education Formula Grant 25184 |
|--|----------------------------------|--|--|--|---|
| \$ 8,713 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 52,010 | 35,901 | 180,620 | 89,340 | 14,549 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>8,713</u> | <u>52,010</u> | <u>35,901</u> | <u>180,620</u> | <u>89,340</u> | <u>14,549</u> |
| 8,713 | 52,010 | - | 180,621 | 652 | 1,748 |
| - | - | - | - | 28,334 | 12,802 |
| - | - | - | - | - | - |
| - | - | 35,901 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>8,713</u> | <u>52,010</u> | <u>35,901</u> | <u>180,621</u> | <u>28,986</u> | <u>14,550</u> |
| - | - | - | (1) | 60,354 | (1) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | (1) | 60,354 | (1) |
| - | - | - | - | 199,904 | 33 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1)</u> | <u>\$ 260,258</u> | <u>\$ 32</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

| | LANL Foundation 26113 | Golden Apple Foundation 26163 | Los Alamos Public School Foundation 26189 |
|--|--------------------------------------|--|--|
| <i>Revenues</i> | | | |
| Intergovernmental revenue: | | | |
| Federal flowthrough | \$ - | \$ - | \$ - |
| Federal direct | - | - | - |
| Local sources | 22,000 | - | 1,983 |
| State flowthrough | - | - | - |
| State direct | - | - | - |
| Charges for services | - | - | - |
| Investment income | - | - | - |
| Miscellaneous income | - | - | - |
| <i>Total revenues</i> | <u>22,000</u> | <u>-</u> | <u>1,983</u> |
| <i>Expenditures</i> | | | |
| Current: | | | |
| Instruction | 24,500 | - | 14,649 |
| Support services - students | - | - | - |
| Support services - instruction | - | - | - |
| Support services - school administration | 1,500 | - | - |
| Operation and maintenance of plant | - | - | - |
| Student transportation | - | - | - |
| Food services operations | - | - | - |
| Community service operations | - | - | - |
| Capital outlay | - | - | - |
| <i>Total expenditures</i> | <u>26,000</u> | <u>-</u> | <u>14,649</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(4,000)</u> | <u>-</u> | <u>(12,666)</u> |
| <i>Other financing sources (uses)</i> | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | (387) | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>(387)</u> | <u>-</u> |
| <i>Net change in fund balances</i> | (4,000) | (387) | (12,666) |
| <i>Fund balances - beginning</i> | <u>9,259</u> | <u>387</u> | <u>28,626</u> |
| <i>Fund balances - end of year</i> | <u>\$ 5,259</u> | <u>\$ -</u> | <u>\$ 15,960</u> |

See independent auditors' report.

| 2012 G.O. Bond Student Library 27107 | Instructional Materials- Special Appropriation 27109 | NM Reads to Lead K-3 Initiative 27114 | Feminine Hygiene Products 27130 | PreK Initiative 27149 | School Buses 27178 |
|---|---|--|--|----------------------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 18,461 | - | - | 867 | 920,448 | 404,413 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>18,461</u> | <u>-</u> | <u>-</u> | <u>867</u> | <u>920,448</u> | <u>404,413</u> |
| - | 95,677 | 1 | - | 762,635 | - |
| - | - | - | - | 68,195 | - |
| 18,532 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 15,000 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 74,484 | 404,413 |
| <u>18,532</u> | <u>95,677</u> | <u>1</u> | <u>-</u> | <u>920,314</u> | <u>404,413</u> |
| <u>(71)</u> | <u>(95,677)</u> | <u>(1)</u> | <u>867</u> | <u>134</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>(71)</u> | <u>(95,677)</u> | <u>(1)</u> | <u>867</u> | <u>134</u> | <u>-</u> |
| <u>(2,160)</u> | <u>95,677</u> | <u>12,010</u> | <u>(867)</u> | <u>(720)</u> | <u>-</u> |
| <u>\$ (2,231)</u> | <u>\$ -</u> | <u>\$ 12,009</u> | <u>\$ -</u> | <u>\$ (586)</u> | <u>\$ -</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

| | 2020 School Bus Cameras 27405 | Career Technical Education 27502 | ECECD Direct 28208 |
|--|--|---|-------------------------------|
| <i>Revenues</i> | | | |
| Intergovernmental revenue: | | | |
| Federal flowthrough | \$ - | \$ - | \$ - |
| Federal direct | - | - | - |
| Local sources | - | - | - |
| State flowthrough | 9,768 | 31,324 | - |
| State direct | - | - | 9,935 |
| Charges for services | - | - | - |
| Investment income | - | - | - |
| Miscellaneous income | - | - | - |
| <i>Total revenues</i> | <u>9,768</u> | <u>31,324</u> | <u>9,935</u> |
| <i>Expenditures</i> | | | |
| Current: | | | |
| Instruction | - | 30,299 | 9,935 |
| Support services - students | - | - | - |
| Support services - instruction | - | - | - |
| Support services - school administration | - | - | - |
| Operation and maintenance of plant | - | - | - |
| Student transportation | 9,768 | - | - |
| Food services operations | - | - | - |
| Community service operations | - | - | - |
| Capital outlay | - | - | - |
| <i>Total expenditures</i> | <u>9,768</u> | <u>30,299</u> | <u>9,935</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>-</u> | <u>1,025</u> | <u>-</u> |
| <i>Other financing sources (uses)</i> | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net change in fund balances</i> | - | 1,025 | - |
| <i>Fund balances - beginning</i> | <u>-</u> | <u>(1,026)</u> | <u>-</u> |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ (1)</u> | <u>\$ -</u> |

See independent auditors' report.

| Zenas Boone Memorial 29102 | Total |
|---|--------------|
| \$ - | \$ 1,466,486 |
| - | 372,420 |
| - | 23,983 |
| - | 1,386,290 |
| - | 9,935 |
| - | 689,975 |
| - | 17 |
| 3,500 | 3,500 |
| 3,500 | 3,952,606 |
| - | 2,626,668 |
| - | 933,042 |
| - | 22,838 |
| - | 5,115 |
| - | 35,901 |
| - | 24,768 |
| - | 195,793 |
| 9,838 | 9,838 |
| - | 478,897 |
| 9,838 | 4,332,860 |
| (6,338) | (380,254) |
| - | 140,000 |
| - | (387) |
| - | 139,613 |
| (6,338) | (240,641) |
| 18,933 | 1,634,957 |
| \$ 12,595 | \$ 1,394,316 |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Balance Sheet
General Fund
June 30, 2022

| | Operational 11000 | Pupil Transportation 13000 | Instructional Materials 14000 | Total |
|--|------------------------------|---|--|---------------------|
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ 3,975,406 | \$ 8,236 | \$ 947 | \$ 3,984,589 |
| Receivables: | | | | |
| Property taxes | 4,615 | - | - | 4,615 |
| Due from other governments | - | 3,516 | - | 3,516 |
| Miscellaneous | 37,765 | - | - | 37,765 |
| Inventory | 293,062 | - | - | 293,062 |
| Due from other funds | 1,439,694 | - | - | 1,439,694 |
| <i>Total assets</i> | <u>\$ 5,750,542</u> | <u>\$ 11,752</u> | <u>\$ 947</u> | <u>\$ 5,763,241</u> |
| <i>Liabilities, deferred inflows of resources, and fund balances</i> | | | | |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ 27,786 | \$ - | \$ - | \$ 27,786 |
| Accrued payroll | 1,411,456 | 8,236 | - | 1,419,692 |
| <i>Total liabilities</i> | <u>1,439,242</u> | <u>8,236</u> | <u>-</u> | <u>1,447,478</u> |
| <i>Fund Balances</i> | | | | |
| Nonspendable: | | | | |
| Inventory | 293,062 | - | - | 293,062 |
| Spendable: | | | | |
| Restricted for: | | | | |
| Transportation | - | 3,516 | - | 3,516 |
| Instructional materials | - | - | 947 | 947 |
| Committed for: | | | | |
| Subsequent year's expenditures | 2,593,999 | - | - | 2,593,999 |
| Unassigned | 1,424,239 | - | - | 1,424,239 |
| <i>Total fund balances</i> | <u>4,311,300</u> | <u>3,516</u> | <u>947</u> | <u>4,315,763</u> |
| <i>Total liabilities and fund balances</i> | <u>\$ 5,750,542</u> | <u>\$ 11,752</u> | <u>\$ 947</u> | <u>\$ 5,763,241</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
June 30, 2022

| | Operational 11000 | Pupil Transportation 13000 | Instructional Materials 14000 | Total |
|--|------------------------------|---|--|---------------------|
| <i>Revenues</i> | | | | |
| Property taxes | \$ 287,621 | \$ - | \$ - | \$ 287,621 |
| Intergovernmental revenue: | | | | |
| Federal flowthrough | - | 18,959 | - | 18,959 |
| Federal direct | 8,965,208 | - | - | 8,965,208 |
| Local sources | 500 | - | - | 500 |
| State flowthrough | 588,800 | - | - | 588,800 |
| State direct | 32,098,679 | - | - | 32,098,679 |
| Transportation distribution | - | 637,204 | - | 637,204 |
| Charges for services | 176,611 | - | - | 176,611 |
| Investment income | 5,236 | - | - | 5,236 |
| <i>Total revenues</i> | <u>42,122,655</u> | <u>656,163</u> | <u>-</u> | <u>42,778,818</u> |
| <i>Expenditures</i> | | | | |
| Current: | | | | |
| Instruction | 26,216,483 | - | - | 26,216,483 |
| Support services - students | 4,272,673 | - | - | 4,272,673 |
| Support services - instruction | 1,514,456 | - | - | 1,514,456 |
| Support services - general administration | 526,867 | - | - | 526,867 |
| Support services - school administration | 2,370,291 | - | - | 2,370,291 |
| Central services | 1,747,768 | - | - | 1,747,768 |
| Operation and maintenance plant | 5,387,666 | - | - | 5,387,666 |
| Student transportation | 284,893 | 657,843 | - | 942,736 |
| Community services operations | 1,749 | - | - | 1,749 |
| <i>Total expenditures</i> | <u>42,322,846</u> | <u>657,843</u> | <u>-</u> | <u>42,980,689</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>(200,191)</u> | <u>(1,680)</u> | <u>-</u> | <u>(201,871)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Transfers in | 387 | - | - | 387 |
| <i>Total other financing sources (uses)</i> | <u>387</u> | <u>-</u> | <u>-</u> | <u>387</u> |
| <i>Net change in fund balances</i> | (199,804) | (1,680) | - | (201,484) |
| <i>Fund balances - beginning</i> | <u>4,511,104</u> | <u>5,196</u> | <u>947</u> | <u>4,517,247</u> |
| <i>Fund balances - end of year</i> | <u>\$ 4,311,300</u> | <u>\$ 3,516</u> | <u>\$ 947</u> | <u>\$ 4,315,763</u> |

See independent auditors' report.

SUPPORTING SCHEDULES

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2022

Schedule I

| <u>Name of Depository</u> | <u>Description of Pledged Collateral</u> | <u>Maturity</u> | <u>CUSIP Number</u> | <u>Fair Market Value June 30, 2022</u> |
|--|--|-----------------|---------------------|--|
| Enterprise Bank & Trust | | | | |
| | GINNIE MAE II Pool #BA1311 | 6/20/2047 | 3617ADN46 | \$ 336,746 |
| | FREDDIE MAC CMO SERIES K052 | 11/1/2025 | 31378MTX4 | 9,894,052 |
| | FREDDIE MAC STRUCTURED PASS | 3/1/2025 | 3137BJP64 | 3,462,049 |
| | FREDDIE MAC GOLD POOL #C09013 | 9/1/2042 | 31292SAN0 | 1,830,646 |
| | FANNIE MAE FN AN9399 | 7/1/2028 | 3138LNNR8 | 2,988,633 |
| | FREDDIE MAC POOL #SB8136 | 1/1/2037 | 3132D6B01 | <u>9,461,042</u> |
| | Total Enterprise Bank & Trust | | | <u>27,973,168</u> |
| Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank Dallas, TX | | | | |
| Sunflower Bank First National Bank 1870 | | | | |
| | FHLMC Pool #C91710 | 6/1/2033 | 3128P73T8 | 1,007,995 |
| | FHLMC Pool #RA411 | 11/1/2050 | 3133KKR84 | 5,112,766 |
| | FHLMC Pool #RA703 | 5/1/2052 | 3133KNZA4 | 576,948 |
| | GNR 2021-197 G | 11/20/2051 | 38383DQM3 | 3,970,860 |
| | U.S. Treasury Note | 12/31/2024 | 912828YY0 | <u>1,552,000</u> |
| | Total Sunflower Bank First National Bank 1870 | | | <u>12,220,569</u> |
| Name and location of safekeeper for above pledged collateral: Vinning Sparks, Memphis, TN | | | | |
| | <i>Total collateral pledged</i> | | | <u><u>\$ 40,193,737</u></u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Deposits and Investments
June 30, 2022

| <u>Bank Account Type/ Name</u> | <u>Sunflower/ First National Bank 1870</u> | <u>Enterprise Bank & Trust</u> |
|--|--|--|
| Cash Deposits: | | |
| Shadow account - Bond Building | \$ 2,245,883 | \$ 9,736,143 |
| Checking - Leased Facilities | 4,018,840 | - |
| Checking - Zenus Boone Estate | 51,270 | - |
| Checking - AP Clearing | - | 426,533 |
| Checking - Payroll Clearing | - | 1,677,618 |
| Checking - Operational | - | 2,229,590 |
| Shadow account - Operational | 1,350,898 | - |
| Checking - LAHS Concession | - | 2,519 |
| Checking - Spirit Store | - | 6,348 |
| Checking - Debt Service | - | 11,516,909 |
| Shadow account - HB-33 | 1,961,164 | - |
| Certificate of Deposit - Zenus Boone Estate | - | - |
| Certificate of Deposit - HB-33 * | 4,021,579 | - |
| Certificate of Deposit - Leased Facilities * | - | - |
| Certificate of Deposit - Leased Facilities * | 555,340 | - |
| Certificate of Deposit - Leased Facilities * | 1,055,978 | - |
| Certificate of Deposit - Leased Facilities * | 1,584,583 | - |
| Total Deposits and Investments | 16,845,535 | 25,595,660 |
| Reconciling items | - | (278,957) |
| Plus: Cash on hand | | |
| <i>Reconciled balance June 30, 2022</i> | <u><u>\$ 16,845,535</u></u> | <u><u>\$ 25,316,703</u></u> |

* Represents investments

Reconciliation to financial statements:

Cash and cash equivalents:

Government-wide statement of net position - Exhibit A-1

Investments:

Government-wide statement of net position - Exhibit A-1

Restricted cash and cash equivalents:

Government-wide statement of net position - Exhibit A-1

Cash and cash equivalents:

Statement of fiduciary net position - Exhibit E-1

Investments:

Statement of fiduciary net position - Exhibit E-1

Cash and cash equivalents per financial statements

See independent auditors' report.

| <u>Century Bank</u> | <u>Century Trust</u> | <u>Los Alamos Credit Union</u> | <u>Total</u> |
|---------------------|----------------------|------------------------------------|---------------|
| \$ - | \$ - | \$ - | \$ 11,982,026 |
| 6,367 | - | - | 4,025,207 |
| - | - | - | 51,270 |
| - | - | - | 426,533 |
| - | - | - | 1,677,618 |
| - | - | 155 | 2,229,745 |
| - | - | - | 1,350,898 |
| - | - | - | 2,519 |
| - | - | - | 6,348 |
| - | - | - | 11,516,909 |
| - | - | - | 1,961,164 |
| - | - | 202,635 | 202,635 |
| - | - | - | 4,021,579 |
| - | 45,925 | - | 45,925 |
| 5,000,000 | - | - | 5,555,340 |
| - | - | - | 1,055,978 |
| - | - | - | 1,584,583 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 5,006,367 | 45,925 | 202,790 | 47,696,277 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| - | - | - | (278,957) |
| <hr/> | <hr/> | <hr/> | <hr/> |
| | | | 3,920 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| \$ 5,006,367 | \$ 45,925 | \$ 202,790 | \$ 47,421,240 |

\$ 23,384,619

12,263,405

11,516,909

2,402

253,905

\$ 47,421,240

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Deposits and Investments
June 30, 2022

Component Unit

| <u>Bank Account Type/ Name</u> | <u>Los Alamos National Bank</u> | <u>Los Alamos Credit Union</u> |
|---|-------------------------------------|------------------------------------|
| Cash Deposits: | | |
| Checking - Regular | \$ 24,510 | \$ 26,363 |
| Checking - Savings | 6,828 | - |
| Checking - Restricted | 74,260 | - |
| | <hr/> | <hr/> |
| Total Cash Deposits | 105,598 | 26,363 |
| Investments | <hr/> - | <hr/> - |
| Total Deposits and Investments | 105,598 | 26,363 |
| Reconciling items | <hr/> (24,084) | <hr/> - |
| <i>Reconciled balance June 30, 2022</i> | <hr/> <u>\$ 81,514</u> | <hr/> <u>\$ 26,363</u> |

Reconciliation to financial statements:
Cash and cash equivalents:
 Government-wide statement of net position - Exhibit A-1
Investments:
 Government-wide statement of net position - Exhibit A-1
Restricted Cash and cash equivalents:
 Government-wide statement of net position - Exhibit A-1

Cash, investments and cash equivalents per financial statements

| <u>Edward Jones</u> | <u>Total</u> |
|---------------------|-------------------|
| \$ - | \$ 50,873 |
| - | 6,828 |
| - | <u>74,260</u> |
| - | 131,961 |
| <u>435,205</u> | <u>435,205</u> |
| 435,205 | 567,166 |
| - | <u>(24,084)</u> |
| <u>\$ 435,205</u> | <u>\$ 543,082</u> |

| |
|-------------------|
| \$ 33,617 |
| 435,205 |
| <u>74,260</u> |
| <u>\$ 543,082</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS
Cash Reconciliation
For the Year Ended June 30, 2022

| | Operational 11000 | Transportation 13000 | Instructional Materials 14000 | Food Services 21000 |
|-------------------------------------|------------------------------|---------------------------------|--|------------------------------------|
| Audited Cash June 30, 2021 | \$ 4,954,251 | \$ 13,668 | \$ 947 | \$ 176,889 |
| Add: | | | | |
| 2021-2022 receipts | 42,107,207 | 652,647 | - | 7,234 |
| Permanent cash transfers | - | - | - | 140,000 |
| Total cash available | <u>47,061,458</u> | <u>666,315</u> | <u>947</u> | <u>324,123</u> |
| Less: | | | | |
| 2021-2022 expenditures | <u>(42,299,462)</u> | <u>(657,682)</u> | <u>-</u> | <u>(195,793)</u> |
| Total Cash | <u>4,761,996</u> | <u>8,633</u> | <u>947</u> | <u>128,330</u> |
| Add / Less: | | | | |
| Adjustment | 387 | | - | - |
| Negative cash loans from (to) | (1,439,695) | - | - | - |
| Change in Payroll Accruals | <u>652,718</u> | <u>(397)</u> | <u>-</u> | <u>-</u> |
| <i>Cash per financial statement</i> | <u><u>\$ 3,975,406</u></u> | <u><u>\$ 8,236</u></u> | <u><u>\$ 947</u></u> | <u><u>\$ 128,330</u></u> |

See independent auditors' report.

| Athletics 22000 | Non-Instructional Support 23000 | Federal Flowthrough 24000 | Federal Direct 25000 | Local Grants 26000 | State Flowthrough 27000 |
|----------------------------|--|--|-------------------------------------|-----------------------------------|--|
| \$ 42,331 | \$ 1,024,021 | \$ 88,623 | \$ 200,490 | \$ 38,272 | \$ 126,735 |
| 75,674 | 621,619 | 1,307,056 | 103,889 | 23,983 | 1,054,463 |
| - | - | - | - | - | - |
| 118,005 | 1,645,640 | 1,395,679 | 304,379 | 62,255 | 1,181,198 |
| (98,014) | (650,408) | (2,107,627) | (43,535) | (40,649) | (1,810,582) |
| 19,991 | 995,232 | (711,948) | 260,844 | 21,606 | (629,384) |
| - | - | - | - | (387) | - |
| - | - | 770,892 | - | - | 658,868 |
| - | - | (38,820) | 369 | - | - |
| <u>\$ 19,991</u> | <u>\$ 995,232</u> | <u>\$ 20,124</u> | <u>\$ 261,213</u> | <u>\$ 21,219</u> | <u>\$ 29,484</u> |

See independent auditors' report.

LOS ALAMOS PUBLIC SCHOOLS

Cash Reconciliation

For the Year Ended June 30, 2022

| | State Direct 28000 | Local or state 29000 | Bond Building 31100 | Capital Improvements SB-9 31400 |
|-------------------------------------|-----------------------------------|-------------------------------------|------------------------------------|--|
| Audited Cash | | | | |
| June 30, 2021 | \$ - | \$ 18,933 | \$ 2,504,134 | \$ - |
| Add: | | | | |
| 2021-2022 receipts | - | 1,000 | 10,117,360 | - |
| Permanent cash transfers | - | - | - | - |
| Total cash available | - | 19,933 | 12,621,494 | - |
| Less: | | | | |
| 2021-2022 expenditures | (8,783) | (9,838) | (639,468) | - |
| Total Cash | (8,783) | 10,095 | 11,982,026 | - |
| Add / Less: | | | | |
| Adjustment | - | - | - | - |
| Negative cash loans from (to) | 9,935 | - | - | - |
| Change in Payroll Accruals | - | - | - | - |
| <i>Cash per financial statement</i> | <u>\$ 1,152</u> | <u>\$ 10,095</u> | <u>\$ 11,982,026</u> | <u>\$ -</u> |

See independent auditors' report.

| Capital Improvements HB-33 31600 | Capital Improvements SB-9 31700 | Capital Improvements SB-9 Local 31701 | Debt Service 41000 | Total |
|---|--|--|-----------------------------------|----------------------|
| \$ 7,317,976 | \$ - | \$ - | \$ 9,415,922 | \$ 25,923,192 |
| 2,894,437 | - | - | 8,325,240 | 67,291,809 |
| - | - | - | - | 140,000 |
| <u>10,212,413</u> | <u>-</u> | <u>-</u> | <u>17,741,162</u> | <u>93,355,001</u> |
| <u>(4,176,180)</u> | <u>-</u> | <u>-</u> | <u>(6,224,253)</u> | <u>(58,962,274)</u> |
| <u>6,036,233</u> | <u>-</u> | <u>-</u> | <u>11,516,909</u> | <u>34,392,727</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 613,870 |
| <u>\$ 6,036,233</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,516,909</u> | <u>\$ 35,006,597</u> |

See independent auditors' report.

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COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq
New Mexico State Auditor
U.S. Office of Management and Budget
Board of Education and Management
Los Alamos Public Schools
Los Alamos, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund of Los Alamos Public Schools (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC
Albuquerque, NM
November 11, 2022

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FEDERAL FINANCIAL ASSISTANCE

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq
New Mexico State Auditor
U.S. Office of Management and Budget
Board of Education and Management
Los Alamos Public Schools
Los Alamos, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Los Alamos Public School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Los Alamos Public School's major federal programs for the year ended June 30, 2022. Los Alamos Public School's 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, Los Alamos Public School 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Los Alamos Public School 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 Los Alamos Public School's 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 Los Alamos Public School's 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 Los Alamos Public School's 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 generally accepted auditing standards, *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 Los Alamos Public School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Los Alamos Public School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Los Alamos Public School's 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 Los Alamos Public School's 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.

Report on Internal Control over Compliance

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC
Albuquerque, NM
November 11, 2022

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LOS ALAMOS PUBLIC SCHOOLS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

| Federal Grantor or Pass-Through Grantor / Program Title | Pass Thru Number | Assistance Listing Number | Federal Expenditures | Funds Provided to Subrecipients | Noncash Assistance |
|---|------------------------|---------------------------------|-------------------------|---------------------------------------|-----------------------|
| U.S. Department of Energy | | | | | |
| <i>Direct United States Department of Energy</i> | | | | | |
| DOE Assistance Grant | 11000 | Public Law 108-375 | \$ 8,000,000 * | \$ - | \$ - |
| <i>Total U.S. Department of Energy</i> | | | <u>8,000,000</u> | <u>-</u> | <u>-</u> |
| U.S. Department of Education | | | | | |
| <i>Passed through New Mexico Public Education Department</i> | | | | | |
| Title I - IASA | 24101 | 84.010 | 46,664 | - | - |
| English Language Acquisition | 24153 | 84.365A | 10,958 | - | - |
| Supporting Effective Education | 24154 | 84.367A | 88,366 | - | - |
| Immigrant Funding- Title III | 24163 | 84.365 | (2,655) | - | - |
| Carl D. Perkins Secondary | 24174 | 84.048 | 7,801 | - | - |
| Student Support & Academic Enrichment | 24189 | 84.424A | 8,713 | - | - |
| IDEA-B Entitlement | 24106 | 84.027 | (1) 1,343,891 | - | - |
| IDEA-B Preschool | 24109 | 84.173 | (1) 22,440 | - | - |
| IDEA-B Private School Share | 24115 | 84.027 | (1) 4,983 | - | - |
| <i>Total IDEA Cluster</i> | | | <u>1,371,314</u> | <u>-</u> | <u>-</u> |
| CRRSA, ESSER II | 24308 | 84.425D | 52,010 * | - | - |
| Education Stabilization Fund | 24316 | 84.425E | 35,901 * | - | - |
| Education Stabilization Fund | 24330 | 84.425E | 180,621 * | - | - |
| <i>Total Education Stabilization Fund</i> | | | <u>268,532</u> | <u>-</u> | <u>-</u> |
| <i>Subtotal - Passed through New Mexico Public Education Department</i> | | | <u>1,423,324</u> | <u>-</u> | <u>-</u> |
| Direct U.S. Department of Education | | | | | |
| Impact Aid - General Fund | 11000 | 84.041 | 960,299 | - | - |
| Impact Aid - Indian Education | 25147 | 84.041 | 28,986 | - | - |
| Indian Education Grants to Local Educational Agencies- Formula | 25184 | 84.041 | 14,550 | - | - |
| <i>Subtotal - Direct U.S. Department of Education</i> | | | <u>1,003,835</u> | <u>-</u> | <u>-</u> |
| <i>Total U.S. Department of Education</i> | | | <u>2,427,159</u> | <u>-</u> | <u>-</u> |
| U.S. Department of Agriculture | | | | | |
| <i>Federal Direct Payments</i> | | | | | |
| Forest Reserve | 11000 | 10.665 | 4,909 | - | - |
| <i>Total U.S. Department of Agriculture</i> | | | <u>4,909</u> | <u>-</u> | <u>-</u> |
| <i>Total Federal Financial Assistance</i> | | | <u>\$ 10,808,437</u> | <u>\$ -</u> | <u>\$ -</u> |

* Denotes Major Federal Financial Assistance Program

() Denotes Cluster

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards**1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Los Alamos Public Schools (The District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2 Loans

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

3 10% de minimus Indirect Cost Rate

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

4 Federally Funded Insurance

The District has no federally funded insurance.

LOS ALAMOS PUBLIC SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS*Financial Statements:*

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | None noted |
| 4. Identification of major programs: | |

| Assistance Listing Number | Federal Program |
|------------------------------|--|
| Public Law 108-375 84.425 | DOE Assistance Grant Education Stabilization Fund |

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

LOS ALAMOS PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted

SECTION III - FEDERAL AWARD FINDINGS

None noted

SECTION IV - SECTION 12-6-5 NMSA FINDINGS

None noted

SECTION V - PRIOR YEAR AUDIT FINDINGS

None noted

LOS ALAMOS PUBLIC SCHOOLS

Other Disclosures

June 30, 2022

OTHER DISCLOSURES

Exit Conference

An exit conference was held on November 14, 2022. In attendance were the following:

Representing Los Alamos Public Schools:

Antonio Jaurigue – Board Member and Audit Committee
Bethany Hayward – Community Member and Audit Committee
Jose Delfin – Superintendent
Teresa Gatewood – Business Manager

Representing Los Alamos Public Schools Foundation:

Jose Delfin – Superintendent and Foundation Board Member

Representing Cordova CPAs LLC:

Robert Cordova, CPA – Principal
Lorie Gutierrez – Accounting Services Manager

Auditor Prepared Financial Statements

Cordova CPAs LLC prepared the GAAP-basis financial statements and footnotes of Los Alamos Public Schools from the original books and records asserted by management. The responsibility for the financial statements remains with Los Alamos Public Schools.