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FARMINGTON MUNICIPAL SCHOOLS

FARMINGTON MUNICIPAL SCHOOLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2024



JAG JARAMILLO ACCOUNTING GROUP
CREATING CLARITY FROM COMPLEXITY

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OFFICIAL ROSTER
AS OF JUNE 30, 2024

FARMINGTON MUNICIPAL SCHOOLS

BOARD OF EDUCATION

STEPHANIE THOMPSON
President

KEITH CORLEY
Vice President

ANDRA STRADLING
Secretary

LISA MAXWELL
Deputy Secretary

KRISTA McWILLIAMS
Board Member

ADMINISTRATIVE OFFICIALS

CODY DIEHL
Superintendent

BOBBI NEWLAND
Chief Financial Officer

PHYLLIS TIMME
Comptroller

KARINA RAMEREZ
AP Specialist

LISA EVANS
Payroll, Procurement



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

JAG JARAMILLO ACCOUNTING GROUP
CREATING CLARITY FROM COMPLEXITY

Creating Clarity From Complexity

Jaramillo Accounting Group LLC
Certified Public Accountants
Audit, Fraud, Consulting
www.JAG.CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Farmington Municipal Schools
Farmington, New Mexico

and

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the Farmington Municipal Schools (the District), as of and for the year ended June 30, 2024, 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, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the District, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 District'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 auditors' 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 that the GASB required pension schedules on pages 49-50, the GASB required other post-employment benefit schedules on pages 51-52, and the notes to the required supplementary information on page 53 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

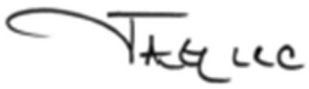
accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, 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 District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedules of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) and actual, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information, as identified in the table of contents, 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 nonmajor fund financial statements, the schedules of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) and actual, the schedule of expenditures of federal awards, and other supplementary information, as identified in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 13, 2024

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 26,253,510
Investments	13,201
Receivables	
Property taxes	1,054,159
Intergovernmental	3,474,911
Prepaid expenditures	-
Inventory	607,337
Total current assets	31,403,118
Non-current Assets	
Restricted cash and cash equivalents	22,480,436
Restricted investments	792,075
Capital assets, net	212,261,114
Total non-current assets	235,533,625
Total assets	266,936,743
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions and OPEB	34,316,814
Total assets and deferred outflows of resources	$ 301,253,557
LIABILITIES	
Current Liabilities	
Accounts payable	$ 2,437,229
Accrued liabilities	2,518,559
Accrued interest	652,378
Unearned revenue	893,710
Long-term liabilities, current	7,682,201
Total current liabilities	14,184,077
Non-current Liabilities	
Long-term liabilities, net of current portion	57,996,442
Net pension liability	177,591,891
Net OPEB liability	23,499,073
Total non-current liabilities	259,087,406
Total liabilities	273,271,483
DEFERRED INFLOWS OF RESOURCES	
Related to pensions and OPEB	58,001,319
Total deferred inflows of resources	58,001,319
NET POSITION	
Net investment in capital assets	147,116,367
Restricted for	
Debt service	85,797
Capital projects	12,179,709
Special revenue	20,562,187
Unrestricted (deficit)	(209,963,305)
Total net position (deficit)	(30,019,245)
Total liabilities, deferred inflows of resources, and net position	$ 301,253,557

See Accompanying Notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental activities					
Instruction	$ 45,090,729	$ 3,215,471	$ 12,086,694	$ -	$ (29,788,564)
Support services					
Students	20,748,454	-	6,641,929	-	(14,106,525)
Instruction	3,970,621	-	1,682,561	-	(2,288,060)
General administration	2,735,095	-	776,716	68,831	(1,889,548)
School administration	8,594,263	-	731,851	-	(7,862,412)
Central services	1,742,156	-	132,284	-	(1,609,872)
Operation & maintenance of plant	29,123,219	-	4,449,421	4,824,532	(19,849,266)
Student transportation	5,531,242	-	4,440,298	-	(1,090,944)
Food services operation	8,051,316	295,462	7,646,428	-	(109,426)
Interest and other charges	2,001,291	-	-	-	(2,001,291)
Total governmental activities	$ 127,588,386	$ 3,510,933	$ 38,588,182	$ 4,893,363	(80,595,908)
General revenues					
Property taxes					
Levied for operating programs					601,358
Levied for debt service					7,920,967
Levied for capital projects					6,433,369
Oil and gas taxes					1,669,272
State equalization guarantee					123,175,007
Investment income					129,918
Miscellaneous income					82,787
Gain on disposition of assets					553,327
Total general revenues					140,566,005
Change in net position					59,970,097
Net position (deficit) - beginning of year, as originally stated					(91,223,718)
Restatement (Note 17)					1,234,376
Net position (deficit) - beginning of year, as restated					(89,989,342)
Net position (deficit) - end of year					$ (30,019,245)

See Accompanying Notes.

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	Combined General Funds	24330 ARP ESSER III	41000 Debt Service
ASSETS			
Current Assets			
Cash and cash equivalents	$ 16,003,966	$ 4,296	$ 9,982,466
Investments	13,201	-	593,056
Receivables	-		
Property taxes	44,716	-	556,172
Intergovernmental	85,100	1,278,102	-
Prepaid expenditures	-	-	-
Inventory	329,139	-	-
Due from other funds	3,322,847	-	-
Total assets	$ 19,798,969	$ 1,282,398	$ 11,131,694
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Current Liabilities			
Accounts payable	1,745,650	$ 6,172	$ -
Accrued liabilities	2,289,550	4,296	-
Unearned revenue	-	-	-
Due to other funds	-	1,278,066	-
Total liabilities	4,035,200	1,288,534	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	37,636	-	465,728
Total deferred inflows of resources	37,636	-	465,728
FUND BALANCES			
Nonspendable	329,139	-	-
Restricted	565,260	-	10,665,966
Committed	3,700,000	-	-
Unassigned (deficit)	11,131,734	(6,136)	-
Total fund balances	15,726,133	(6,136)	10,665,966
Total liabilities, deferred inflows, and fund balances	$ 19,798,969	$ 1,282,398	$ 11,131,694

See Accompanying Notes.

JUNE 30, 2024

	Nonmajor Governmental Funds	**Total Governmental Funds**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 22,743,218	**$ 48,733,946**
Investments	199,019	**805,276**
Receivables		
Property taxes	453,271	**1,054,159**
Intergovernmental	2,111,709	**3,474,911**
Prepaid expenditures	-	**-**
Inventory	278,198	**607,337**
Due from other funds	-	**3,322,847**
Total assets	$ 25,785,415	**$ 57,998,476**
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Current Liabilities		
Accounts payable	$ 685,407	**$ 2,437,229**
Accrued liabilities	224,713	**2,518,559**
Unearned revenue	893,710	**893,710**
Due to other funds	2,044,781	**3,322,847**
Total liabilities	3,848,611	**9,172,345**
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	414,329	**917,693**
Total deferred inflows of resources	414,329	**917,693**
FUND BALANCES		
Nonspendable	278,198	**607,337**
Restricted	22,161,727	**33,392,953**
Committed	-	**3,700,000**
Unassigned (deficit)	(917,450)	**10,208,148**
Total fund balances	21,522,475	**47,908,438**
Total liabilities, deferred inflows, and fund balances	$ 25,785,415	**$ 57,998,476**

See Accompanying Notes.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	$ 47,908,438
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	212,261,114
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities.	917,693
Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported to funds	
Deferred outflows - pension	23,904,995
Deferred outflows - OPEB	10,411,819
Deferred inflows - pension	(30,729,195)
Deferred inflows - OPEB	(27,272,124)
Liabilities, including accrued compensated absences, accrued interest, bonds payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(177,591,891)
Net OPEB liability	(23,499,073)
Accrued interest	(652,378)
Accrued compensated absences	(703,463)
Lease liability	(304,395)
SBITA liabilities	(178,416)
Bonds payable	(62,920,000)
Bond premium	(1,572,369)
Net Position - Total Governmental Activities	$ (30,019,245)

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Combined General Funds	24330 ARP ESSER III	41000 Debt Service
REVENUES			
Property taxes	$ 605,632	$ -	$ 7,983,267
Oil and gas taxes	75,121	-	873,013
Intergovernmental revenue			
Federal	435,289	9,082,969	-
State	127,547,155	-	-
Local sources	150,162	-	-
Charges for services	2,214	-	-
Investment income	285	-	7,840
Miscellaneous	82,787	-	-
Total revenues	128,898,645	9,082,969	8,864,120
EXPENDITURES			
Current			
Instruction	73,933,608	1,334,145	-
Support services			
Students	13,449,765	2,639,716	-
Instruction	2,110,363	104,541	-
General administration	1,707,014	396,946	85,450
School administration	7,567,592	164,336	-
Central services	1,535,789	-	-
Operation & maintenance of plant	14,323,757	4,449,421	-
Student transportation	4,283,742	-	-
Other support services	-	-	-
Food services operations	-	-	-
Capital outlay	-	-	-
Debt service	-		
Principal	168,583	-	6,570,000
Interest and other charges	9,193	-	1,989,487
Other charges	-	-	2,611
Total expenditures	119,089,406	9,089,105	8,647,548
Excess (deficiency) of revenues over (under) expenditures	9,809,239	(6,136)	216,572
Other Financing Sources (Uses)			
Transfers in (out)	-	-	-
Proceeds from sale of capital assets	-	-	-
Leases, SBITAs, or bond proceeds	196,761	-	-
Total other financing sources	196,761	-	-
Net changes in fund balances	10,006,000	(6,136)	216,572
Fund balances, beginning of year, as originally stated	5,391,893	-	10,449,394
Restatement (Note 17)	328,240	-	-
Fund balances, beginning of year, as restated	5,720,133	-	10,449,394
Fund balances, end of year	$ 15,726,133	$ (6,136)	$ 10,665,966

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOV'T FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Governmental Funds	**Total Governmental Funds**
REVENUES		
Property taxes	$ 6,440,951	**$ 15,029,850**
Oil and gas taxes	721,138	**1,669,272**
Intergovernmental revenue		
Federal	20,413,586	**29,931,844**
State	8,572,662	**136,119,817**
Local sources	454,729	**604,891**
Charges for services	3,508,719	**3,510,933**
Investment income	121,793	**129,918**
Miscellaneous	-	**82,787**
Total revenues	40,233,578	**187,079,312**
EXPENDITURES		
Current		
Instruction	11,037,741	**86,305,494**
Support services		
Students	4,002,213	**20,091,694**
Instruction	1,578,020	**3,792,924**
General administration	449,100	**2,638,510**
School administration	567,515	**8,299,443**
Central services	132,284	**1,668,073**
Operation & maintenance of plant	-	**18,773,178**
Student transportation	68,150	**4,351,892**
Other support services	-	**-**
Food services operations	7,646,428	**7,646,428**
Capital outlay	11,268,805	**11,268,805**
Debt service		
Principal	-	**6,738,583**
Interest and other charges	-	**1,998,680**
Other charges	-	**2,611**
Total expenditures	36,750,256	**173,576,315**
Excess (deficiency) of revenues over (under) expenditures	3,483,322	**13,502,997**
Other Financing Sources (Uses)		
Transfers in (out)	-	**-**
Proceeds from sale of capital assets	553,327	**553,327**
Leases, SBITAs, or bond proceeds	2,000,000	**2,196,761**
Total other financing sources	2,553,327	**2,750,088**
Net changes in fund balances	6,036,649	**16,253,085**
Fund balances, beginning of year, as originally stated	14,579,690	**30,420,977**
Restatement (Note 17)	906,136	**1,234,376**
Fund balances, beginning of year, as restated	15,485,826	**31,655,353**
Fund balances, end of year	$ 21,522,475	**$ 47,908,438**

See Accompanying Notes.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	$ 16,253,085
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	1,864,308
Depreciation expense	(7,295,862)
Amortization expense for ROU lease assets	(250,823)
Amortization expense for SBITA	(99,255)
Book value of capital assets disposed	(541,161)
Revenues that do not provide current financial resources are not reported as revenues in the fund statements but are reporting in the Statement of Activities	
Change in unavailable revenue related to property tax receivable	(74,156)
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense:	
District pension contributions subsequent to the measurement date	15,028,742
District OPEB contributions subsequent to the measurement date	1,666,446
Net pension income (expense)	23,153,317
Net OPEB income (expense)	5,468,642
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:	
Change in accrued interest payable	17,468
Change in accrued compensated absences	67,616
Bond premium amortization	169,908
Bond proceeds	(2,000,000)
Additions to leases and SBITA liabilities	(196,761)
Principal payments on bonds	6,570,000
Principal payments on leases and SBITA	168,583
Changes in Net Position - Total Governmental Activities	$ 59,970,097

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – COMBINED GENERAL FUND (11000, 13000, 15200)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 598,730	$ 598,730	$ 608,043	$ (9,313)
Oil and gas taxes	32,978	32,978	73,951	(40,973)
Intergovernmental				
Federal	237,645	237,645	435,289	(197,644)
State	127,647,521	127,694,334	127,547,155	147,179
Local sources	100,906	100,906	149,174	(48,268)
Charges for services	24,288	24,288	2,214	22,074
Investment income	-	-	130	(130)
Miscellaneous	-	-	-	-
Total revenues	128,642,068	128,688,881	128,815,956	(127,075)
EXPENDITURES				
Current				
Instruction	78,356,203	78,474,658	73,966,753	4,507,905
Support services				
Students	16,925,242	16,299,521	13,430,482	2,869,039
Instruction	1,845,269	2,814,540	2,004,357	810,183
General administration	1,431,522	1,456,522	1,698,788	(242,266)
School administration	7,321,948	7,321,948	7,571,630	(249,682)
Central services	2,653,592	2,653,592	1,540,378	1,113,214
Operation & maintenance of plant	15,582,966	15,321,324	14,405,551	915,773
Student transportation	4,519,327	4,666,506	4,303,499	363,007
Other support services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	128,636,069	129,008,611	118,921,438	10,087,173
Excess (deficiency) of revenues over (under) expenditures	5,999	(319,730)	9,894,518	(10,214,248)
Other Financing Sources (Uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in/(out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	5,999	(319,730)	9,894,518	(10,214,248)
Fund balance - beginning of year	-	-	5,391,893	5,391,893
Fund balance - end of year	$ 5,999	$ (319,730)	$ 15,286,411	$ (4,822,355)
Reconciliation to GAAP Basis				
Net change in fund balance (Non-GAAP budgetary basis)			$ 9,894,518	
Adjustments to revenues			82,689	
Adjustments to expenditures			28,793	
Net change in fund balance (GAAP Basis)			$ 10,006,000	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ARP ACT/ESSER III SPECIAL REVENUE FUND (24330)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal flowthrough	14,909,539	13,654,046	10,559,745	3,094,301
Total revenues	14,909,539	13,654,046	10,559,745	3,094,301
EXPENDITURES				
Current				
Instruction	1,197,351	1,387,351	1,380,387	6,964
Support services				
Students	4,741,350	3,295,857	2,639,850	656,007
Instruction	-	-	104,541	(104,541)
General administration	-	-	397,260	(397,260)
School administration	-	-	164,336	(164,336)
Central services	-	-	-	-
Operation & maintenance of plant	8,970,838	8,970,838	4,547,203	4,423,635
Total expenditures	14,909,539	13,654,046	9,233,577	4,420,469
Excess (deficiency) of revenues over (under) expenditures	-	-	1,326,168	(1,326,168)
Net changes in fund balances	-	-	1,326,168	(1,326,168)
Fund balance - beginning of year	-	-	(2,610,193)	2,610,193
Fund balance - end of year	$ -	$ -	$ (1,284,025)	$ 1,284,025
Reconciliation to GAAP Basis				
Net change in fund balance (Non-GAAP budgetary basis)			1,326,168	
Adjustments to revenues			(1,476,776)	
Adjustments to expenditures			144,472	
Net change in fund balance (GAAP Basis)			$ (6,136)	

See Accompanying Notes.

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
AS OF JUNE 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ -
Total assets	$ -
LIABILITIES	
Accounts payable	$ -
Total liabilities	-
NET POSITION	
Restricted for student organizations	-
Total net position	-
Total liabilities and net position	$ -

See Accompanying Notes.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS	
Charges for services	$ -
Total additions	-
DEDUCTIONS	
Current	
Instruction	-
Support services	
Students	-
Total deductions	-
Change in net position	-
Net position, beginning of year, as originally stated	534,872
Restatement (Note 17)	(534,872)
Net position, beginning of year, as restated	-
Net position - end of year	$ -

See Accompanying Notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Farmington Municipal 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 the City of Farmington and surrounding area. 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 eighteen schools within the District. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

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 Nos. 39, 61, 80, and 90.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District does not have any component units required to be reported under GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No.80, and GASB Statement No. 90.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state equalization, and other items not properly included among program revenues are reported instead as general revenues.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long- term debt and acquisitions under leases are reported as other financing sources.

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

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major funds presented in the fund financial statements include the following:

General Operational Fund (11000) is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounting for in another fund.

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

Local Revenue Operational Fund (15200) - is used to account for monies from local revenue sources.

ARP Act, ESSER III (24330) is used to provide local educational agencies with relief funds to help schools return safely to in-person instruction, and address the academic, social, emotional, and mental health impacts the COVID-19 Pandemic has had, and continues to have, on elementary and secondary schools students. Authority for creation of this fund is the Education Stabilization Fund, a component of the American Rescue Plan (ARP) Act, 2021.

Debt Service Fund (41000) is used to accumulate resources for payment of principal and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the county and assessed by the San Juan County Assessor and collected and remitted to the District by the San Juan County Treasurer.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations. The District's fiduciary funds are used to account for the collection and payment of student activities.

The government reports the following fiduciary funds:

Custodial Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. On July 1, 2023, the fund balances were moved into non-instructional support funds as more fully described in Note 17.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and fiduciary funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

1 **DEPOSITS AND INVESTMENTS:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in accordance with appropriate state laws and regulations. Certain of the District's investments are reported at fair value.

2 **RECEIVABLES AND PAYABLES:** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after December 10th and May 10th are considered delinquent and the District may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by San Juan County and remitted monthly to the District.

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

All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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

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

4 **INVENTORY:** The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Inventory in the special revenue funds consists of USDA commodities and other purchased food and non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

5 **RESTRICTED ASSETS:** Certain assets of the District are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Bond debt service accounts – Includes certain proceeds from issuance of bonds, as well as certain resources set aside for the repayment of bonds or lease obligations.

6 **CAPITAL ASSETS:** Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District's policies as assets with an initial, individual cost of more than $5,000 (amount not rounded) per Section 12-6-10, NMSA 1978 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The District does not have any infrastructure assets to report. Information Technology Equipment, including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation. There were no donated assets during the year ended June 30, 2024.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets. No interest was included as part of the cost of capital assets under construction.

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

Land Improvements	Building and Improvements	Equipment and Furniture
10 - 20 years	25 - 50 years	4 - 20 years

The District has recorded right-to-use lease assets. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right-to-use lease assets are amortized on a straight-line basis over the term of the related lease.

The District recognizes Subscription-Based Information Technology Arrangements (SBITAs) that have a term exceeding one year and the cumulative future payments on the contract exceed $5,000 that meet

the definition of other than short-term SBITA. The District uses a discount rate that they would get from their bank. Short-term subscription payments are expensed when incurred.

7 **DEFERRED OUTFLOWS OF RESOURCES**: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The District has five types of items that qualify for reporting in this category related to reporting both under GASB 68 (pension) and under GASB 75 (OPEB) and reported in the statement of net position as follows:

Pension	$ 23,904,995
OPEB	10,411,819
Total	$ 34,316,814

These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability, and net other post-employment benefit liability, respectively, in future periods.

8 **DEFERRED INFLOWS OF RESOURCES:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period 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 items, which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, these items, unavailable revenue - property taxes and leases, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition, the District has four types of items present on the statement of net position that qualify for reporting in this category related to reporting under GASB 68 (pension) and three types that related to reporting under GASB 75 (OPEB). The deferred inflows of resources are reported in the statement of net position as follows:

Pension	$ 30,729,195
OPEB	27,272,124
Total	$ 58,001,319

These amounts are deferred and recognized as inflows of resources in the period that the amounts become available .

9 **ACCRUED PAYROLL:** The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll, including the applicable ERB, RHC, Social Security Taxes, and Medicare payable.

10 **COMPENSATED ABSENCES:** The District permits certain employees to accumulate 120 days of earned unused vacation, which will be paid to employees upon retirement from the District's service. The amount for liability has been reported in the government-wide financial statements. Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund lability of the government 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 expendable available financial resources are reported in the government-wide statement of net position.

11 **LONG-TERM OBLIGATIONS:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Debt issuance costs are expensed as incurred.

12 **LEASE LIABILITIES**: The District has entered into agreements to lease certain buildings and equipment. Lease liabilities qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. The State of New Mexico has provided the following guidance related to the incremental borrowing rate (IBR), which the District is utilizing:

Lease Term	Incremental Borrowing Rate (IBR)
>1 year to 5 years	2.21%
>5 years to 10 years	2.86%
>10 years	3.27%

13 **PENSIONS:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14 **POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB):** For purposes of measuring the post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and post-employment expense, information about the fiduciary net position of the Retiree Health Care Act (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15 **NET POSITION:** Equity is classified as net position and displayed in three components:

NET INVESTMENT IN CAPITAL ASSETS: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and increased for unspent debt proceeds.

RESTRICTED NET POSITION: Net position is reported as restricted when constraints are placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position

restricted for "special revenue, capital projects, and debt service". All restricted net position is restricted by enabling legislation.

UNRESTRICTED NET POSITION: Net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

16 **FUND BALANCES:** The District has implemented GASB Statement No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is a resolution of the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is that in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

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

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

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

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

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

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

E. REVENUES AND EXPENDITURES/EXPENSES

A school district's program costs are determined through the use of various formulas using 'program units', which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) charges for

services, which include revenues collected for fees and use of District facilities, etc., (b) program-specific operating grants, which include revenues received from state and federal sources, such as the grants, to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state and federal sources to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and state equalization guarantee.

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the availability criterion have been met.

State Equalization Guarantee. School districts in the State of New Mexico receive a 'state equalization guarantee distribution,' which is defined as "that amount of money distributed to each school district to 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 costs." Payment is made from the public-school fund under the authority of the Director of Public School Finance.

Tax Revenues. The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

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

Federal Impact Aid. The District also receives Federal Impact Aid in lieu of property taxes for the presumed loss of property taxes that results from the federally owned land that lie within the District's boundaries but are not subject to property taxes.

Instructional Materials. The Public Education Department (the Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, 50% is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while 50% of each allocation is available for purchases directly from vendors.

SB-9 State Match. The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3, NMSA 1978, assuming a 100% collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3, NMSA 1978.

However, in the event that sufficient funds are not available in the public-school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District did not receive any state SB-9 matching during the year ended June 30, 2024.

Public School Capital Outlay. The public-school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24- 4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

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

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 Board and the New Mexico Public Education Department. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, net pension liability and the related deferred inflows and outflows of resources, the net other post-employment benefits liabilities and the related deferred inflows and outflows of resources, and the current portion of accrued compensated absences.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 13, 2024. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Actual expenditures may not exceed the budget at the function (or "series") level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a "series" this may be accomplished with only local Board of Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

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

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

3. The school board meeting 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 DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

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 DBPU.

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 State of New Mexico Public Education Department.

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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 schedules included in the accompanying financial statements reflect the original budget and the final budget.

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.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits the District from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying statements of revenues, expenditures, and changes in fund balances – budget (non- GAAP budgetary basis) and actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2024 is presented. Reconciliations between the non- GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. DEPOSITS AND INVESTMENTS

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2024.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

The District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of $250,000 for all deposit

accounts out of state and up to $250,000 for all time and saving accounts plus up to $250,000 for all demand deposit accounts held at a single institution in state.

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

At June 30, 2024, $47,603,018 of the District's bank balances of $48,353,018 were exposed to custodial credit risk; $29,038,585 was uninsured and collateralized by collateral held by the pledging bank's trust department, but not in the District's name. None of the District's deposits were uninsured and uncollateralized at June 30, 2024.

The following table provides detail on the District's deposits, FDIC insurance, and pledged collateral at June 30, 2024:

	Bank of the Southwest	Citizen Bank of Farmington	Wells Fargo Bank	**Total**
DEPOSITS				
Amount of deposits	$ 477,827	$ 1,053,103	$ 46,822,088	**$ 48,353,018**
FDIC coverage	(250,000)	(250,000)	(250,000)	**(750,000)**
Total uninsured public funds	227,827	803,103	46,572,088	**47,603,018**
Collateral requirement (50% of uninsured public funds)	113,914	401,552	23,286,044	**23,801,510**
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	1,125,000	1,906,836	28,007,655	**31,039,491**
Total over (under) collateralized	$ 1,011,086	$ 1,505,284	$ 4,721,611	**$ 7,237,981**
Uninsured and uncollateralized	$ -	$ -	$ -	**$ -**

The collateral pledged is included in the Schedule of Collateral Pledged by Depository for Pubic Funds. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the State of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

The District utilized internal pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from account in the combining balance sheet as of June 30, 2024. Funds 24101 through 25184 are federal funds, and 26107 through 43000 are non-federal funds.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following individual funds had negative cash balances as of June 30, 2024:

Major Funds			
24330	ARP Act/ESSER III	$	1,278,066
Nonmajor Funds			
24101	Title I - ESEA		10,975
24115	IDEA-B Private Schools Share		117
24118	Fresh Fruit and Vegetables		74,448
24119	21st Century Community Learning Centers		11,914
24154	Teacher/Principal Training & Recruiting		270,498
24176	Carl D. Perkins Secondary		617
24180	Carl D. Perkins HSTW - Current		590
24181	Carl D. Perkins HSTW - PY Unliq. Oblig.		3,834
24182	Carl D. Perkins HSTW - Redistribution		8,794
24189	Student Supp Academic Title IV		5,901
24190	Title I - Comprehensive Support and Improvement (CSI)		15
24308	CARES Act/ESSER II		239,955
24355	ARP II - Emergency Relief Fund Homeless Children and Youth		1,431
25131	Johnson O'Malley		222,320
25184	Indian ED Formula Grant		35,584
26107	REC/District Fiscal Agent		160,131
27107	GOB Library		94,110
27126	Community Schools Planning Grant		10,444
27149	PreK Initiative		303,155
27150	Indian Education Act		6,647
27183	NM Grown FVV		2
27405	Public School Bus Cameras		8,997
27407	Family Income Index		173,488
27502	Career Technical Education Program (Pilot)		51,756
27575	Bilingual Multicultural Ed Laws of 2023		3,200
27584	Attendance Success Initiative		42,586
27589	Career Technical Education Innovation Zones		25,822
27901	Indian Education Act Funding HB2 Regular 2023		120,848
28190	GRADS - Instruction		159
28211	Youth Conservation Corp NMEMNR		40,507
43000	Ed Tech Debt Service		115,936
	Total	$	3,322,847

Temporary interfund transfers were made from the General Fund to cover these deficits. See Note 5.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Reconciliation to the Statement of Net Position. The carrying amount of deposits and investments shown above are included in the District's financial statements is as follows:

Government Funds - Balance Sheet	
Cash and cash equivalents	$ 26,253,510
Investments	13,201
Restricted cash and cash equivalents	22,480,436
Restricted investments	792,075
Total cash and cash equivalents	49,539,222
Add: outstanding checks and other reconciling items	5,104,559
Less: Deposits in transit	(2,072,307)
Bank balance of deposits	$ 52,571,474

The District has presented commercial checking accounts with interest (public funds) in the amount of $805,276 as investments in the statement of net position; however, these are classified as deposits for disclosure purposes.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024 are as follows. The below receivables are deemed 100% collectible:

	Combined General Fund	ARP Act/ESSER III 24330	Debt Service 41000	Nonmajor Governmental Funds	**Total**
Property taxes	$ 44,716	$ -	$ 556,172	$ 453,271	**$ 1,054,159**
Intergovernmental					
Federal sources	-	1,278,102	-	1,203,283	**2,481,385**
State sources	85,100	-	-	908,426	**993,526**
Total	$ 129,816	$ 1,278,102	$ 556,172	$ 2,564,980	**$ 4,529,070**

Property Taxes. In accordance with GASB Statement No. 33, property tax revenues in the amount of $917,693, which were not collected within the period of availability have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The District records temporary interfund receivables and payables to enable the fund to operate until grant monies are received. The composition of interfund balances during the year ended June 30, 2024 is as follows:

	Receivables	Payables
Major Funds		
Combined General Fund (11000, 13000, 15200)	$ 3,322,847	$ -
Fund 24330 ARP Act/ESSER III	-	1,278,066
Nonmajor Funds		
Fund 24101 Title I - ESEA	-	10,975
Fund 24115 IDEA-B Private Schools Share	-	117
Fund 24118 Fresh Fruit and Vegetables	-	74,448
Fund 24119 21st Century Community Learning Centers	-	11,914
Fund 24154 Teacher/Principal Training & Recruiting	-	270,498
Fund 24176 Carl D. Perkins Secondary	-	617
Fund 24180 Carl D. Perkins HSTW - Current	-	590
Fund 24181 Carl D. Perkins HSTW - PY Unliq. Oblig.	-	3,834
Fund 24182 Carl D. Perkins HSTW - Redistribution	-	8,794
Fund 24189 Student Support & Academic Achievement Title IV	-	5,901
Fund 24190 Title I - Comprehensive Support and Improvement (CSI)	-	15
Fund 24308 CARES Act/ESSER II	-	239,955
Fund 24355 ARP II - Emergency Relief Fund Homeless Children and Yout	-	1,431
Fund 25131 Johnson O'Malley	-	222,320
Fund 25184 Indian ED Formula Grant	-	35,584
Fund 26107 REC/District Fiscal Agent	-	160,131
Fund 27107 GOB Library	-	94,110
Fund 27126 Community Schools Planning Grant	-	10,444
Fund 27149 PreK Initiative	-	303,155
Fund 27150 Indian Education Act	-	6,647
Fund 27183 NM Grown FVV	-	2
Fund 27405 Public School Bus Cameras	-	8,997
Fund 27407 Family Income Index	-	173,488
Fund 27502 Career Technical Education Program (Pilot)	-	51,756
Fund 27575 Bilingual Multicultural Education	-	3,200
Fund 27584 Attendance Success Initiative	-	42,586
Fund 27589 CTE Innovation Zones	-	25,822
Fund 27901 Indian Education Act Funding	-	120,848
Fund 28190 GRADS - Instruction	-	159
Fund 28211 NM Schools Covid-19 Testing Program DOH	-	40,507
Fund 43000 Ed Tech Debt Service	-	115,936
Total	$ 3,322,847	$ 3,322,847

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

NOTE 6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2024 as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	**Balance June 30, 2024**
Capital Assets not being Depreciated					
Land	$ 4,142,761	$ -	$ -	$ -	**$ 4,142,761**
Construction in process	1,797,097	1,144,061	-	(679,936)	**2,261,222**
Total capital assets not being depreciated	5,939,858	1,144,061	-	(679,936)	**6,403,983**
Capital Assets being Depreciated					
Land improvements	4,448,663	-	-	-	**4,448,663**
Buildings and improvements	325,078,929	-	(983,929)	-	**324,095,000**
Furniture and equipment	15,332,886	873,240	(31,427)	-	**16,174,699**
SBITA assets	250,639	527,988	-	-	**778,627**
ROU-lease asset - buildings and improvement	498,368	(1,045)	-	-	**497,323**
Total capital assets being depreciated	345,609,485	1,400,183	(1,015,356)	-	**345,994,312**
Accumulated Depreciation & Amortization					
Land improvements	(4,431,935)	-	-	-	**(4,431,935)**
Buildings and improvements	(117,984,878)	(6,296,010)	442,768	-	**(123,838,120)**
Furniture and equipment	(10,390,111)	(999,852)	31,427	-	**(11,358,536)**
SBITA assets	(58,838)	(250,823)	-	-	**(309,661)**
ROU-lease asset - buildings and improvement	(99,674)	(99,255)	-	-	**(198,929)**
Total accumulated depreciation & amortization	(132,965,436)	(7,645,940)	474,195	-	**(140,137,181)**
Net capital assets being depreciated	212,644,049	(6,245,757)	(541,161)	-	**205,857,131**
Government activities capital assets, net	$ 218,583,907	$ (5,101,696)	$ (541,161)	$ (679,936)	**$ 212,261,114**

Depreciation and amortization expenses for the year ended June 30, 2024 was charged to governmental activities as follows:

Depreciation & Amortization Expenses	
Instruction	$ 3,816,213
Support services - students	656,760
Support services - instruction	177,697
Support services - general administration	96,585
Support services - school administration	294,820
Central services	74,083
Operation & maintenance of plant	945,544
Transportation services	1,179,350
Food services	404,888
Total	$ 7,645,940

NOTE 7. LONG-TERM LIABILITIES

General Obligation Bonds. General obligation bonds are secured by and payable solely from the Debt Service Fund. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year.

General obligation bonds outstanding at June 30, 2024 are comprised of the following:

Bond Series	Original Issue	Principal	Interest	Interest Rates	Maturity Date	Balance at June 30, 2024
General Obligation Bond Series 2014	6/3/2014	Sept 1	Mar 1 & Sep 1	2.00%-3.00%	Sept 2027	**$ 12,090,000**
General Obligation Bond Series 2015	9/16/2015	Sept 1	Mar 1 & Sep 1	3.00%-5.00%	Sept 2033	**25,080,000**
General Obligation Bond Series 2017A	9/15/2017	Sept 1	Mar 1 & Sep 1	1.16%-3.14%	Sept 2032	**5,125,000**
General Obligation Bond Series 2018	6/15/2018	Sept 1	Mar 1 & Sep 1	1.76%-3.27%	Sept 2033	**2,010,000**
General Obligation Bond Series 2018A	11/30/2018	Sept 1	Mar 1 & Sep 1	2.14%-3.41%	Sept 2033	**9,250,000**
General Obligation Bond Series 2020	4/10/2020	Sept 1	Mar 1 & Sep 1	0.49%-1.82%	Sept 2035	**3,600,000**
General Obligation Bond Series 2020A	6/5/2020	Sept 1	Mar 1 & Sep 1	1.00%-1.27%	Sept 2024	**965,000**
General Obligation Bond Series 2022	2/25/2022	Sept 1	Mar 1 & Sep 1	0.92%-2.76%	Sept 2037	**2,000,000**
General Obligation Bond Series 2023	3/24/2023	Sept 1	Mar 1 & Sep 1	2.82%-3.05%	Sept 2025	**800,000**
General Obligation Bond Series 2024	3/29/2024	Sept 1	Mar 1 & Sep 1	1.95%-3.46%	Sept 2038	**2,000,000**
						$ 62,920,000

During the year ended June 30, 2024, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Balance June 30, 2023	Additions	Deletions	**Balance June 30, 2024**	Due Within One Year
General Obligation Bonds	$67,490,000	$ 2,000,000	$ (6,570,000)	**$62,920,000**	$ 6,785,000
Bond premium, net	1,742,277	-	(169,908)	**1,572,369**	169,908
Leases	402,306	-	(97,911)	**304,395**	99,233
SBITA	52,327	196,761	(70,672)	**178,416**	100,463
Compensated absences	771,079	639,265	(706,881)	**703,463**	527,597
Total long-term liabilities	$ 70,457,989	$ 2,836,026	$ (7,615,372)	**$ 65,678,643**	$ 7,682,201

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2024, including interest payments, are as follows.

Fiscal Year Ending June 30,	Principal	Interest	**Total Debt Service**
2025	$ 6,785,000	$ 1,873,203	**$ 8,658,203**
2026	5,890,000	1,689,973	**7,579,973**
2027	6,305,000	1,487,599	**7,792,599**
2028	6,585,000	1,261,676	**7,846,676**
2029	5,595,000	1,033,502	**6,628,502**
2030-2034	29,870,000	2,466,916	**32,336,916**
2035-2039	1,890,000	80,749	**1,970,749**
Total	$ 62,920,000	$ 9,893,618	**$ 72,813,618**

Leases. The District has entered into a lease agreement for copier equipment. The lease agreement has been recorded at the present value of future lease payments as of the date of their inception or, for leases existing prior to the implementation year, at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

The right-of-use lease liability was composed of the following as of June 30, 2024:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability
Equipment	7/1/2022	6/30/2027	$ 8,765	2.2%	$ 304,395
Totals					$ 304,395

The future minimum payments on this lease as of June 30, 2024 was as follows:

Fiscal Year Ending June 30,	Principal	Interest	**Total**
2025	$ 99,233	$ 5,726	**$ 104,959**
2026	101,449	3,511	**104,960**
2027	103,713	1,246	**104,959**
	$ 304,395	$ 10,483	**$ 314,878**

The District has four software arrangements that require recognition under GASBS No. 96. The District recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use subscription asset for various software. The District used a 2.21% discount rate for arrangements based on rates provided by the District's bank. There are no residual value guarantees in the agreements.

The following is a schedule of minimum future payments from subscription agreements as of June 30:

Fiscal Year Ending June 30,	Principal	Interest	**Total**
2025	$ 100,463	$ 3,983	**$ 104,446**
2026	77,953	1,740	**79,693**
	$ 178,416	$ 5,723	**$ 184,139**

Compensated Absences. Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2024, compensated absences decreased $67,616 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for automobile claims are limited to the NMSA Tort Claims Act on a per occurrence basis. Coverage for general liability claims is subject to the NMSA Tort Claims Act on a per occurrence basis.

The commercial insurance carried is a claims incurred policy for which the District is covered for claims originating against the District during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The District has maintained continuous coverage and does not believe it has any exposure to events, which occurred prior to the year ended June 30, 2024.

NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

A. Deficit fund balance of individual funds. The District had the following funds that maintained a deficit fund balance at June 30, 2024:

Major Funds	
Fund 24330 ARP-ESSER II	$ (6,136)
Nonmajor Funds	
Fund 24115 IDEA-B Private Schools Share	(117)
Fund 24118 Fresh Fruits and Vegetables	(74,448)
Fund 24119 21st Century Community Learning Centers	(2,543)
Fund 24154 Teacher/Principal Training	(135,414)
Fund 24176 Carl D. Perkins Secondary	(617)
Fund 24180 Carl D. Perkins HSTW - Current	(590)
Fund 24181 Carl D. Perkins HSTW - PY Unliq. Oblig.	(3,834)
Fund 24182 Carl D. Perkins HSTW - Redistribution	(8,794)
Fund 24189 Student Support & Academic Ach Title I	(365)
Fund 24190 Comprehensive Support & Improvement Title I	(15)
Fund 24308 CARES Act/ESSER II	(239,955)
Fund 25131 Johnson O'Malley	(176,218)
Fund 25184 Indian Ed Formula Grant	(35,868)
Fund 26107 REC/District Fiscal Agent	(160,313)
Fund 27107 GO Bond Student Library	(9,304)
Fund 27126 Community Schools Planning Grant	(279)
Fund 27149 Pre-K Initiative	(18,856)
Fund 27150 Indian Education Act	(6,391)
Fund 27183 NM Grown Fruit and Vegetables	(2)
Fund 27575 Bilingual Multicultural Ed Laws of 2023	(2,582)
Fund 27901 Indian Education Act Funding HB2	(279)
Fund 28190 GRADS - Instruction	(159)
Fund 28211 NM Schools COVID-19 Testing Program	(40,507)
Total governmental funds	$ (923,586)

B. Excess of expenditures over appropriations. The District had the following funds functions with excess of expenditures over appropriations for the year ended June 30, 2024.

Nonmajor Funds	
Fund 23000 Non-Instructional Support - Instruction	$ (629)
Fund 24106 IDEA-B Entitlement - Support Services	(48,507)
Fund 31600 Special Capital Outlay HB-33 - Support Services	(2,224)
Fund 31701 Capital Improvement Local - Support Services	(2,406)
Total governmental funds	$ (53,766)

C. Designated cash appropriations in excess of available balance. The District had no funds with designated cash appropriations in excess of available balances for the year ended June 30, 2024.

NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

Plan Description. The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's annual comprehensive financial report. The report can be found on NMERB's Web site at https://www.erb.nm.gov/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 22-11-55, 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 nine-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

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

Pension Benefit. A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a multiplier. For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

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

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

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

- The member's age and earned service credit add up to the sum of 75 or more. Those who retire under the age of 60, and who have fewer than 25 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

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

- The member's age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totalling 30 years or more.

3 **Tier 3: Membership beginning on or after July 1, 2013, but prior to July 1, 2019.** Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

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

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

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58.)
- The member's minimum age and earned service credit add up to the sum of 80 or more. (Those who retire under the age of 65, and who have fewer than 30 years of earned service credit, receive reduced retirement benefits.)
- Or, the member's age is 67, and the member has earned 5 or more years of service credit.

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

Benefit Options. The Plan has three benefit options available:

- ***Option A – Straight Life Benefit.*** The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- ***Option B – Joint 100% Survivor Benefit.*** The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- ***Option C – Joint 50% Survivor Benefit.*** The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary

predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

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

Cost of Living Adjustment (COLA). All retired members and beneficiaries receiving benefits may receive an adjustment in their benefit on July 1 following the year a member retires or July 1 following the year a member reaches the age below, whichever is later.

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

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund's funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased). When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%. However, while the fund is not fully funded, the COLA for retires 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 retires 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 retires 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 years ended June 30, 2024, 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
2024	7-1-23 to 6-30-24	Over $24K	10.70%	18.15%	28.85%	1.00%
2024	7-1-23 to 6-30-24	$24K or less	7.90%	18.15%	26.05%	1.00%
2023	7-1-22 to 6-30-23	Over $24K	10.70%	17.15%	27.85%	2.00%
2023	7-1-22 to 6-30-23	$24K or less	7.90%	17.15%	25.05%	2.00%

The contribution requirements of plan members and the District 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 year ended June 30, 2024, the District paid employee and employer contributions of $23,565,349 which equal the amount of the required contributions for the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a liability of $177,591,891 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2022, using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2023.

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, 2023, actuarially determined. At June 30, 2023, the District's proportion was 2.04498%, which was an increase of 0.04714% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension income of $23,153,317.

At the June 30, 2024, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,033,733	$ 1,605,755
Changes of assumptions	-	26,354,199
Net differences between projected and actual earnings on pension plan investments	-	1,112,526
Changes in proportion and differences between District's contributions and proportionate share of contributions	3,842,520	1,656,715
District's contributions subsequent to the measurement date	15,028,742	-
Total	$ 23,904,995	$ 30,729,195

$15,028,742 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the future fiscal year. 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 Ending June 30,	
2025	$ (25,628,922)
2026	(3,470,203)
2027	7,080,953
2028	165,230
2029	-
Total	$ (21,852,942)

Actuarial Assumptions. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2022. The total pension liability was rolled forward from the valuation date to June 30, 2023, using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll forward liabilities as of June 30, 2023. For purposes of projecting future benefits, it is assumed that the full COLA will be paid in all future years.

The total pension liability was rolled forward from the valuation date to June 30, 2023, using generally accepted actuarial principles and incorporated the following changes to the Plan's provisions: Change to the employer contribution rate, which increased the employer contribution by 2% for the fiscal year 2023, resulting in a 17.15% employer contribution rate, by 1% for the fiscal year 2024, resulting in an 18.15% employer contribution rate. As a result of these changes and the excellent performance of the fund for the fiscal year, the discount rate remained at 7.00%.

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.0%. Composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for less than 15 years of service.
Investment rate of return	7.00%
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, dividends, etc.).
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted on February 2022.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	24%	
Fixed Income	23%	
Alternatives	52%	
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, 2023. This is the same rate used for June 30, 2022. The 7% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%. 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.

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%) or 1-percentage-point higher (8.00%) than the current rate:

	1 % Decrease 6.00%	Current Discount Rate 7.00%	1 % Increase 8.00%
District's proportionate share of the net pension liability	$ 241,421,077	$ 177,591,891	$ 124,861,474

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in 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. The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2024, the District recorded a payable to ERB in the amount of $2,091,663 for the contributions withheld in the month of June 2024.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND

Plan Description. Substantially all of the District's full-time employees are provided with other post- employment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-16, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

The purpose is to provide eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of eligible retirees.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during the period of time made contributions as a participant in plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150, Albuquerque, New Mexico 87109.

Benefits Provided. The Act authorizes the Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars ($5) if the eligible participant retired prior to the employer's effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the Authority or viewed on their website at www.nmrhca.org.

Employees Covered by Benefit Terms. At June 30, 2023, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,978
Inactive and eligible for deferred benefit	12,552
Current active members	93,595
	159,125
Active Membership	
State general	18,462
State police and corrections	1,260
Municipal general	17,283
Municipal police	3,169
Municipal FTRE	2,419
Educational Retirement Board	51,002
	93,595

Contributions. Employer, employee, and retiree contributions are required to be remitted to the NMRHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the fund in the amount determined to be appropriate by the Board.

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2023, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C-5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Act.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The District's contributions to the plan for the year ended June 30, 2024, totaled $2,503,906, which equals the required contributions for the year.

At June 30, 2024, the District reported a liability of $23,499,073 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2023. At June 30, 2023, the District's proportion was 1.37992%, which was an increase of 0.04088% from June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB income of $5,468,642. At June 30, 2024, 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	$ 397,254	$ 4,254,517
Net difference between actual and projected earnings on OPEB plan investments	502,444	-
Changes of assumptions	4,522,315	22,167,498
Changes in proportion	3,323,360	850,109
Contributions made after the measurement date	1,666,446	-
Total	$ 10,411,819	$ 27,272,124

$1,666,446 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the future fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	$ (5,006,992)
2026	(3,246,720)
2027	(5,644,671)
2028	(3,611,882)
2029	(1,016,486)
Total	$ (18,526,751)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Valuation Date	June 30, 2022
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 members; 2.50% for PERA members
Projected payroll increases	3.00% 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 8.5% graded down to 4.5% over 16 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 are summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	1.6%
U.S. equity - large cap	20%	6.9%
Non U.S. - emerging markets	15%	8.7%
Non U.S. - developed equities	12%	7.2%
Private equity	10%	10.0%
Credit and structured finance	10%	3.7%
Real estate	5%	3.6%
Absolute return	5%	3.2%
U.S. equity - small/mid cap	3%	6.9%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 6.22% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 6.22% is the blended discount rate.

Basis for Allocation. The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, calculated using the discount rate of 6.22% as of June 30, 2023, 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 (5.22%) or 1-percentage-point higher (7.22%) than the ***current discount rate***:

1% Decrease 5.22%)	Current Discount (6.22%)	1% Increase (7.22%)
$ 29,626,533	$ 23,499,073	$ 18,532,191

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	Current Trend Rates	1% Increase
$ 19,454,845	$ 23,499,073	$ 28,143,754

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO RETIREE HEALTH CARE FUND (CONTINUED)

OPEB Plan Fiduciary Net Position. Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2024. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150, Albuquerque, New Mexico 87109.

Payables to the Pension Plan. The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2024, the District recorded a payable to NMRHCA in the amount of $220,257 for the contributions withheld in the month of June 2024, which is included in the Accounts Payable on the Statement of Net Position.

NOTE 12. COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the District is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the District, the liabilities, which may arise from such actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the District or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years, which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts not recorded, if any, to be immaterial.

NOTE 13. 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 14. FUND BALANCES

Fund balances on the modified accrual basis was classified as follows at June 30, 2024:

	Nonspendable	Restricted	Committed	Unassigned (deficit)	Total
General Fund					
Inventory	$ 329,139	$ -	$ -	$ -	$ 329,139
Local Revenue Operational	-	565,260	-	-	565,260
Subsequent year's expenditures	-	-	3,700,000	-	3,700,000
Unassigned	-	-	-	11,131,734	11,131,734
Total general fund	329,139	565,260	3,700,000	11,131,734	15,726,133
ARP Act/ESSER III - 24330					
Unassigned (deficit)	-	-	-	(6,136)	(6,136)
Debt Service - 41000					
Debt service	-	10,665,966	-	-	10,665,966
Nonmajor Funds					
Inventory	278,198	-	-	-	278,198
Prepaids	-	-	-	-	-
Food service	-	1,510,606	-	-	1,510,606
Extracurricular activities	-	2,487,220	-	-	2,487,220
Education	-	5,898,395	-	-	5,898,395
Capital acquisitions & improvements	-	12,179,709	-	-	12,179,709
Debt service	-	85,797	-	-	85,797
Unassigned (deficit)	-	-	-	(917,450)	(917,450)
Total nonmajor funds	278,198	22,161,727	-	(917,450)	21,522,475
Total fund balances	$ 607,337	$ 33,392,953	$ 3,700,000	$ 10,208,148	$ 47,908,438

NOTE 15. ADOPTION OF NEW ACCOUNTING STANDARD

Effective July 1, 2023, the District adopted GASB 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*.

GASB 100 defines accounting changes (including changes in accounting principles, changes in accounting estimate and changes to or within the financial reporting entity) and error corrections. GASB 100 paragraph 31, requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable to be displayed in the financial statements for each reporting unit. Note disclosure is also required, if the government has separately displayed in the financial statements the effects of each accounting change or error correction by reporting unit those effects need not be repeated in the notes to the financial statements. The adoption of this new standard impacted the June 30, 2024 financial statements as described in Note 17.

NOTE 16. TAX ABATEMENTS

The District had no tax abatement during the year ended June 30, 2024. The District is not subject to any tax abatement agreements entered into by other governmental agencies.

NOTE 17. RESTATEMENTS

Change in Reporting Entity. As of July 1, 2023, the District changed its determination of presenting activity funds as custodial-type fiduciary funds and is instead presenting them as a special revenue type fund in the governmental funds. All activity funds are now included in the 23000 Fund, "Non-instructional Support."

As a result, the July 1, 2023 beginning balances of the District have restated as follows:

> **Government-Wide and Governmental Funds.** Beginning net position and fund balance increased on the Statement of Net Position, Statement of Activities, Balance Sheet - Governmental Funds, and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds, by $534,872 to reflect the impact of adding Non-Instructional Support funds as special revenue type funds.
>
> **Fiduciary Funds.** Beginning net position was decreased by $(534,872) on the Statement of Fiduciary Net Position – Fiduciary Funds, and Statement of Changes in Fiduciary Net Position – Fiduciary Funds.

Correction of Errors. As of July 1, 2023 beginning balance for accounts receivable had been understated in Fund 24101 for $295,817 and 24106 for $403,685.

Also, as of July 1, 2023 beginning balance for interfund receivables was understated for Fund 11000 by $328,240, and interfund payables was understated in Fund 24118 by $74,448, in Fund 24176 by $617, in Fund 24180 by $590, in Fund 24181 by $3,834, in Fund 24182 by $8,794, and in Fund 24308 by $239,955.

As a result, the District recorded the following restatements, for the correction of errors, as of July 1, 2023:

> **Government-Wide and Governmental Funds.** Beginning net position and fund balance increased on the Statement of Net Position, Statement of Activities, Balance Sheet - Governmental Funds, and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds, by $699,504 to reflect the impact of increasing the beginning balance of accounts receivable.

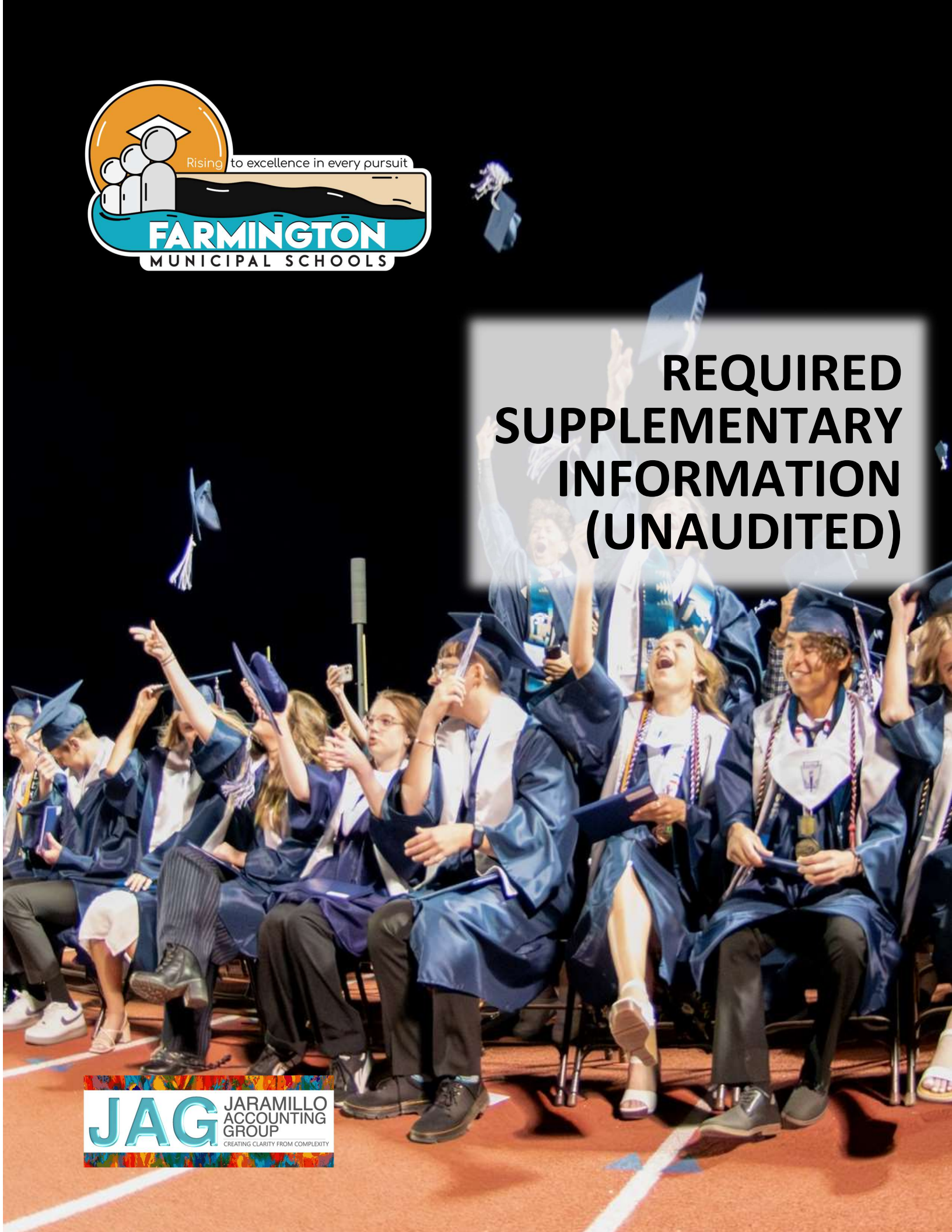
NOTE 18. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2024 it was brought to the District's attention that the District Executive Director of Curriculum became employed with Marzano Resources, a main vendor of curriculum resources. During the year ended June 30, 2024 the District incurred approximately $604,915 in expenditures with Marzano Resources. $132,862 was owed to the company at June 30, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



JAG JARAMILLO ACCOUNTING GROUP
CREATING CLARITY FROM COMPLEXITY

Required Supplementary Information (Unaudited)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN
LAST 10 FISCAL YEARS

Fiscal Year	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	**2.04498%**	1.99784%	2.03171%	2.03841%	1.93388%	1.87091%	1.90992%	1.96531%	2.00837%	1.95300%
District's proportionate share of the net pension liability	**$ 177,591,891**	$ 168,225,321	$ 143,996,770	$ 413,101,925	$ 146,535,937	$ 222,476,100	$ 212,258,352	$ 141,432,228	$ 130,087,473	$ 111,735,344
District's covered employee payroll	**$ 82,626,616**	$ 68,325,550	$ 65,053,865	$ 65,135,350	$ 56,536,623	$ 52,286,029	$ 54,392,248	$ 56,130,511	$ 57,084,325	$ 53,977,809
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	**214.93%**	246.21%	221.35%	634.22%	259.19%	425.50%	390.24%	251.97%	227.89%	207.00%
Plan fiduciary net position as a percentage of total pension liability	**65.19%**	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.34%

See Notes to Required Supplementary Information.

SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN
LAST 10 FISCAL YEARS

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory required contributions	**$ 15,028,742**	$ 13,502,793	$ 9,605,208	$ 9,197,741	$ 9,219,944	$ 7,859,226	$ 7,267,901	$ 7,564,470	$ 7,800,895	$ 7,934,721
Contributions in relation to contractually required contributions	**$ 15,028,742**	$ 13,502,793	$ 9,605,208	$ 9,197,741	$ 9,219,944	$ 7,859,226	$ 9,258,813	$ 7,564,470	$ 7,800,895	$ 7,935,390
District's covered payroll	**$ 82,626,616**	$ 79,001,926	$ 68,325,550	$ 65,053,865	$ 65,135,350	$ 56,536,623	$ 52,286,029	$ 54,402,833	$ 56,130,511	$ 57,084,325
Contributions as a percentage of covered payroll	**18.19%**	17.09%	14.06%	14.14%	14.16%	13.90%	13.90%	13.90%	13.90%	13.90%

See Notes to Required Supplementary Information.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
NEW MEXICO RETIREE HEALTH CARE AUTHORITY (NMRHCA) PLAN
LAST 10 FISCAL YEARS*

Fiscal Year	**2024**	2023	2022	2021	2020	2019	2018
Measurement Date	**2023**	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	**1.37992%**	1.33904%	1.34780%	1.37250%	1.25719%	1.24545%	1.26702%
District's proportionate share of the net OPEB liability	**$23,499,073**	$30,953,390	$44,347,334	$57,630,013	$40,762,987	$54,156,585	$57,417,203
District's covered employee payroll	**$68,333,590**	$68,325,550	$65,053,865	$65,135,350	$56,536,623	$52,286,029	$54,392,248
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	**34.39%**	45.30%	68.17%	88.48%	72.10%	103.58%	105.56%
RHCA Plan fiduciary net position as a percentage of the total pension liability	**44.16%**	33.33%	25.39%	16.50%	18.92%	13.14%	11.34%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years.

See Notes to Required Supplementary Information.

SCHEDULE OF OPEB CONTRIBUTIONS
NEW MEXICO RETIREE HEALTH CARE AUTHORITY (NMRHCA) PLAN
LAST 10 FISCAL YEARS* (UNAUDITED)

	June 30,						
	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	**$ 1,666,446**	$ 1,574,913	$ 1,366,511	$ 1,300,964	$ 1,302,707	$ 1,129,703	$ 1,044,579
Contributions in relation to the contractually required contribution	**1,666,446**	1,574,913	1,366,511	1,300,964	1,302,707	1,129,703	1,044,579
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	**$ 83,322,300**	$ 79,001,926	$ 68,325,550	$ 65,053,865	$ 65,135,350	$ 56,536,623	$ 52,286,029
Contributions as a percentage of covered-employee payroll	**2.00%**	1.99%	2.00%	2.00%	2.00%	2.00%	2.00%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for available years.

See Notes to Required Supplementary Information.

Notes to Required Supplementary Information (Unaudited)

JUNE 30, 2024

ERB PLAN

Changes in benefit provisions. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2023.

Changes in assumptions and methods. Actuarial assumptions and methods are set by the Board of Trustee 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 ended June 30, 2019. No changes have been made to the assumptions since the prior valuation.

RHCA PLAN

In the total OPEB liability measured as of June 30, 2023, changes in assumptions include adjustments resulting from an increase in the discount rate from 5.42% to 6.22%.


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General Fund Descriptions

JUNE 30, 2024

GENERAL OPERATIONAL FUND (11000) - The District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds.

PUPIL TRANSPORTATION FUND (13000) - Accounts for transportation distribution received from the New Mexico Public Education Department to pay for the costs associated with transporting school age children.

LOCAL REVENUE OPERATIONAL FUND (15200) – Accounts for funding from Schools and Roads - Grants to States (Forest Reserve) as shared receipts from the National Forests and supplemental mandatory appropriations with States in which the National Forests are situated and to account for tax receipts allocated to the general fund.

COMBINING BALANCE SHEET – GENERAL FUNDS
JUNE 30, 2024

	11000 General Operational Fund	13000 Pupil Transportation Fund	15200 Local Revenue Operational	**Total General Funds**
ASSETS				
Current Assets				
Cash and cash equivalents	$ 15,143,585	$ 190,449	$ 669,932	**$ 16,003,966**
Investments	13,201	-	-	**13,201**
Restricted investments	-	-	-	**-**
Receivables				
Property taxes	44,716	-	-	**44,716**
Due from other governments	83,930	-	1,170	**85,100**
Prepaid expenditures	-	-	-	**-**
Inventory	-	329,139	-	**329,139**
Due from other funds	3,322,847	-	-	**3,322,847**
Total assets	$ 18,608,279	$ 519,588	$ 671,102	**$ 19,798,969**
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 1,572,162	$ 67,646	$ 105,842	**$ 1,745,650**
Accrued liabilities	2,220,371	69,179	-	**2,289,550**
Unearned revenue	-	-	-	**-**
Due to other funds	-	-	-	**-**
Total liabilities	3,792,533	136,825	105,842	**4,035,200**
DEFERRED INFLOWS OF RESOURCES				**-**
Unavailable revenue - property taxes	37,636	-	-	**37,636**
Leases	-	-	-	**-**
Total deferred inflows of resources	37,636	-	-	**37,636**
FUND BALANCES				
Nonspendable	-	329,139	-	**329,139**
Restricted	-	-	565,260	**565,260**
Committed	3,700,000	-	-	**3,700,000**
Unassigned (deficit)	11,078,110	53,624	-	**11,131,734**
Total fund balances	14,778,110	382,763	565,260	**15,726,133**
Total liabilities, deferred inflows, and fund balances	$ 18,608,279	$ 519,588	$ 671,102	**$ 19,798,969**

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	11000 General Operational Fund	13000 Pupil Transportation Fund	15200 Local Revenue Operational	**Total General Funds**
REVENUES				
Property taxes	$ (2,411)	$ -	$ 608,043	**$ 605,632**
Oil and gas taxes	-	-	75,121	**75,121**
Intergovernmental revenue				
Federal	435,289	-	-	**435,289**
State	123,175,007	4,372,148	-	**127,547,155**
Local sources	150,162	-	-	**150,162**
Charges for services	2,214	-	-	**2,214**
Investment income	285	-	-	**285**
Miscellaneous	82,787	-	-	**82,787**
Total revenues	123,843,333	4,372,148	683,164	**128,898,645**
EXPENDITURES				
Current				
Instruction	73,933,608	-	-	**73,933,608**
Support services				
Students	13,449,765	-	-	**13,449,765**
Instruction	1,805,407	-	304,956	**2,110,363**
General administration	1,700,516	-	6,498	**1,707,014**
School administration	7,567,592	-	-	**7,567,592**
Central services	1,535,789	-	-	**1,535,789**
Operation & maintenance of plant	14,323,757	-	-	**14,323,757**
Student transportation	-	4,283,742	-	**4,283,742**
Food services operations	-	-	-	**-**
Capital outlay	-	-	-	**-**
Debt service				
Principal	168,583	-	-	**168,583**
Interest and other charges	9,193	-	-	**9,193**
Bond issuance costs	-	-	-	**-**
Total expenditures	114,494,210	4,283,742	311,454	**119,089,406**
Excess (deficiency) of revenues over (under) expenditures	9,349,123	88,406	371,710	**-** **9,809,239**
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	**-**
Proceeds from sale of capital assets	-	-	-	**-**
Leases, SBITAs, or bond proceeds	196,761	-	-	**196,761**
Total other financing sources	196,761	-	-	**196,761**
Net changes in fund balances	9,545,884	88,406	371,710	**10,006,000**
Fund balances, beginning of year, as originally stated	4,903,986	294,357	193,550	**5,391,893**
Restatement (Note 17)	328,240	-	-	**328,240**
Fund balances, beginning of year, as restated	5,232,226	294,357	193,550	**5,720,133**
Fund balances, end of year	$ 14,778,110	$ 382,763	$ 565,260	**$ 15,726,133**

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – GENERAL OPERATING FUND (11000)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	237,645	237,645	435,289	(197,644)
State	123,128,194	123,175,007	123,175,007	-
Local sources	100,906	100,906	149,174	(48,268)
Charges for services	24,288	24,288	2,214	22,074
Investment income	-	-	130	(130)
Miscellaneous	-	-	-	-
Total revenues	123,491,033	123,537,846	123,761,814	(223,968)
EXPENDITURES				
Current				
Instruction	78,356,203	78,474,658	73,966,753	4,507,905
Support services				
Students	16,299,521	16,299,521	13,430,482	2,869,039
Instruction	1,845,269	1,995,269	1,805,243	190,026
General administration	1,425,535	1,450,535	1,692,290	(241,755)
School administration	7,321,948	7,321,948	7,571,630	(249,682)
Central services	2,653,592	2,653,592	1,540,378	1,113,214
Operation & maintenance of plant	15,582,966	15,321,324	14,405,551	915,773
Student transportation	-	-	-	-
Other support services	3,706,000	6,941,247	-	6,941,247
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	127,191,034	130,458,094	114,412,327	16,045,767
Excess (deficiency) of revenues over (under) expenditures	(3,700,001)	(6,920,248)	9,349,487	(16,269,735)
Other Financing Sources				
Designated cash (budgeted increase in cash	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in/(out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	(3,700,001)	(6,920,248)	9,349,487	(16,269,735)
Fund balance - beginning of year	-	-	4,903,986	(4,903,986)
Fund balance - end of year	$ (3,700,001)	$ (6,920,248)	$ 14,253,473	$ (21,173,721)
Reconciliation to GAAP Basis				
Net change in fund balance (Non-GAAP budgetary basis)			$ 9,349,487	
Adjustments to revenues			81,519	
Adjustments to expenditures			114,878	
Net change in fund balance (GAAP Basis)			$ 9,545,884	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – PUPIL TRANSPORTATION FUND (13000)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	4,519,327	4,519,327	4,372,148	147,179
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,519,327	4,519,327	4,372,148	147,179
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support services				
Student transportation	4,519,327	4,666,506	4,303,499	363,007
Capital outlay	-	-	-	-
Total expenditures	4,519,327	4,666,506	4,303,499	363,007
Excess (deficiency) of revenues over (under) expenditures	-	(147,179)	68,649	(215,828)
Other Financing Sources				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in/(out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	(147,179)	68,649	(215,828)
Fund balance - beginning of year	-	-	294,357	(294,357)
Fund balance - end of year	$ -	$ (147,179)	$ 363,006	$ (510,185)
Reconciliation to GAAP Basis				
Net change in fund balance (Non-GAAP budgetary basis)			$ 68,649	
Adjustments to revenues			-	
Adjustments to expenditures			19,757	
Net change in fund balance (GAAP Basis)			$ 88,406	

See Accompanying Notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – LOCAL REVENUE OPERATIONAL FUND (15200)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 598,730	$ 598,730	$ 608,043	$ (9,313)
Oil and gas taxes	32,978	32,978	73,951	(40,973)
Intergovernmental				
Federal grants	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	631,708	631,708	681,994	(50,286)
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support services				
Students	625,721	-	-	-
Instruction	-	819,271	199,114	620,157
General administration	5,987	5,987	6,498	(511)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	631,708	825,258	205,612	619,646
Excess (deficiency) of revenues over (under) expenditures	-	(193,550)	476,382	(669,932)
Other Financing Sources				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in/(out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	(193,550)	476,382	(669,932)
Fund balance - beginning of year	-	-	193,550	(193,550)
Fund balance - end of year	$ -	$ (193,550)	$ 669,932	$ (863,482)
Reconciliation to GAAP Basis				
Net change in fund balance (Non-GAAP budgetary basis)			$ 476,382	
Adjustments to revenues			1,170	
Adjustments to expenditures			(105,842)	
Net change in fund balance (GAAP Basis)			$ 371,710	

See Accompanying Notes.

Nonmajor Government Fund Descriptions

JUNE 30, 2024

SPECIAL REVENUE FUNDS

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

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

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

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

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

JAVITS GIFTED AND TALENTED (24102) – The purpose of this program is to meet the special education needs of gifted and talented students. The major emphasis of the program is on serving students traditionally underrepresented in gifted and talented programs, particularly economically disadvantaged, limited English proficient (LEP), and disabled students, to help reduce the serious gap in achievement among certain groups of students at the highest levels of achievement. Authorization: Elementary and Secondary Education Act of 1965, as amended, Title V, Part D, Subpart 6.

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

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

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

IDEA-B PRIVATE SCHOOLS SHARE (24115) – To provide grants to States to assist the States in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

FRESH FRUIT AND VEGETABLES (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

21st CENTURY COMMUNITY LEARNING CENTERS (24119) – After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

TITLE I – 1003g (24124) – The objective of this grant is to provide in conjunction with Title I funds for school improvement reserved under section 1003(a) of the ESEA. School Improvement Grants under section 1003(g) of the ESEA are used to improve student achievement in Title I schools identified for improvement, corrective action, or restructuring so as to enable those schools to make adequate yearly progress (A YP) and exit improvement status. Funding is by the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

ENGLISH LANGUAGE ACQUISITION (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. This program is authorized by Title III, Part A of the ESEA, as amended.

TEACHER/PRINCIPAL TRAINING & RECRUITING (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. This program is authorized by Title II, Part A, Subparts 1-3 of the ESEA, as amended.

CARL D. PERKINS SECONDARY – CURRENT (24174), CARL D. PERKINS – PY LIQUIDATED (24175), CARL D. PERKINS SECONDARY - REDISTRIBUTION (24176) – The objective of this grant is to provide secondary and post- secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332, 20 U.S.C. 2301, et seq.

ADVANCING MEASUREMENT AT PED (24188) - To support the District's implementation of the AMP to improve the outcomes for student with disabilities by decreasing dropout rates and increasing graduation rates. Funding is by the US Department of Education, Special Education - Grants to State.

STUDENT SUPPORT & ACADEMIC ENRICHMENT (24189) – To support well-rounded education opportunities, safe and healthy students, and effective use of technology (ESEA sections 4107, 4108 and 419). Funding is by the US Department of Education, Title IV – Student Support and Academic Enrichment Grants.

TITLE I – COMPREHENSIVE SUPPORT AND IMPROVEMENT (CSI) (24190) – To provide targeted, planned intervention in state identified schools, in order to promote school wide positive results. 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.

PROJECT AWARE 93.243 (24195) – To provide assistance to children in dealing with violence and traumatic events through health and development. Authority for creation of this fund is the Substance Abuse and Mental Health Services through the University of New Mexico Health Sciences Center, Department of Psychiatry and Behavioral Sciences' Division of Community Behavioral Health partnership with the NM Public Education Department.

ARRA - IDEA - B CEIS (24212) – Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities: (2) Must be used to supplement State. local, and other Federal funds and not to supplant such funds: and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

INDIVIDUALS WITH DISABILITIES EDUCATION (IDEA) ACT/AMERICAN RESCUE PLAN (APR) ACT OF 2021 (24346) – Federal funding aid in response to the COVID-19 pandemic, distributed with the specific purpose of assisting with Special Education Student needs. Authorization: 2 C.F.R. Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards1 2 C.F.R. Part 3474: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 C.F.R. Part 3485: Non-procurement Debarment and Suspension.

ARP HOMELESS CHILDREN & YOUTH (24350), ARP ACT, ESSER III – EMERGENCY RELIEF FUND HOMELESS CHILDREN AND YOUTH (24355) – To account for funds awarded through the Elementary and Secondary School Education Relief Fund (ESSER Fund), a component of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub.L. 116–136. The ESSER Fund is a highly flexible federal program designed to provide local education agencies (LEAs) with funding to meet a diverse array of educational and COVID response related needs. By law, awards from the ESSER Fund are based on LEAs' proportional share of final 2019-20 Title I, Part A allocations received. The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA), Public Law 116-260, was signed into law on December 27, 2020 and provided additional funding for the Elementary and Secondary School Emergency Relief Fund (ESSER II) and Governor's Emergency Education Relief (GEER) Fund. On March 11, 2021, the American Rescue Plan (ARP) Act, Public Law 117-2, was signed into law. It provided to funds to help safely reopen and sustain the same operation of schools and address the impact of the coronavirus pandemic on the Nation's students. The GEER Fund awards grants to states' governor's offices, to provide assistance to students and students' families.

JOHNSON O'MALLEY (25131) - The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended 25 U.S.C. 452, Public Law 93 638; 25 U.S.C. 455-457.

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

TITLE XIX MEDICAID 3/21 YEARS (25153) – This fund is used to account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. Authority for the creation of this fund is the Social Security Act, Title XIX, as amended; Public Laws 89-97, 90- 248, and 91-56; 42U.S.C. 1396 ets eq., as amended; Public Law 92-223; Public Law 92-603; Public Law 93-66; Public Law 93-233; Public Law 96-499; Public Law 97-35; Public Law 97-248; Public Law 98-369; Public Law 99-272; Public Law 99-509; Public Law 100-93; Public Law 100-202; Public Law 100-203; Public Law100-360; Public Law 100-436; Public Law 100-485; Public Law 100-647; Public Law 101-166; Public Law 101-234; Public Law 101-239; Public Law 101-508; Public Law 101-517; Public Law 102-234; Public Law 102-170; Public Law 102-394; Public Law 103-66; Public Law 103-112; Public Law 103-333; Public Law 104-91; Public Law 104-191; Public Law 104-193; Public Law 104-208,104-134; Balanced Budget Act of 1997, Public Law 105-33; Public Law 106-113; Public Law 106-554; Public Law 108-27; Public Law 108-173; Public Law 109-91; Public Law 109-171; Public Law 109-432; Public Law 110-28.

INDIAN ED FORMULA GRANT (25184) – The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

MENTORING FOR SAFE SCHOOLS (25187) – To provide funding to state, local, community, and national organizations to propose the enhancement or expansion of initiatives that will assist in the development and maturity of community programs to provide mentoring services to high-risk populations that are underserved due to location, shortage of mentors, special physical or mental challenges of the targeted population, or other analogous situations identified by the community in need of mentoring services.

REC/DISTRICT FISCAL AGENT (26107) – The purpose of this program is to use funds made available through the American Rescue Plan Act to promote two major goals: 1. Create a new teacher/educator pipeline for schools in New Mexico. 2. Improve adult-to-student ratios in classrooms as the state recovers from the COVID-19 pandemic. Improving the ratio allows educators to provide targeted small group intervention for a broad range of needs. Authority for the creation of this fund is the New Mexico Public Education Department.

KELLOGG FOUNDATION (26121) – To account for Private Grant from the Kellogg Foundation, for the use to improve the quality of life for students in Doña Ana County, New Mexico by providing access to educational programs braiding together community assets of land, language, agriculture, and community engagement to successfully close opportunity gaps.

EMERGENCY CONNECTIVELY FUND FCC (26222) – This grant was to help cover reasonable costs of laptop and tablet computers; Wi-Fi hotspots; modems; routers; and broadband connectivity purchases for off campus use by students and school staff by the Universal Service Administrative Company, through a component of the American Rescue Plan (ARP) Act, 2021.

G.O. BOND STUDENT LIBRARY FUND (SB1) (27107) – To account for funds provided for the purpose of acquiring library books, equipment, and library resources for public school and state-supported school libraries statewide. Authority for the creation of this fund is the New Mexico Public Education Department.

INSTRUCTIONAL MATERIAL – SPECIAL APPROPRIATIONS (27109) – The purpose of this grant award is provide high-quality, culturally and linguistically relevant instructions materials. The funding was made available through special and supplemental appropriations passed during the 2019 legislative session.

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.

COMMUNITY SCHOOLS PLANNING & IMPROVEMENT GRANTS (27126) – To account for grant funds awarded by NMPED for community school initiatives, which shall be used to establish, operate, and sustain the community school framework pursuant to Section 22-32-4, NMSA 1978.

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

INDIAN EDUCATION ACT (27150) – To increase academic achievement and provide culturally relevant learning experiences for American Indian students; to establish collaborative partnerships that engage active participation of American Indian parents, students, tribe(s), community-based organizations, universities, private sector and/ or other entities who work with American Indian students; to establish a parent community advisory committee to participate in the development of an Indigenous curriculum framework and to profile Indigenous best practices.

BREAKFAST FOR ELEMENTARY STUDENTS (27155) – The Breakfast for Elementary School program provides foods (at no charge) after the instructional day has begun, provided that instruction occurs simultaneously with breakfast. Authorized through 22-13-13.2 NMSA 1978; NMAC 6.12.9.

LIBRARIES GO BOND 2006 (27170) – Funding made available to update and expand library collections.

SCHOOL BUSES (27178) – Funds to public school districts to replace public school buses. Authority for the creation of the fund is Senate Bill 60, Severance Tax Bond Projects 2013.

NM GROWN FVV (27183) – This funding is to be used in promoting a healthy nutrition plan while stimulating local economy.

OPEN SCI ED EXPANSION INITIATIVE (27202) –The purpose of this grant award is to expand Science Education curriculum. The funding was made available through New Mexico State Appropriations.

PUBLIC SCHOOL BUS CAMERAS (27405) – The purpose of this grant award is to provide district owned school bus cameras. This was made available through the New Mexico Public Education Department, NM Laws of 2021, HB-285, Chapter 138, Section 17, Paragraph 172.

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

NATIVE AMERICAN LANGUAGE CERTIFICATE SALARIES (27411) – Funds are to be used to increase salaries for teachers who hold a Native American Language and Culture certificate. The funding was made available through special and supplemental appropriations passed during the 2022 legislative session.

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

BILINGUAL MULTICULTURAL EDUCATION (27575) - This fund, established under the Laws of 2023, Session 1, Chapter 210, Section 4, Item I, supports bilingual and multicultural education initiatives. It aims to enhance educational opportunities for students by promoting bilingualism and cultural diversity in schools.

ATTENDANCE SUCCESS INITIATIVE (27584) - Dedicated to enhancing student attendance rates through strategic interventions and comprehensive support systems. This initiative focuses on creating a robust framework to ensure students attend school regularly, thereby improving their academic performance and overall well-being.

CTE INNOVATION ZONES (27589) - This fund is dedicated to enhancing career technical education (CTE) through the creation of innovation zones and the support of work-based learning initiatives. It aims to provide students with hands-on, practical experiences that prepare them for the workforce.

INDIAN EDUCATION ACT FUNDING (27901) - This fund, established under HB2 regular 2023, is dedicated to supporting the educational needs of American Indian students. It aims to provide culturally relevant, high-quality education and address the unique challenges faced by Native students.

NATIVE AMERICAN LANGUAGE & CULTURE SUPPORT GRANT (27909) - The Native American Language and Culture Support Grant is designed to preserve and promote the rich linguistic and cultural heritage of Native American communities. This fund supports initiatives that aim to revitalize Native American languages and integrate cultural education into the curriculum.

YOUTH CONSERVATION CORP NMEMNR (28133) – Allows for students to participate in conservation programs at National, State and City Parks as well as study time for academic programs.

GEAR-UP CHE (28178) – Funds to provide tutoring for students needing specialized help at the mid-school level.

GRADS – INSTRUCTION (28190) - To assist in the cost of caps and gowns for students who are graduating. Authority for the creation of this fund is the New Mexico Public Education Department.

NM SCHOOLS COVID-19 TESTING PROGRAM DOH (28211) – The purpose of the NM Schools COVID-19 Testing grant is to support the prevention, mitigation, and response of COVID-19 through screening and testing students and staff. This funding was made available by the New Mexico Department of Health under the NM Schools COVID-19 Testing Program.

NM FOOD SECURITY APPROPRIATION/STATEWIDE HUNGER INITIATIVE (28217) – The purpose of this funding is to a vehicle, trailer, or water tank and supplies to assist in properly washing and cleaning locally grown produce of small growers in primarily the Shiprock area. This funding was made available by the State of New Mexico's statewide hunger initiative appropriation.

WESTMEATH FOUNDATION (29102) – Exclusively for the Exceptional Programs Office to use only for educational, scientific, or literary purposes.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

BOND BUILDING (31100) – 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. Funding authority is the New Mexico Public Education Department.

PUBLIC SCHOOL CAPITAL OUTLAY - STATE (31200) – To account for critical capital outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

SPECIAL CAPITAL OUTLAY - LOCAL (31300) – This fund is used to account for revenues that are derived from local sources such as the sale of a building.

SPECIAL CAPITAL OUTLAY - STATE (31400) – This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

CAPITAL IMPROVEMENTS HB-33 (31600) is used to account for two mill levy funds authorized by the Public-School Capital Improvement Act. The levy must be voted on by local residents and allows the District to impose a property tax.

CAPITAL IMPROVEMENTS S-B9 - LOCAL (31701) - This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mil property tax levy and interest earned on investments, under New Mexico Senate Bill 9. To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

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

ED. TECHNOLOGY EQUIPMENT ACT (31900) – This fund is used to account for revenue received from any revenue bonds issued into as part of a lease purchase agreement under the Education Technology Act. The Education Technology Act was enacted to implement a provision of Article IX Section 11 of the Constitution of New Mexico which declares that a school district may create a debt under the constitution by entering into a lease purchase arrangement to acquire education technology without submitting the proposition to a vote of the qualified electors of the school district.

DEBT SERVICE FUNDS

ED TECH DEBT SERVICE (43000) – To account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. Authority for the creation of this fund is the New Mexico Public Education Department.

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 10,245,248	$ 12,497,970	$ -	**$ 22,743,218**
Investments	-	-	199,019	**199,019**
Accounts receivable				
Property taxes	-	424,233	29,038	**453,271**
Due from other governments	2,101,758	9,871	80	**2,111,709**
Prepaid expenditures	-	-	-	**-**
Inventory	278,198	-	-	**278,198**
Total assets	$ 12,625,204	$ 12,932,074	$ 228,137	**$ 25,785,415**
LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 320,967	$ 364,440	$ -	**$ 685,407**
Accrued liabilities	224,713	-	-	**224,713**
Unearned revenue	893,710	-	-	**893,710**
Due to other funds	1,928,845	-	115,936	**2,044,781**
Total liabilities	3,368,235	364,440	115,936	**3,848,611**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	387,925	26,404	**414,329**
FUND BALANCES				
Nonspendable				
Inventory	278,198	-	-	**278,198**
Spendable				
Restricted	9,896,221	12,179,709	85,797	**22,161,727**
Unassigned (deficit)	(917,450)	-	-	**(917,450)**
Total fund balances	9,256,969	12,179,709	85,797	**21,522,475**
Total liabilities, deferred inflows, and fund balances	$ 12,625,204	$ 12,932,074	$ 228,137	**$ 25,785,415**

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue	Capital Projects	Debt Service	Total
REVENUES				
Property taxes	$ -	$ 6,406,709	$ 34,242	**$ 6,440,951**
Oil and gas taxes	-	715,415	5,723	**721,138**
Intergovernmental				
Federal	20,413,586	-	-	**20,413,586**
State	3,679,517	4,893,145	-	**8,572,662**
Local sources	454,511	218	-	**454,729**
Charges for services	3,508,719	-	-	**3,508,719**
Investment income	7,502	111,749	2,542	**121,793**
Miscellaneous	-	-	-	**-**
Total revenues	28,063,835	12,127,236	42,507	**40,233,578**
EXPENDITURES				
Current				
Instruction	11,037,741	-	-	**11,037,741**
Support services				
Students	4,002,213	-	-	**4,002,213**
Instruction	1,578,020	-	-	**1,578,020**
General administration	379,770	68,831	499	**449,100**
School administration	567,515	-	-	**567,515**
Central services	132,284	-	-	**132,284**
Operation & maintenance of plant	-	-	-	**-**
Student transportation	68,150	-	-	**68,150**
Food services operations	7,646,428	-	-	**7,646,428**
Community services	-	-	-	**-**
Capital outlay	-	11,268,805	-	**11,268,805**
Debt service				
Principal	-	-	-	**-**
Interest and other charges	-	-	-	**-**
Total expenditures	25,412,121	11,337,636	499	**36,750,256**
Excess of revenues over expenditures	2,651,714	789,600	42,008	**3,483,322**
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	**-**
Proceeds from sale of capital assets	-	553,327	-	**553,327**
Bond proceeds	-	2,000,000	-	**2,000,000**
Total other financing sources	-	2,553,327	-	**2,553,327**
Net changes in fund balances	2,651,714	3,342,927	42,008	**6,036,649**
Fund balances, beginning of year, as originally stated	5,699,119	8,836,782	43,789	**14,579,690**
Restatement (Note 17)	906,136	-	-	**906,136**
Fund balances, beginning of year, as restated	6,605,255	8,836,782	43,789	**15,485,826**
Fund balances, end of year	$ 9,256,969	$ 12,179,709	$ 85,797	**$ 21,522,475**

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	21000 Food Service	22000 Athletics	23000 Non-Instructional Support	24101 Title I - ESEA
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,263,000	$ 371,828	$ 2,135,392	$ 56,251
Accounts receivable				
Intergovernmental	376,454	93	71,589	339,161
Prepaid expenditures	-	-	-	-
Inventory	278,198	-	-	-
Total assets	$ 1,917,652	$ 371,921	$ 2,206,981	$ 395,412
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 116,357	$ 5,456	$ 75,949	$ 32,369
Accrued payroll liabilities	12,491	-	10,277	56,251
Unearned revenue	-	-	-	295,817
Due to other funds	-	-	-	10,975
Total liabilities	128,848	5,456	86,226	395,412
FUND BALANCES				
Nonspendable				
Inventory	278,198	-	-	-
Spendable				
Restricted	1,510,606	366,465	2,120,755	-
Unassigned	-	-	-	-
Total fund balances	1,788,804	366,465	2,120,755	-
Total liabilities and fund balances	$ 1,917,652	$ 371,921	$ 2,206,981	$ 395,412

See Accompanying Notes.

JUNE 30, 2024

	24102 Javits Gifted and Talented	24106 IDEA-B Entitlement	24109 IDEA-B Preschool	24113 Education of Homeless
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,610	$ 288,843	$ 16,992	$ 26,404
Accounts receivable				
Intergovernmental	-	210,711	895	2,725
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 1,610	$ 499,554	$ 17,887	$ 29,129
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ 35,054	$ -	$ -
Accrued payroll liabilities	-	60,815	-	-
Unearned revenue	1,610	403,685	17,887	29,129
Due to other funds	-	-	-	-
Total liabilities	1,610	499,554	17,887	29,129
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	$ 1,610	$ 499,554	$ 17,887	$ 29,129

See Accompanying Notes.

JUNE 30, 2024

	24115	24118	24119	24124
	IDEA-B Private Schools Share	Fresh Fruits and Vegetables	21st Century Community Learning Centers	Title I - 1003g
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ 52,701
Accounts receivable				
Intergovernmental	-	-	9,547	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ -	$ -	$ 9,547	$ 52,701
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ 176	$ -
Accrued payroll liabilities	-	-	-	-
Unearned revenue	-	-	-	52,701
Due to other funds	117	74,448	11,914	-
Total liabilities	117	74,448	12,090	52,701
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	(117)	(74,448)	(2,543)	-
Total fund balances	(117)	(74,448)	(2,543)	-
Total liabilities and fund balances	$ -	$ -	$ 9,547	$ 52,701

See Accompanying Notes.

JUNE 30, 2024

	24153	24154	24174	24175
	English Language Acquisition	Teacher/Prin Training & Recruiting	Carl D. Perkins Secondary Current	Carl D. Perkins Secondary - PY Unliquidated
ASSETS				
Current Assets				
Cash and cash equivalents	$ 6,520	$ 3,771	$ 20,410	$ 3
Accounts receivable				
Intergovernmental	65,721	140,912	2,848	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 72,241	$ 144,683	$ 23,258	$ 3
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ 5,828	$ -	$ -
Accrued payroll liabilities	3,326	3,771	-	-
Unearned revenue	68,915	-	23,258	3
Due to other funds	-	270,498	-	-
Total liabilities	72,241	280,097	23,258	3
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	-	(135,414)	-	-
Total fund balances	-	(135,414)	-	-
Total liabilities and fund balances	$ 72,241	$ 144,683	$ 23,258	$ 3

See Accompanying Notes.

JUNE 30, 2024

	24176	24180	24181	24182
	Carl D. Perkins Secondary	Carl D. Perkins HSTW - Current	Carl D. Perkins HSTW - PY Unliq. Oblig.	Carl D. Perkins HSTW - Redistribution
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Accounts receivable				
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ -	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	617	590	3,834	8,794
Total liabilities	617	590	3,834	8,794
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	(617)	(590)	(3,834)	(8,794)
Total fund balances	(617)	(590)	(3,834)	(8,794)
Total liabilities and fund balances	$ -	$ -	$ -	$ -

See Accompanying Notes.

JUNE 30, 2024

	24188 Advancing Measurement at PED	24189 Student Support & Academic Enrichment	24190 Title I - Comprehensive Support and Improvement (CSI)	24195 Project Aware 93.243
ASSETS				
Current Assets				
Cash and cash equivalents	$ 4	$ 667	$ -	$ 9
Accounts receivable				
Intergovernmental	-	6,082	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 4	$ 6,749	$ -	$ 9
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ 546	$ -	$ -
Accrued payroll liabilities	-	667	-	-
Unearned revenue	4	-	-	9
Due to other funds	-	5,901	15	-
Total liabilities	4	7,114	15	9
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	-	(365)	(15)	-
Total fund balances	-	(365)	(15)	-
Total liabilities and fund balances	$ 4	$ 6,749	$ -	$ 9

See Accompanying Notes.

JUNE 30, 2024

	24212	24308	24346	24355
	ARRA - IDEA - B CEIS	CARES Act/ESSER II	IDEA/ARP	ARP ERF Homeless Children & Youth
ASSETS				
Current Assets				
Cash and cash equivalents	$ 55	$ -	$ 637	$ 16
Accounts receivable				
Intergovernmental	-	-	-	1,431
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 55	$ -	$ 637	$ 1,447
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	16
Unearned revenue	55	-	637	-
Due to other funds	-	239,955	-	1,431
Total liabilities	55	239,955	637	1,447
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	-	(239,955)	-	-
Total fund balances	-	(239,955)	-	-
Total liabilities and fund balances	$ 55	$ -	$ 637	$ 1,447

See Accompanying Notes.

JUNE 30, 2024

	25131 Johnson O'Malley	25145 Impact Aid Special Education	25147 Impact Aid Indian Education	25153 Title XIX Medicaid
ASSETS				
Current Assets				
Cash and cash equivalents	$ 558	$ 368,365	$ 661,965	$ 3,940,343
Accounts receivable				
Intergovernmental	46,796	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 47,354	$ 368,365	$ 661,965	$ 3,940,343
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 694	$ 4,420	$ 1,486	$ 17,949
Accrued payroll liabilities	558	-	1,845	14,554
Unearned revenue	-	-	-	-
Due to other funds	222,320	-	-	-
Total liabilities	223,572	4,420	3,331	32,503
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	363,945	658,634	3,907,840
Unassigned	(176,218)	-	-	-
Total fund balances	(176,218)	363,945	658,634	3,907,840
Total liabilities and fund balances	$ 47,354	$ 368,365	$ 661,965	$ 3,940,343

See Accompanying Notes.

JUNE 30, 2024

	25184 Indian ED Formula Grant	25187 Mentoring For Safe Schools	26107 REC/District Fiscal Agent	26121 Kellogg Foundation
ASSETS				
Current Assets				
Cash and cash equivalents	$ 15,445	$ 1	$ 7,808	$ 163,256
Accounts receivable				
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 15,445	$ 1	$ 7,808	$ 163,256
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 284	$ -	$ 182	$ 853
Accrued payroll liabilities	15,445	-	7,808	716
Unearned revenue	-	-	-	-
Due to other funds	35,584	-	160,131	-
Total liabilities	51,313	-	168,121	1,569
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	1	-	161,687
Unassigned	(35,868)	-	(160,313)	-
Total fund balances	(35,868)	1	(160,313)	161,687
Total liabilities and fund balances	$ 15,445	$ 1	$ 7,808	$ 163,256

See Accompanying Notes.

JUNE 30, 2024

	26222 Emergency Connectively Fund FCC	27107 GO Bond Student Library Fund	27109 Instructional Materials Special Approp	27114 NM Reads to Lead K-3 Initiative
ASSETS				
Current Assets				
Cash and cash equivalents	$ 742,523	$ -	$ 24,787	$ 70
Accounts receivable				
Intergovernmental	-	86,994	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 742,523	$ 86,994	$ 24,787	$ 70
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ 2,188	$ -	$ -
Accrued payroll liabilities	-	-	3,051	-
Unearned revenue	-	-	-	-
Due to other funds	-	94,110	-	-
Total liabilities	-	96,298	3,051	-
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	742,523	-	21,736	70
Unassigned	-	(9,304)	-	-
Total fund balances	742,523	(9,304)	21,736	70
Total liabilities and fund balances	$ 742,523	$ 86,994	$ 24,787	$ 70

See Accompanying Notes.

JUNE 30, 2024

	27126 Community Schools Planning Grant	27149 Pre-K Initiative	27150 Indian Education Act	27155 Breakfast for Elementary Students
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,726	$ 30,183	$ -	$ 2,729
Accounts receivable				
Intergovernmental	10,444	302,335	256	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 12,170	$ 332,518	$ 256	$ 2,729
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 279	$ 18,036	$ -	$ -
Accrued payroll liabilities	1,726	30,183	-	-
Unearned revenue	-	-	-	-
Due to other funds	10,444	303,155	6,647	-
Total liabilities	12,449	351,374	6,647	-
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	2,729
Unassigned	(279)	(18,856)	(6,391)	-
Total fund balances	(279)	(18,856)	(6,391)	2,729
Total liabilities and fund balances	$ 12,170	$ 332,518	$ 256	$ 2,729

See Accompanying Notes.

JUNE 30, 2024

	27170 Libraries GO Bond 2006	27178 School Buses	27183 NM Grown FVV	27202 Open Sci Ed Expansion Initiative
ASSETS				
Current Assets				
Cash and cash equivalents	$ 2,431	$ -	$ -	$ -
Accounts receivable				
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 2,431	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	2	-
Total liabilities	-	-	2	-
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	2,431	-	-	-
Unassigned	-	-	(2)	-
Total fund balances	2,431	-	(2)	-
Total liabilities and fund balances	$ 2,431	$ -	$ -	$ -

See Accompanying Notes.

JUNE 30, 2024

	27405 Public School Bus Cameras	27407 Family income index	27411 Native American Language Certificate Salaries	27502 Career Tech Ed (Pilot)
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ 173	$ 500	$ -
Accounts receivable				
Intergovernmental	8,997	173,555	-	51,756
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 8,997	$ 173,728	$ 500	$ 51,756
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	173	-	-
Unearned revenue	-	-	-	-
Due to other funds	8,997	173,488	-	51,756
Total liabilities	8,997	173,661	-	51,756
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	67	500	-
Unassigned	-	-	-	-
Total fund balances	-	67	500	-
Total liabilities and fund balances	$ 8,997	$ 173,728	$ 500	$ 51,756

See Accompanying Notes.

JUNE 30, 2024

	27575 Bilingual Multicultural Education	27584 Attendance Success Initiative	27589 CTE Innovation Zones	27901 Indian Education Act Funding
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Accounts receivable				
Intergovernmental	3,200	42,586	25,822	120,848
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 3,200	$ 42,586	$ 25,822	$ 120,848
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ 2,582	$ -	$ -	$ 279
Accrued payroll liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	3,200	42,586	25,822	120,848
Total liabilities	5,782	42,586	25,822	121,127
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	-	-	-
Unassigned	(2,582)	-	-	(279)
Total fund balances	(2,582)	-	-	(279)
Total liabilities and fund balances	$ 3,200	$ 42,586	$ 25,822	$ 120,848

See Accompanying Notes.

JUNE 30, 2024

	27909 Native American Language & Culture Support	28133 Youth Conservation Corp NMEMNR	28178 GEAR-UP CHE	28190 GRADS - Instruction
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ 29,969	$ 1,546	$ 1,040
Accounts receivable				
Intergovernmental	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ -	$ 29,969	$ 1,546	$ 1,040
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	1,040
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	159
Total liabilities	-	-	-	1,199
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	-	29,969	1,546	-
Unassigned	-	-	-	(159)
Total fund balances	-	29,969	1,546	(159)
Total liabilities and fund balances	$ -	$ 29,969	$ 1,546	$ 1,040

See Accompanying Notes.

JUNE 30, 2024

	28211 NM Schools Covid-19 Testing Program DOH	28217 NM Food Security Appropriation/ Statewide Hunger	29102 Westmeath Foundation	**Total**
ASSETS				
Current Assets				
Cash and cash equivalents	$ -	$ 2,914	$ 1,803	**$ 10,245,248**
Accounts receivable				
Intergovernmental	-	-	-	**2,101,758**
Prepaid expenditures	-	-	-	**-**
Inventory	-	-	-	**278,198**
Total assets	$ -	$ 2,914	$ 1,803	**$ 12,625,204**
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ -	$ -	**$ 320,967**
Accrued payroll liabilities	-	-	-	**224,713**
Unearned revenue				**893,710**
Due to other funds	40,507	-	-	**1,928,845**
Total liabilities	40,507	-	-	**3,368,235**
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	**278,198**
Spendable				
Restricted	-	2,914	1,803	**9,896,221**
Unassigned	(40,507)	-	-	**(917,450)**
Total fund balances	(40,507)	2,914	1,803	**9,256,969**
Total liabilities and fund balances	$ -	$ 2,914	$ 1,803	**$ 12,625,204**

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	21000	22000	23000	24101
	Food Service	Athletics	Non- Instructional Support	Title I - ESEA
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	7,807,717	-	-	2,438,924
State	-	-	-	-
Local sources	-	10,000	174,525	-
Charges for services	295,462	558,903	2,654,354	-
Investment Income	7,502	-	-	-
Miscellaneous	-	-	-	-
Total revenues	8,110,681	568,903	2,828,879	2,438,924
EXPENDITURES				
Current				
Instruction	-	582,311	2,779,622	1,481,887
Support services				
Students	-	-	-	757,238
Instruction	-	-	3,335	36,992
General administration	-	-	-	93,128
School administration	-	-	-	239,212
Central services	-	-	-	126,284
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	7,385,627	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	7,385,627	582,311	2,782,957	2,734,741
Excess (deficiency) of revenues over (under) expenditures	725,054	(13,408)	45,922	(295,817)
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	725,054	(13,408)	45,922	(295,817)
Fund balances, beginning of year, as originally stated	1,063,750	379,873	1,539,961	-
Restatement (Note 17)	-	-	534,872	295,817
Fund balances, beginning of year, as restated	1,063,750	379,873	2,074,833	295,817
Fund balances, end of year	$ 1,788,804	$ 366,465	$ 2,120,755	$ -

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	24102 Javits Gifted and Talented	24106 IDEA-B Entitlement	24109 IDEA-B Preschool	24113 Education of Homeless
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	2,152,920	16,307	14,989
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	2,152,920	16,307	14,989
EXPENDITURES				
Current				
Instruction	-	927,372	15,566	14,989
Support services				
Students	-	1,422,873	-	-
Instruction	-	-	-	-
General administration	-	60,222	741	-
School administration	-	146,138	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	-	2,556,605	16,307	14,989
Excess (deficiency) of revenues over (under) expenditures	-	(403,685)	-	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	(403,685)	-	-
Fund balances, beginning of year, as originally stated	-	-	-	-
Restatement (Note 17)	-	403,685	-	-
Fund balances, beginning of year, as restated	-	403,685	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	24115 IDEA-B Private Schools Share	24118 Fresh Fruits and Vegetables	24119 21st Century Community Learning Centers	24124 Title I - 1003g
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	163,537	313,030	-
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	163,537	313,030	-
EXPENDITURES				
Current				
Instruction	-	-	262,150	-
Support services				
Students	-	-	35,531	-
Instruction	-	-	-	-
General administration	-	-	9,525	-
School administration	-	-	-	-
Central services	-	-	6,000	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	163,537	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	-	163,537	313,206	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(176)	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	-	(176)	-
Fund balances, beginning of year, as originally stated	(117)	-	(2,367)	-
Restatement (Note 17)	-	(74,448)	-	-
Fund balances, beginning of year, as restated	(117)	(74,448)	(2,367)	-
Fund balances, end of year	$ (117)	$ (74,448)	$ (2,543)	$ -

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	24153 English Language Acquisition	24154 Teacher/Prin Training & Recruiting	24174 Carl D. Perkins Secondary Current	24175 Carl D. Perkins Secondary - PY Unliquidated
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	80,693	486,941	117,103	-
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	80,693	486,941	117,103	-
EXPENDITURES				
Current				
Instruction	33,558	73,877	94,974	-
Support services				
Students	5,943	174,488	-	-
Instruction	37,291	238,403	20,465	-
General administration	3,901	9,892	1,664	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	80,693	496,660	117,103	-
Excess (deficiency) of revenues over (under) expenditures	-	(9,719)	-	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	(9,719)	-	-
Fund balances, beginning of year, as originally stated	-	(125,695)	-	-
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	(125,695)	-	-
Fund balances, end of year	$ -	$ (135,414)	$ -	$ -

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	24176 Carl D. Perkins Secondary	24180 Carl D. Perkins HSTW - Current	24181 Carl D. Perkins HSTW - PY Unliq. Oblig.	24182 Carl D. Perkins HSTW - Redistribution
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	21,536	-	-	-
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	21,536	-	-	-
EXPENDITURES				
Current				
Instruction	21,324	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	212	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	21,536	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year, as originally stated	-	-	-	-
Restatement (Note 17)	(617)	(590)	(3,834)	(8,794)
Fund balances, beginning of year, as restated	(617)	(590)	(3,834)	(8,794)
Fund balances, end of year	$ (617)	$ (590)	$ (3,834)	$ (8,794)

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	24188 Advancing Measurement at PED	24189 Student Support & Academic Enrichment	24190 Comprehensive Support and Improvement (CSI)	24195 Project Aware 93.243
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	182,251	250,000	-
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	182,251	250,000	-
EXPENDITURES				
Current				
Instruction	-	84,577	-	-
Support services				
Students	-	32,291	-	-
Instruction	-	62,709	249,150	-
General administration	-	3,039	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	-	182,616	249,150	-
Excess (deficiency) of revenues over (under) expenditures	-	(365)	850	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	(365)	850	-
Fund balances, beginning of year, as originally stated	-	-	(865)	-
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	-	(865)	-
Fund balances, end of year	$ -	$ (365)	$ (15)	$ -

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	24212	24308	24346	24355
	ARRA - IDEA - B CEIS	CARES Act/ESSER II	IDEA/ARP	ARP ERF Homeless Children & Youth
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	276,595	44,804
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	276,595	44,804
EXPENDITURES				
Current				
Instruction	-	-	276,595	36,387
Support services				
Students	-	-	-	8,417
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	-	-	276,595	44,804
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year, as originally stated	-	-	-	-
Restatement (Note 17)	-	(239,955)	-	-
Fund balances, beginning of year, as restated	-	(239,955)	-	-
Fund balances, end of year	$ -	$ (239,955)	$ -	$ -

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	25131	25145	25147	25153
	Johnson O'Malley	Impact Aid Special Education	Impact Aid Indian Education	Title XIX Medicaid
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	371,908	135,874	644,107	2,412,205
State	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	371,908	135,874	644,107	2,412,205
EXPENDITURES				
Current				
Instruction	447,644	-	63,773	7,908
Support services				
Students	4,223	14,158	43,638	689,225
Instruction	71,558	21,863	23,916	220,747
General administration	25,143	762	4,678	25,460
School administration	2,986	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	551,554	36,783	136,005	943,340
Excess (deficiency) of revenues over (under) expenditures	(179,646)	99,091	508,102	1,468,865
Other Financing Sources (Uses)				
Transfers in / (out)	(1,658)	-	-	-
Total other financing sources	(1,658)	-	-	-
Net changes in fund balances	(181,304)	99,091	508,102	1,468,865
Fund balances, beginning of year, as originally stated	5,086	264,854	150,532	2,438,975
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	5,086	264,854	150,532	2,438,975
Fund balances, end of year	$ (176,218)	$ 363,945	$ 658,634	$ 3,907,840

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	25184 Indian ED Formula Grant	25187 Mentoring For Safe Schools	26107 REC/District Fiscal Agent	26121 Kellogg Foundation
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Federal	682,145	-	-	-
State	-	-	16,547	-
	-	-	-	250,000
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	682,145	-	16,547	250,000
EXPENDITURES				
Current				
Instruction	88,340	-	144,589	18,404
Support services				
Students	356,243	-	-	50,022
Instruction	23,879	-	-	24,768
General administration	141,403	-	-	-
School administration	132,621	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	15,000	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	742,486	-	159,589	93,194
Excess (deficiency) of revenues over (under) expenditures	(60,341)	-	(143,042)	156,806
Other Financing Sources (Uses)				
	1,658	-	-	-
Total other financing sources	1,658	-	-	-
Net changes in fund balances	(58,683)	-	(143,042)	156,806
Fund balances, beginning of year, as originally stated	22,815	1	(17,271)	4,881
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	22,815	1	(17,271)	4,881
Fund balances, end of year	$ (35,868)	$ 1	$ (160,313)	$ 161,687

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	26222 Emergency Connectively Fund FCC	27107 GO Bond Student Library Fund	27109 Instructional Materials Special Approp	27114 NM Reads to Lead K-3 Initiative
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	1,800,000	-	-	-
State	-	180,122	157,116	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,800,000	180,122	157,116	-
EXPENDITURES				
Current				
Instruction	1,057,478	-	135,936	-
Support services				
Students	-	-	-	-
Instruction	-	182,249	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	1,057,478	182,249	135,936	-
Excess (deficiency) of revenues over (under) expenditures	742,522	(2,127)	21,180	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	742,522	(2,127)	21,180	-
Fund balances, beginning of year, as originally stated	1	(7,177)	556	70
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	1	(7,177)	556	70
Fund balances, end of year	$ 742,523	$ (9,304)	$ 21,736	$ 70

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	27126 Community Schools Planning Grant	27149 Pre-K Initiative	27150 Indian Education Act	27155 Breakfast for Elementary Students
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	94,439	1,670,576	256	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	94,439	1,670,576	256	-
EXPENDITURES				
Current				
Instruction	279	1,616,257	-	-
Support services				
Students	86,657	-	256	-
Instruction	7,782	2,704	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	59,153	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	94,718	1,678,114	256	-
Excess (deficiency) of revenues over (under) expenditures	(279)	(7,538)	-	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	(279)	(7,538)	-	-
Fund balances, beginning of year, as originally stated	-	(11,318)	(6,391)	2,729
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	(11,318)	(6,391)	2,729
Fund balances, end of year	$ (279)	$ (18,856)	$ (6,391)	$ 2,729

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	27170 Libraries GO Bond 2006	27178 School Buses	27183 NM Grown FVV	27202 Open Sci Ed Expansion Initiative
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	-	-	82,262	10,200
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	82,262	10,200
EXPENDITURES				
Current				
Instruction	-	-	-	10,200
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	82,264	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	-	-	82,264	10,200
Excess (deficiency) of revenues over (under) expenditures	-	-	(2)	-
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	-	(2)	-
Fund balances, beginning of year, as originally stated	2,431	-	-	-
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	2,431	-	-	-
Fund balances, end of year	$ 2,431	$ -	$ (2)	$ -

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	27405 Public School Bus Cameras	27407 Family income index	27411 Native American Language Certificate Salaries	27502 Career Tech Ed (Pilot)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	8,997	414,045	-	175,387
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	8,997	414,045	-	175,387
EXPENDITURES				
Current				
Instruction	-	141,566	-	171,942
Support services				
Students	-	158,712	-	-
Instruction	-	113,700	-	3,025
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	8,997	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	8,997	413,978	-	174,967
Excess (deficiency) of revenues over (under) expenditures	-	67	-	420
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	67	-	420
Fund balances, beginning of year, as originally stated	-	-	500	(420)
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	-	500	(420)
Fund balances, end of year	$ -	$ 67	$ 500	$ -

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	27575 Bilingual Multicultural Education	27584 Attendance Success Initiative	27589 CTE Innovation Zones	27901 Indian Education Act Funding
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	28,260	250,000	25,822	241,437
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	28,260	250,000	25,822	241,437
EXPENDITURES				
Current				
Instruction	800	-	25,822	78,721
Support services				
Students	-	-	-	162,995
Instruction	30,042	203,442	-	-
General administration	-	-	-	-
School administration	-	46,558	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	30,842	250,000	25,822	241,716
Excess (deficiency) of revenues over (under) expenditures	(2,582)	-	-	(279)
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	(2,582)	-	-	(279)
Fund balances, beginning of year, as originally stated	-	-	-	-
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	-	-	-
Fund balances, end of year	$ (2,582)	$ -	$ -	$ (279)

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	27909 Native American Language & Culture Support	28133 Youth Conservation Corp NMEMNR	28178 GEAR-UP CHE	28190 GRADS - Instruction
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
Federal	-	-	-	-
State	300,000	-	-	24,051
Local sources	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	300,000	-	-	24,051
EXPENDITURES				
Current				
Instruction	300,000	-	-	24,210
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	300,000	-	-	24,210
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(159)
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balances	-	-	-	(159)
Fund balances, beginning of year, as originally stated	-	29,969	1,546	-
Restatement (Note 17)	-	-	-	-
Fund balances, beginning of year, as restated	-	29,969	1,546	-
Fund balances, end of year	$ -	$ 29,969	$ 1,546	$ (159)

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	28211 NM Schools Covid-19 Testing Program DOH	28217 Appropriation/State wide Hunger Initiative	29102 Westmeath Foundation	Total
REVENUES				
Property taxes	$ -	$ -	$ -	**$ -**
Intergovernmental				
Federal	-	-	-	**20,413,586**
State	-	-	-	**3,679,517**
Local sources	-	-	19,986	**454,511**
Charges for services	-	-	-	**3,508,719**
Investment Income	-	-	-	**7,502**
Miscellaneous	-	-	-	**-**
Total revenues	-	-	19,986	**28,063,835**
EXPENDITURES				
Current				
Instruction	-	-	18,683	**11,037,741**
Support services				
Students	(697)	-	-	**4,002,213**
Instruction	-	-	-	**1,578,020**
General administration	-	-	-	**379,770**
School administration	-	-	-	**567,515**
Central services	-	-	-	**132,284**
Operation & maintenance of plant	-	-	-	**-**
Student transportation	-	-	-	**68,150**
Food services operations	-	-	-	**7,646,428**
Capital outlay	-	-	-	**-**
Debt service				
Interest and other charges	-	-	-	**-**
Total expenditures	(697)	-	18,683	**25,412,121**
Excess (deficiency) of revenues over (under) expenditures	697	-	1,303	**2,651,714**
Other Financing Sources (Uses)				
Transfers in / (out)	-	-	-	**-**
Total other financing sources	-	-	-	**-**
Net changes in fund balances	697	-	1,303	**2,651,714**
Fund balances, beginning of year, as originally stated	(41,204)	2,914	500	**5,699,119**
Restatement (Note 17)	-	-	-	**906,136**
Fund balances, beginning of year, as restated	(41,204)	2,914	500	**6,605,255**
Fund balances, end of year	$ (40,507)	$ 2,914	$ 1,803	**$ 9,256,969**

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2024

	31100 Bond Building	31200 Public School Capital Outlay - State	31300 Special Capital Outlay - Local	31400 Special Capital Outlay - State
ASSETS				
Current Assets				
Cash and cash equivalents	$ 3,565,949	$ 4,660,609	$ 714,257	$ 48,375
Investments	-	-	-	-
Accounts receivable				
Property taxes	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 3,565,949	$ 4,660,609	$ 714,257	$ 48,375
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current Liabilities				
Accounts payable	$ -	$ 102,661	$ -	$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	102,661	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
FUND BALANCES				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted	3,565,949	4,557,948	714,257	48,375
Total fund balances	3,565,949	4,557,948	714,257	48,375
Total liabilities, deferred inflows, and fund balances	$ 3,565,949	$ 4,660,609	$ 714,257	$ 48,375

See Accompanying Notes.

JUNE 30, 2024

	31600 Special Capital Outlay - HB-33	31701 SB-9 Capital Improv.	31703 SB-9 State Match Cash	31900 SB-9 State Cash	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$ 287,172	$ 665,857	$ 2,294,276	$ 261,475	**$12,497,970**
Investments	-	-	-	-	**-**
Accounts receivable					
Property taxes	211,431	212,802	-	-	**424,233**
Due from other governments	5,191	4,680	-	-	**9,871**
Prepaid expenditures	-	-	-	-	**-**
Inventory	-	-	-	-	**-**
Total assets	$ 503,794	$ 883,339	$ 2,294,276	$ 261,475	**$12,932,074**
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Current Liabilities					
Accounts payable	$ 115,522	$ 146,257	$ -	$ -	**$ 364,440**
Accrued liabilities	-	-	-	-	**-**
Due to other funds	-	-	-	-	**-**
Total Liabilities	115,522	146,257	-	-	**364,440**
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	175,123	212,802	-	-	**387,925**
FUND BALANCES					
Nonspendable					
Inventory	-	-	-	-	**-**
Spendable					
Restricted	213,149	524,280	2,294,276	261,475	**12,179,709**
Total fund balances	213,149	524,280	2,294,276	261,475	**12,179,709**
Total liabilities, deferred inflows, and fund	$ 503,794	$ 883,339	$ 2,294,276	$ 261,475	**$12,932,074**

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	31100 Bond Building	31200 Public School Capital Outlay - State	31300 Special Capital Outlay - Local	31400 Special Capital Outlay - State
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Oil and gas taxes	-	-	-	-
Intergovernmental				
Federal	-	-	-	-
State	-	2,816,332	-	758,660
Local sources	-	-	218	-
Charges for services	-	-	-	-
Investment income	107,007	-	-	-
Miscellaneous	-	-	-	-
Total revenues	107,007	2,816,332	218	758,660
EXPENDITURES				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	2,369,725	400,880	140,801	758,660
Debt service				
Interest	-	-	-	-
Total expenditures	2,369,725	400,880	140,801	758,660
Excess (deficiency) of revenues over (under) expenditures	(2,262,718)	2,415,452	(140,583)	-
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	553,327	-
Bond proceeds	2,000,000	-	-	-
Total other financing sources	2,000,000	-	553,327	-
Net changes in fund balances	(262,718)	2,415,452	412,744	-
Fund balances, beginning of year	3,828,667	2,142,496	301,513	48,375
Fund balances, end of year	$ 3,565,949	$ 4,557,948	$ 714,257	$ 48,375

See Accompanying Notes.

FOR THE YEAR ENDED JUNE 30, 2024

	31600 Special Capital Outlay - HB-33	31701 SB-9 Capital Improv.	31703 SB-9 State Match Cash	31900 SB-9 State Cash	Total
REVENUES					
Property taxes	$ 3,393,915	$ 3,012,794	$ -	$ -	**$ 6,406,709**
Oil and gas taxes	377,032	338,383	-	-	**715,415**
Intergovernmental					
Federal	-	-	-	-	**-**
State	-	-	1,318,153	-	**4,893,145**
Local sources	-	-	-	-	**218**
Charges for services	-	-	-	-	**-**
Investment income	-	-	-	4,742	**111,749**
Miscellaneous	-	-	-	-	**-**
Total revenues	3,770,947	3,351,177	1,318,153	4,742	**12,127,236**
EXPENDITURES					
Current					
Instruction	-	-	-	-	**-**
Support services					
Students	-	-	-	-	**-**
Instruction	-	-	-	-	**-**
General administration	36,212	32,619	-	-	**68,831**
School administration	-	-	-	-	**-**
Central services	-	-	-	-	**-**
Operation & maintenance of plant	-	-	-	-	**-**
Student transportation	-	-	-	-	**-**
Food services operations	-	-	-	-	**-**
Capital outlay	2,807,164	3,685,575	1,100,000	6,000	**11,268,805**
Debt service					
Interest	-	-	-	-	**-**
Total expenditures	2,843,376	3,718,194	1,100,000	6,000	**11,337,636**
Excess (deficiency) of revenues over (under) expenditures	927,571	(367,017)	218,153	(1,258)	**789,600**
Other Financing Sources (Uses)					
Bond premium	-	-	-	-	**553,327**
Bond proceeds	-	-	-	-	**2,000,000**
Total other financing sources	-	-	-	-	**2,553,327**
Net changes in fund balances	927,571	(367,017)	218,153	(1,258)	**3,342,927**
Fund balances, beginning of year	(714,422)	891,297	2,076,123	262,733	**8,836,782**
Fund balances, end of year	$ 213,149	$ 524,280	$ 2,294,276	$ 261,475	**$12,179,709**

See Accompanying Notes.

COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2024

	43000 Ed Tech Debt Service
ASSETS	
Current Assets	
Cash and cash equivalents	$ -
Investments	199,019
Accounts receivable	
Property taxes	29,038
Due from other governments	80
Other	-
Prepaid expenditures	-
Inventory	-
Total assets	$ 228,137
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	
Current Liabilities	
Accounts payable	$ -
Accrued liabilities	-
Due to other funds	115,936
Total Liabilities	115,936
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	26,404
FUND BALANCES	
Nonspendable	
Inventory	-
Spendable	
Restricted	85,797
Total fund balances	85,797
Total liabilities, deferred inflows, and fund balances	$ 228,137

See Accompanying Notes.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	43000 Ed Tech Debt Service
REVENUES	
Property taxes	$ 34,242
Oil and gas taxes	5,723
Intergovernmental	
Federal	-
State	-
Local sources	-
Charges for services	-
Investment income	2,542
Miscellaneous	-
Total revenues	42,507
EXPENDITURES	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	499
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Food services operations	-
Capital outlay	-
Debt service	
Principal	-
Interest	-
Interest	-
Total expenditures	499
Excess of revenues over expenditures	42,008
Other Financing Sources	
Bond premium	-
Bond proceeds	-
Total other financing sources	-
Net changes in fund balances	42,008
Fund balances, beginning of year	43,789
Fund balances, end of year	$ 85,797

See Accompanying Notes.

COMBINING STATEMENT FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

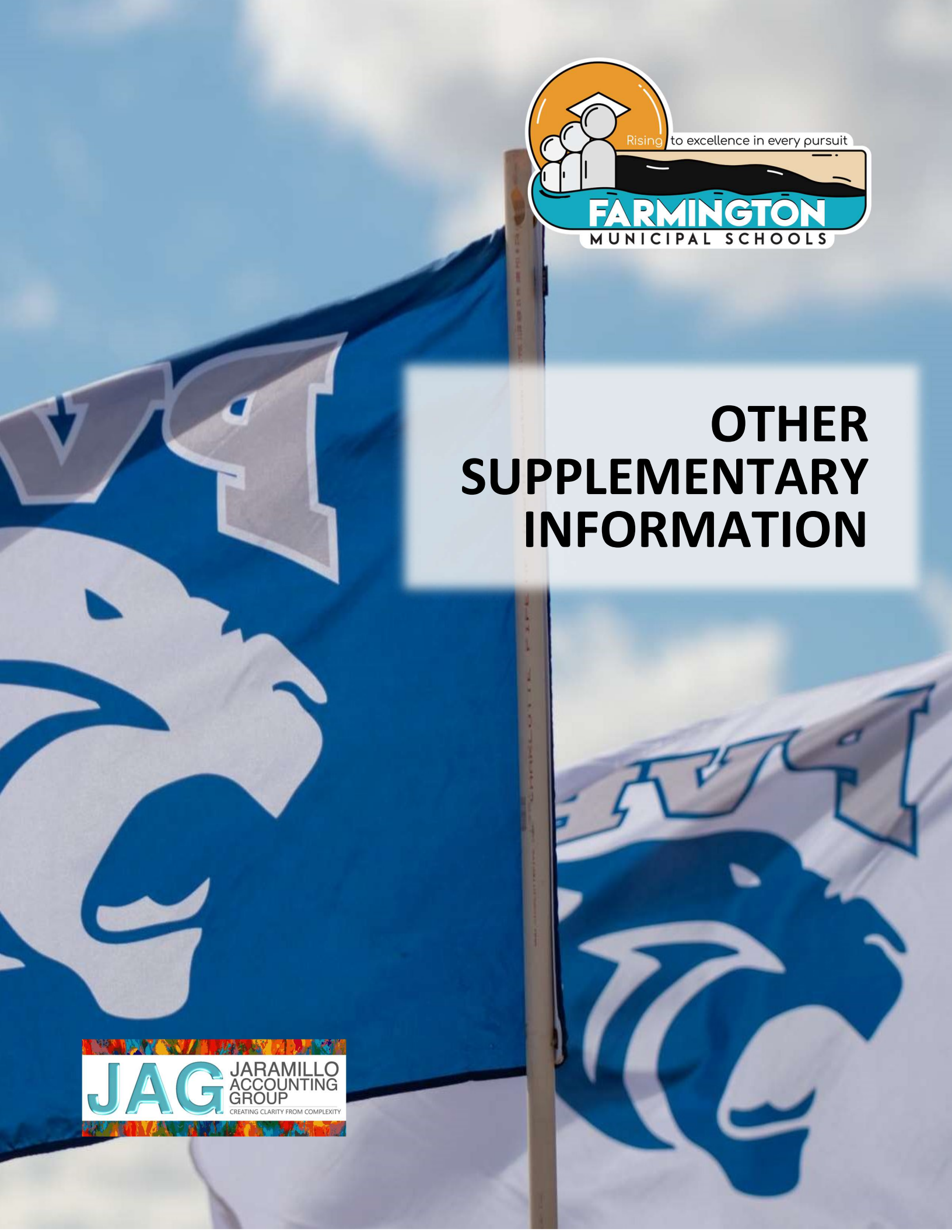
	Farmington High School	Piedra Vista High School	**Custodial Funds**
ASSETS			
Cash and cash equivalents	$ -	$ -	**$ -**
Total assets	$ -	$ -	**$ -**
LIABILITIES			
Accounts payable	$ -	$ -	**$ -**
Total liabilities	-	-	**-**
NET POSITION			
Restricted for student organizations	-	-	**-**
Total net position	-	-	**-**
Total liabilities and net position	$ -	$ -	**$ -**

See Accompanying Notes.

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2024

	Farmington High School	Piedra Vista High School	**Custodial Funds**
ADDITIONS			
Charges for services	$ -	$ -	**$ -**
Total additions	-	-	**-**
DEDUCTIONS			
Current			
Instruction	-	-	**-**
Support services			
Students	-	-	**-**
Total deductions	-	-	**-**
Change in net position	-	-	**-**
Net position, beginning of year, as originally stated	296,273	238,599	**534,872**
Restatement (Note 17)	(296,273)	(238,599)	**(534,872)**
Net position, beginning of year, as restated	-	-	**-**
Net position - end of year	$ -	$ -	**$ -**

See Accompanying Notes.


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OTHER SUPPLEMENTARY INFORMATION
JAG
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SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS

JUNE 30, 2024

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2024
Bank of the Southwest				
	Letter of Credit	05/07/25		**$ 850,000**
	Letter of Credit	12/05/24		**25,000**
	Letter of Credit	11/05/24		**250,000**
	Total First Savings Bank			**1,125,000**
	Name and location of safe keeper for above pledged collateral:			
	Federal Home Loan Bank - Dallas, Texas			
Citizens Bank of Farmington				
	FNMA Ser 2011-105 CL 5-PB	10/25/41	3136A1MJ1	**1,906,836**
	Total First New Mexico Bank			**1,906,836**
	Name and location of safe keeper for above pledged collateral:			
	Federal Home Loan Bank - Dallas, Texas			
Wells Fargo Bank				
	Travelers Casualty and Surety Company of America	06/21/24	107829890	**12,000,000**
	FNMA4355 2%	06/01/52	31418DZV7	**2,978,752**
	G2MA8099 3.5%	06/01/52	361792W7L6	**10,094,582**
	G2MA7704 2%	11/01/51	36179WRZ3	**2,934,321**
	Total Wells Fargo Bank			**28,007,655**
	Name and location of safe keeper for above pledged collateral:			
	BNY Mellon - New York, New York			
	Total Pledged Collateral			**$ 31,039,491**

SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2024

Bank Account Type	Account Type	Interest Bearing	Bank of the Southwest	Citizens Bank of Farmington	Wells Fargo Bank	NM Finance Authority	**Total**
Accounts Payable	Checking	No	$ -	$ -	$ 235,403	$ -	**$ 235,403**
Cafeteria Account	Checking	Yes	477,827	791,628	-	-	**1,269,455**
Bond Building	Checking	No	-	-	161,322	-	**161,322**
Debt Service Account	Checking	Yes	-	-	7,895,108	-	**7,895,108**
Activities Account	Checking	No	-	-	1,022,636	-	**1,022,636**
Operational Account	Checking	No	-	-	30,789,819	-	**30,789,819**
Non Budgeted Account	Checking	No	-	-	1,403,681		**1,403,681**
Payroll	Checking	No	-	-	2,510,135	-	**2,510,135**
Employee Benefits	Checking	No	-	-	2,803,984	-	**2,803,984**
Tech Bond	Checking	Yes	-	261,475	-	-	**261,475**
Series Bond	Checking	No	-	-	-	3,413,168	**3,413,168**
Investment Account	US Treasury Bills		-	-	805,288	-	**805,288**
Total			477,827	1,053,103	47,627,376	3,413,168	**52,571,474**
Reconciling Items			12,490	(18,947)	(3,025,795)	-	**(3,032,252)**
Reconciled balance, June 30, 2024			$ 490,317	$ 1,034,156	$ 44,601,581	$ 3,413,168	**49,539,222**
Less investments per statement of net position							**(13,201)**
Less restricted investments per statement of net position							**(792,075)**
Less restricted cash and cash equivalents per statement of net position							**(22,480,436)**
Cash and cash equivalents per statement of net position							**$ 26,253,510**

SCHEDULE OF CASH RECONCILIATION

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			
	11000	13000	15200	21000
	General Operational	Pupil Transportation	Local Revenue Operational	Food Service
PED Cash, June 30, 2023	$ 6,920,244	$ (278,608)	$ 193,550	$ 942,177
Add:				
2023-24 receipts	123,761,814	4,703,374	681,994	8,157,900
Loans from other funds	-	-	-	-
Cash transfers	-	-	-	-
Total cash available	130,682,058	4,424,766	875,544	9,100,077
Less:				
2023-24 expenditures	(114,412,325)	(4,303,499)	(205,612)	(7,849,569)
Remittal of balances to PED	-	-	-	-
Other adjustments	(10,453)	3	-	1
Loans to other funds	(3,206,914)	-	-	-
PED Cash, June 30, 2024	13,052,366	121,270	669,932	1,250,509
Modified accrual adjustments				
Investments	(13,201)	-	-	-
Held checks	2,104,435	69,179	-	12,491
Other adjustments	(15)	-	-	-
Restatement (Note 17)	-	-	-	-
Cash per financial statement	$ 15,143,585	$ 190,449	$ 669,932	$ 1,263,000

	22000 Athletics	23000 Non-Instructional	24000 Federal Flowthrough Fund	25000 Federal Direct Fund
PED Cash, June 30, 2023	$ 381,704	$ 1,636,686	$ (5,318,108)	$ 2,628,379
Add:				
2023-24 receipts	568,810	2,104,189	20,740,186	4,484,389
Loans from other funds	-	-	1,907,158	257,904
Cash transfers	-	-	-	-
Total cash available	950,514	3,740,875	17,329,236	7,370,672
Less:				
2023-24 expenditures	(578,721)	(2,256,322)	(16,967,362)	(2,416,400)
Remittal of balances to PED	-	-	-	-
Other adjustments	-	(15,212)	(11,827)	4
Loans to other funds	-	-	-	-
PED Cash, June 30, 2024	371,793	1,469,341	350,047	4,954,276
Modified accrual adjustments				
Investments	-	-	-	-
Held checks	-	563,826	129,141	32,402
Other adjustments	35	(432,647)	1	(1)
Restatement (Note 17)	-	534,872	-	-
Cash per financial statement	$ 371,828	$ 2,135,392	$ 479,189	$ 4,986,677

SCHEDULE OF CASH RECONCILIATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	26000 Local	27000 State Flowthrough	28000 State Direct	29000 Local or State Fund	31100 Bond Building
PED Cash, June 30, 2023	$ 1,040,889	$ (751,726)	$ (54,638)	$ 500	$ 3,828,667
Add:					
2023-24 receipts	2,066,547	3,558,322	72,611	19,986	2,107,007
Loans from other funds	160,132	841,055	40,666	-	-
Cash transfers	-	-	-	-	-
Total cash available	3,267,568	3,647,651	58,639	20,486	5,935,674
Less:					
2023-24 expenditures	(2,362,504)	(3,617,679)	(24,209)	(18,683)	(2,369,725)
Remittal of balances to PED	-	-	-	-	-
Other adjustments	-	(2,507)	(2)	-	-
Loans to other funds	-	-	-	-	-
PED Cash, June 30, 2024	905,064	27,465	34,428	1,803	3,565,949
Modified accrual adjustments					
Investments	-	-	-	-	-
Held checks	8,525	35,132	1,040	-	-
Other adjustments	(1)	1	1	-	-
Restatement (Note 17)	-	-	-	-	-
Cash per financial statement	$ 913,588	$ 62,598	$ 35,469	$ 1,803	$ 3,565,949

SCHEDULE OF CASH RECONCILIATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	31200 Public School Capital Outlay - State	31300 Special Capital Outlay Local	31400 Special Capital Outlay State	31600 Special Capital Outlay State	31701 Capital Improvements SB9 (Local)
PED Cash, June 30, 2023	$ 2,142,496	$ 301,513	$ 48,375	$ 2,343,207	$ 1,606,860
Add:					
2023-24 receipts	2,816,332	553,545	-	3,763,095	3,390,632
Loans from other funds	-	-	-	-	-
Cash transfers	-	-	-	-	-
Total cash available	4,958,828	855,058	48,375	6,106,302	4,997,492
Less:					
2023-24 expenditures	(298,219)	(140,801)	-	(5,819,130)	(4,331,635)
Remittal of balances to PED	-	-	-	-	-
Other adjustments	-	(1)	-	-	-
Loans to other funds	-	-	-	-	-
PED Cash, June 30, 2024	4,660,609	714,256	48,375	287,172	665,857
Modified accrual adjustments					
Investments	-	-	-	-	-
Held checks	-	-	-	-	-
Other adjustments	-	1	-	-	-
Restatement (Note 17)	-	-	-	-	-
Cash per financial statement	$ 4,660,609	$ 714,257	$ 48,375	$ 287,172	$ 665,857

SCHEDULE OF CASH RECONCILIATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	31703 SB-9 State Match Cash	31900 Ed Tech Equipment Act	41000 Debt Service	43000 Debt Service Ed-Tech	**Total**
PED Cash, June 30, 2023	$ 2,076,123	$ 479,028	$ 10,334,658	$ 27,430	**$ 30,529,406**
Add:					
2023-24 receipts	1,318,153	4,742	8,888,413	56,152	**193,818,193**
Loans from other funds	-	-	-	-	**3,206,915**
Cash transfers	-	-	-	-	**-**
Total cash available	3,394,276	483,770	19,223,071	83,582	**227,554,514**
Less:					
2023-24 expenditures	(1,100,000)	(222,295)	(8,647,549)	(499)	**(177,942,738)**
Remittal of balances to PED	-	-	-	-	**-**
Other adjustments	-	-	-	-	**(39,994)**
Loans to other funds	-	-	-	-	**(3,206,914)**
PED Cash, June 30, 2024	2,294,276	261,475	10,575,522	83,083	**46,364,868**
Modified accrual adjustments					
Investments	-	-	(593,056)	(199,019)	**(805,276)**
Held checks	-	-	-	115,936	**3,072,107**
Other adjustments	-	-	-	-	**(432,625)**
Restatement (Note 17)	-	-	-	-	**534,872**
Cash per financial statement	$ 2,294,276	$ 261,475	$ 9,982,466	$ -	**$ 48,733,946**

Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor or Pass-Through Grantor/Assistance Listings Program Title	Federal Assistance Listings Number	Passthrough Number	Amounts Passed through to Subrecipients	Federal Expenditures June 30, 2024
U.S. Department of Education				
Pass-through State of New Mexico Public Education Department				
Title I Grants to Local Educational Agencies	84.010	24101	$ -	$ 2,734,741
Special Education Cluster				
Special Education Grants to States	84.027	24106/24346	-	2,833,200
Special Education Preschool Grants	84.173	24109	-	16,307
Total Special Education Cluster			-	2,849,507
Education for Homeless Children and Youth	84.196	24113	-	14,989
21st Century Community Learning Centers Program	84.287	24119	-	313,206
English Language Acquisition State Grants	84.365	24153	-	80,693
Supporting Effective Instruction State Grants	84.367	24154	-	496,660
Career and Technical Education - Basic Grants to States	84.048	24174/24176	-	138,639
Student Support and Academic Enrichment Program	84.424	24189	-	182,616
Title I - School Improvements	84.377	24190	-	249,150
COVID 19 - Education Stabilization Fund	84.425	24330/24355	-	9,089,105
Subtotal - Pass-through State of New Mexico PED			-	16,149,306
Direct Funding				
Impact Aid - Special Education	84.041	25145	-	36,783
Impact Aid - Indian Education	84.041	25147	-	136,005
Title VI Indian Ed Formula Grant	84.060A	25184	-	742,486
Total U.S. Department of Education			-	17,064,580
U.S. Department of Interior				
Pass-through the Office of the Navajo Nation				
Indian Education - Assistance to Schools	15.130	25131	-	551,554
Total U.S. Department of Interior			-	551,554
U.S. Department of Agriculture				
Child Nutrition Cluster				
Pass-through State of New Mexico Public Education Department				
Cash Assistance				
School Breakfast Program	10.553	21000	-	1,732,790
National School Lunch Program	10.555	21000	-	5,654,403
Fresh Fruit and Vegetable Program	10.582	24118	-	163,537
Pass-through State of New Mexico Human Services Department				
Non-Cash Assistance (Commodities)	10.565	21000	-	420,524
Total Child Nutrition Cluster			-	7,971,254
Total U.S. Department of Agriculture			-	7,971,254
Federal Communications Commission				
COVID-19 - Emergency Connectivity Program	32.009	26222	-	1,057,478
Total Federal Communications Commission			-	1,057,478
Total Federal Financial Assistance			$ -	$ 26,644,866

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Deming Public Schools (the District) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. NON-CASH FEDERAL ASSISTANCE

The District receives USDA Commodities for use in sponsoring the National School Lunch program. Per USDA guidance (FPI-18-2), donated USDA commodities should be grouped with the National School Lunch Program and use the same Assistance Listings Number as the National School Lunch Program. The value of commodities received for the year ended June 30, 2024 was $420,524. Commodities are recorded as revenues and expenditures in the Food Service fund.

NOTE 4. INDIRECT COST RATE

During the year ended June 30, 2024, the New Mexico Public Education Department reimbursed the District for indirect costs at 2.41%

NOTE 5. RECONCILIATION OF FEDERAL REVENUE TO FEDERAL EXPENDITURES

Federal expenditures as reported on Schedule of Expenditure of Federal Awards	$	26,644,866
The District as contractor relationship:		
Medicaid (Fund 25153)		2,412,205
Advanced Reimbursement Grants (Indian Education - Fund 25131)		(179,646)
Advanced Reimbursement Grants (Impact Aid - Fund 25145, 25147, 25184)		546,852
Advanced Reimbursement Grants (Emergency Connectivity Program - Fund 26222)		742,522
Indirect costs		435,289
Reporting differences		(670,244)
Federal revenue as reported in the financial statements	$	29,931,844

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COMPLIANCE SECTION

JAG JARAMILLO ACCOUNTING GROUP
CREATING CLARITY FROM COMPLEXITY

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

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Farmington Municipal Schools
Farmington, New Mexico

and

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the Farmington Municipal Schools (the District), as of and for the year ended June 30, 2024, 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 13, 2024.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, and 2024-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 and 2024-003.

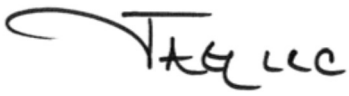
We noted matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the Schedule of Section 12-6-5 NMSA 1978 Findings as items 2024-006, 2024-007, 2024-008, and 2024-009.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 13, 2024

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

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Farmington Municipal Schools
Farmington, New Mexico

and

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited the Farmington Municipal Schools' (the District) 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 the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on the Title I Grants to Local Educational Agencies

In our opinion, except for the noncompliance described in the Basis for Qualified section of our report, the District complied, in all material respects, with the 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, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

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

Matters Giving Rise to Qualified Opinion on the Title I Grants to Local Educational Agencies

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding the Title I Grants to Local Educational Agencies as described in finding number 2024-005 for annual report card, high school graduation rate.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District'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 the District'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District'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 the District'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 the District'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.

OTHER MATTERS

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

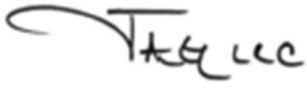
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-005 to be a material weakness.

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.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 13, 2024

Summary Schedule of Prior Audit Findings

FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS		
2023-001	Financial Close and Reporting (Incorrect Accruals and Fund Balance)	Repeated and Modified

FEDERAL AWARD FINDINGS		
2023-002	Special Test and Provision – Annual Report Card, High School Graduation Rate	Repeated and Modified

SECTION 12-6-5 NMSA 1978 FINDINGS		
2023-003 (2022-003)	Budgetary Compliance	Repeated and Modified
2023-004 (2022-004)	Stale Dated Checks	Resolved
2023-005	Controls over Budgetary Process as it relates to payroll	Resolved
2023-006 (2022-008)	Pledged Collateral	Resolved
2023-007	Late Audit Report Submitted	Resolved

Schedule of Findings and Questioned Costs

FOR THE YEAR ENDED JUNE 30, 2024

SECTION I: SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS:		
1	Type of auditor's report issued	Unmodified
2	Internal Control over Financial Reporting	
	a. Material Weakness Identified?	Yes
	b. Significant Deficiencies not considered to be material weakness?	Yes
	c. Non-compliance Material to the financial statements noted?	Yes

FEDERAL AWARDS:		
1	Internal Control over major programs	
	a. Material Weakness Identified?	Yes
	b. Significant Deficiencies not considered to be material weakness?	No
2	Type of auditor's report issued on compliance on major programs	Unmodified/Qualified
3	Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes
4	Identification of Major Programs	

Federal Assistance Listings Number	Federal Assistance Listings Program Title
84.425	COVID 19 – Education Stabilization Fund
84.010	Title I Grants to Local Educational Agencies
10.553/10.555/10.582	Child Nutrition Cluster

5	Dollar threshold used to distinguish between type A and type B programs:	$799,346
6	Auditee qualified as a low-risk auditee?	No

Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II: FINANCIAL STATEMENT FINDINGS

2024-001 (2023-001)	FINANCIAL CLOSE AND REPORTING (REPEATED AND MODIFIED)
Type of Finding	Material Weakness
Condition	The District recorded certain modified accrual journal entries for interfund receivables and payables, accounts payable, accounts receivable, and unearned revenue. These included abnormal debit balances in accounts payable, accrued payroll, and in interfund receivables and payables, which required correcting entries during the audit. Additionally, we noted that the District was not sufficiently monitoring fund balances in its reimbursement basis funds. These funds are budgeted to where revenues equal expenditures, therefore no fund balance is typically carried, and fund balance should be zero. We noted that instead, federal cost reimbursement basis funds carried cash balances, and we recorded an audit adjustment for unearned revenue for the amount of $893,710 to bring these funds to zero fund balances. There may be other state reimbursement basis funds with excess cash, for which the District should perform research. Additionally, we noted deficit fund balances in 24 funds totaling to $(923,586) as of June 30, 2024. Finally, we noted as of July 1, 2023 beginning balance for accounts receivable had been understated in Fund 24101 for $295,817 and 24106 for $403,685. Also, as of July 1, 2023 beginning balance for interfund receivables was understated for Fund 11000 by $328,240, and interfund payables was understated in Fund 24118 by $74,448, in Fund 24176 by $617, in Fund 24180 by $590, in Fund 24181 by $3,834, in Fund 24182 by $8,794, and in Fund 24308 by $239,955. As a result, the District recorded the following restatements, for the correction of errors, as of July 1, 2023: Government-Wide and Governmental Funds. Beginning net position and fund balance increased on the Statement of Net Position, Statement of Activities, Balance Sheet - Governmental Funds, and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds, by $699,504 to reflect the impact of increasing the beginning balance of accounts receivable. The District has not made significant progress towards corrective action on this finding from the prior year.
Criteria	There are several key underlying accounting standards to an organization designing and implementing an effective financial close and reporting process. Auditors are required to identify and communicate internal control weaknesses according to Statement on Auditing Standards (SAS) AU Section 325 Communication of Internal Control Related Matters Identified in an Audit, which includes: • The auditor cannot be a part of a client's internal control because becoming part of a client's internal control impairs auditor independence. • The auditor's work is independent of the client's internal control over financial reporting and the auditor cannot be a compensating control for the client; and • A system of internal control over the financial reporting does not stop at the general ledger; it includes controls over the presentation of the financial statements. • Financial reporting is considered a significant process of internal control and should be performed by the District's staff or under the supervision of District's staff. The auditing standards require the auditor to obtain the auditees' agreement to correct material misstatements in their financial statements before the financial statements are issued. This agreement is fulfilled up front in the engagement letter by getting the auditee to agree to doing this. Additionally,

at the end of the audit, the auditee also fulfils this obligation when they sign the audit representation letter.

To achieve this, the auditee must provide the auditor cash basis trial balances that are free of material misstatement, all the receivables and payables (modified accrual entries) and then, at a minimum, all the correct supporting information for the full accrual statements (accrued compensated absences, bond debt, capital asset detail along with the accumulated depreciation and depreciation expense, property tax receivable, etc.). The auditee must fully understand how all the adjustments flow through the trial balances that link into the final product (the financial statements).

1. **Cash basis.** Have a thorough process in place to give the auditors the correct (free of material adjustments) cash basis trial balances of each fund. Every number should be checked, including balance sheet accounts, revenues, expenses, transfers, and fund balances.
2. **Modified accrual basis.** Take ownership for and agree that the modified accrual basis adjustments (primarily receivables and payables) proposed to the auditor from the District's detail to the cash basis trial balances are materially correct. A modified accrual basis trial balance is simply the cash basis trial balance plus receivables and payables at year-end. The modified accrual basis trial balances are grouped by category and then used to create all the individual funds presented in the annual financial report.
3. **Full accrual basis.** Starting with the above final modified accrual basis trial balances then take ownership for all the adjustments from the total modified basis to the full accrual basis (the entity-wide statements at the very front of the annual financial report).

New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 2, Internal Control Structure. "The Financial Management System (FMS) generally produces reports containing operational, financial, and compliance related information recorded on a cash basis of accounting, making it possible to efficiently manage the cash functions of the school district. Additional software is generally needed to convert from a cash basis to an accrual basis of accounting required by Generally Accepted Accounting Practices (GAAP) and Generally Accepted Governmental Auditing Standards (GAGAS). New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 2, Internal Control Structure. "The Financial Management System (FMS) generally produces reports containing operational, financial, and compliance related information recorded on a cash basis of accounting, making it possible to efficiently manage the cash functions of the school district. Additional software is generally needed to convert from a cash basis to an accrual basis of accounting required by Generally Accepted Accounting Practices (GAAP) and Generally Accepted Governmental Auditing Standards (GAGAS).

Financial Standards for New Mexico Public Schools and School Districts, 6.20.2.14 NMAC. "In accordance with GASB 34, school districts shall use a full accrual basis of accounting in preparation of annual financial statements and cash basis of accounting for budgeting and reporting."

NMAC 6.20.2.12 requires that the District "create and maintain … financial reports which facilitate the discharge of assigned responsibilities and monitors activities at each level of the organizational structure."

New Mexico Manual of Procedures for Public School Accounting and Budget (PSAB), Supplement 5, Financial Statements. "The financial statements are the responsibility of the district. The IPA must provide the adjusting entries and supporting documentation to the district for any differences between the district's records and the financial reports in the audit. The district should review and approve the audit draft prior to it being submitted to the state auditor."

The State Auditor Rule (2.2.2, NMAC) requires the school district to maintain adequate accounting records to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and cooperate with the Independent Public Accountant (IPA) by providing in a timely manner the information required to express an opinion on the agency's financial statements. Districts should

	familiarize themselves with the contents of the annual audit. If the IPA prepares the financial statements, this fact must be disclosed in notes to the financial statements and may result in an audit finding if there is "ineffective oversight of the financial reporting and internal control processes by those charged by governance." (Statement of Auditing Standards, SAS 115).
Effect	As a result, the modified accrual basis entries made, the unadjusted financial statements did not accurately reflect the true fund balances of the District under the cash basis, as required. Also, some of the interfund and cash balances reported at the fund level were not accurate. This causes inefficiency for both the District and the auditor, as each has to reverse and correct these entries for budget reporting and financial statement reporting.
Cause	Special revenue funds with excess cash or with deficit fund balances have not been researched as to the cause.
Recommendation	We recommend that the District perform a review of all of the cash and accrual balances within their general ledger, and to make the necessary adjustment to fully revert to cash basis and to sweep all excess cash out of reimbursement basis funds. Deficit funds should be researched to determine if a previous billing was missed or if an expenditure was recorded in the wrong fund. If not, funds from the general funds should be budgeted and transferred to the fund with a deficit. Positive fund balances in reimbursement basis funds should be researched to determine if there were overbillings or other errors. We also recommend management continue to evaluate all aspects of the financial close and reporting process and establish effective internal controls and procedures to ensure timely and accurate financial statements and supporting schedules. This should include a review of their final cash basis trial balance at the end of each fiscal year, and to look for any abnormalities or excess cash balances. We also recommend the District track and record modified and full accrual entries separately for financial reporting purposes. We recommend in-depth training on governmental accounting standards and systems such as GASB and COSO.
Management Response	**Corrective Action:** The District will reverse journal entries required to complete end of year reports using June 30th as the date instead of July 1st to keep the books on a cash basis. Beginning cash balances will be reviewed and swept into the District Operational Fund, if needed. Permanent cash transfers from the District Operational Fund to funds that do not have active receivables will be performed at the end of the fiscal year, as needed.
	Due Date of Completion: June 30, 2025
	Responsible Party: Chief Financial Officer and Comptroller

Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II: FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-002	STATE OF NEW MEXICO GOVERNMENTAL CONDUCT ACT (GCA) AND PROCUREMENT CODE VIOLATIONS
Type of Finding	Significant Deficiency, Material Non-compliance
Condition	The District did not obtain disclosures of outside employment as required by the Governmental Conduct Act (GCA), nor were potential conflicts of interest identified during procurement processes. The District did not ensure compliance throughout the year. One related-party conflict involving a vendor with ongoing transactions was publicly reported by the media, but the employee had not disclosed this relationship to the District, as policy and statute require. This points to a lack of adequate internal controls to ensure GCA compliance, specifically in preventing and detecting related-party transactions, identifying undisclosed outside employment, and safeguarding against the misuse of position for personal gain. Additional income through employment enhances a person's financial position, personal benefits, and private interests. Without the written disclosure to the District, it is unknown how much the employee is benefiting from the vendor (salary, hourly, bonuses, commissions, fringe benefits, etc.) and how much time, effort, and efficiency the additional employment may be taking away from the employee's position at the District. In this instance, the employee failed to submit a written disclosure of outside employment and was involved in significant District no-bid purchases—exceeding $600,000 in FY24—linked to their additional employer, who also served as a District vendor prior to the employee's secondary employment. It is unlawful for a District employee who is participating directly or indirectly in the contracting process to become or to be, while such an employee, the employee of any person or business contracting with the governmental body by whom the employee is employed. The dual role has the appearance of influencing the employee's procurement decisions and discretionary recommendations. This employee approved Purchase Orders to approve budget for purchases at her other employer. Purchase Orders should be approved by the District's Chief Procurement Officer. Someone without a conflict of interest should be in the liaison position for the District and handling the purchasing requests, approvals, payments, and any other official acts as defined in the Criteria section below. Additionally, the District incorrectly classified this vendor as a sole source procurement, as there are many companies that provide these same types of services to Districts throughout the country. This doesn't mean the company isn't the best choice for the District, it means it should be put out for competitive bid so that vendors provide the best options and best pricing for the District and so that an independent selection committee and the Finance Committee may be involved in the procurement to ensure everything is at arm's length and transparent. The vendor wrote a letter the District relied upon for its most recent sole source justification instead of independently documenting its rationale. This justification for the improperly sole sourced award was addressed to the employee who was also their employee. The District must maintain a strong culture of disclosure and transparency. This does not preclude using specific vendors when it is in the best interest of the District, but it requires adherence to established rules, disclosures, and internal controls throughout the procurement and purchasing process.
Criteria	Government employees and officials must regard their roles as a public trust, using their positions and resources solely to advance the public interest, not for personal gain (i.e. additional employment

in this case). They should conduct themselves with integrity, honoring the ethical standards and responsibilities of public service.

Governmental Conduct Act, NMSA 1978 Section 10-16-1 et seq.: The primary law governing ethical conduct by officials of New Mexico in state and local government is the Governmental Conduct Act. The Governmental Conduct Act, NMSA 1978, Chapter 10, Article 16 ("GCA"), was enacted in 1967 as the Conflicts of Interest Act. The current title was enacted as part of an extensive revision to the law in 1993. Originally this law applied only to officials and employees of state government. The legislature has extended coverage of this law to officials and employees of local government, including judges and many Board members. It has therefore become crucial that all state and local government officers and employees in New Mexico, including volunteers, understand their ethical responsibilities under the Act. To that end, the New Mexico Attorney General has published a Compliance Guide to explain the provisions of the Governmental Conduct Act and clarify their application to covered officials and employees. In addition, the Guide will enable members of the public to become more knowledgeable about the standards of conduct the Act requires and assist them in holding their representatives in government accountable to those standards. The Attorney General's Compliance Guide on the Governmental Conduct Act may be found online at: https://nmdoj.gov/publication/compliance-guide/governmental-conduct-act-act-compliance-guide/. Select the Governmental Conduct Act Compliance Guide.

NMSA 1978 Section 10-16-3(D). No legislator or public officer or employee may request or receive, and no person may offer a legislator or public officer or employee, any money, thing of value or promise thereof that is conditioned upon or given in exchange for promised performance of an official act. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth-degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

NMSA 1978 Section 10-16-2. As used in the Governmental Conduct Act: … H. **"official act" means an official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority.**

NMSA 1978 Section 10-16-3(C). Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. **At all times, reasonable efforts shall be made to avoid undue influence** and abuse of office in public service.

NMSA 1978 Section 10-16-4(A). It is unlawful for a public officer or employee to take an official act for the primary purpose of directly enhancing the public officer's or employee's financial interest or **financial position**.

Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth-degree felony and shall be sentenced pursuant to the provisions of NMSA 1978 Section 31-18-15(B). A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer's or employee's financial interest, except a public officer or employee shall not be disqualified from engaging in an official act if the financial benefit of the financial interest to the public officer or employee is proportionately less than the benefit to the general public.

Note > "public officer or employee" means any elected or appointed official or employee of a state agency or local government agency who receives compensation in the form of salary or is eligible for per diem or mileage.

NMSA 1978 Section 10-16-8 C. A local government agency shall not enter into a contract with, or take any action favorably affecting, any person or business that is: 1) represented personally in the matter by a person who has been a public officer or employee of that local government agency within the preceding year if the value of the contract or action is in excess of one thousand dollars ($1,000) and the contract is a direct result of an official act by the public officer or employee; or 2) assisted in the transaction by a former public officer or employee of that political subdivision of the

state whose official act, while in employment with that political subdivision of the state, directly resulted in the agency's making that contract or taking that action.

NMSA 1978 Section 10-16-13.2 A. A public officer or employee shall not sell, offer to sell, coerce the sale of or be a party to a transaction to sell goods, services, construction or items of tangible personal property directly or indirectly through the public officer's or employee's family or a business in which the public officer or employee has a substantial interest, to an employee supervised by the public officer or employee. A public officer or employee shall not receive a commission or shall not profit from the sale or a transaction to sell goods, services, construction or items of tangible personal property to an employee supervised by the public officer or employee.

The provisions of this subsection shall not apply if the supervised employee initiates the sale. It is not a violation of this subsection if a public officer or employee, in good faith, is not aware that the employee to whom the goods, services, construction or items of tangible personal property are being sold is under the supervision of the public officer or employee.

NMSA 1978 Section 10-16-3 A. The legislator or public officer or employee shall use the powers and resources of public office only to advance the public interest and **not to obtain personal benefits or pursue private interests.**

NMSA 1978 Section 10-16-4.3. **It is unlawful for a state agency employee or local government agency employee who is participating directly or indirectly in the contracting process to become or to be, while such an employee, the employee of any person or business contracting with the governmental body by whom the employee is employed.**

NMSA 1978 Section 10-16-17. Unless specified otherwise in the Governmental Conduct Act, any person who knowingly and willfully violates any of the provisions of that act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one year or both. Nothing in the Governmental Conduct Act shall preclude criminal prosecution for bribery or other provisions of law set forth in the Constitution of New Mexico or by statute.

NMSA 1978 Section 13-1-190. Unlawful employee participation prohibited (2019), (A). Except as permitted by the University Research Park and Economic Development Act [Chapter 21, Article 28 NMSA 1978] or the New Mexico Research Applications Act [53-7B-1 to 53-7B-10 NMSA 1978], it is **unlawful for any local public body employee, as defined in the Procurement Code, to participate directly or indirectly in a procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest in the business seeking or obtaining a contract.**

NMAC 1.8.4.9 PRINCIPLES OF PUBLIC ETHICS. This Code is based on, and should be interpreted to advance, the following principles of public ethics:

A. *Honest services.* An officer or employee shall conduct government functions in accordance with the law and **free from conflicts of interest**. Public office is a public trust; as such, an official or employee must take care to ensure that every official act and decision affecting the rights or interests of individuals is based in law and the public interest.

B. *Proportionality.* When committing an official act or making a decision, an officer or employee shall ensure that the action taken is proportional to the goal being pursued. The officer or employee shall avoid restricting the rights of New Mexicans or imposing burdens on them when those restrictions or burdens are not justified by a public interest.

C*. Impartiality and fairness.* The conduct of an officer or employee shall be impartial and fair, and shall never be guided by:

(1) personal, family or financial interests;

(2) a motivation to benefit or empower an elected official, a candidate for office, or a political party or its members; or

(3) a motivation to disadvantage or disempower an elected official, a candidate for office, or a political party or its members.

D. *Consistency.* Like cases shall be treated alike. An officer or employee shall behave consistently with the agency's normal practices unless there is a legitimate basis for departing from those practices in an individual case and that basis is documented in writing. An officer or employee shall respect the reasonable expectations of the public that the agency will continue to act as it has acted in similar circumstances unless there is a rational basis for the change.

E. *Diligence.* An officer or employee shall ensure that every decision on a matter is made with care and adequate understanding of the issue, within a reasonable time, and without unnecessary delay.

F. *Respect.* An officer or employee shall be courteous and accessible to members of the public, co-workers, and their colleagues.

G. *Transparency.* **The official acts and decisions of officers and employees shall be made openly and with adequate opportunity for public review and comment.**

H. *Fallibility and openness to change.* Individuals not only err in judgment but also act in ways that unconsciously benefit some and burden others; accordingly, officers and employees should be open to and invite review, correction and reversal of their actions when they are mistaken, have failed to take relevant information into account, or are otherwise in violation of the principles of this code or the law.

District Policy GBEAA, Staff Conflict Of Interest, it is prohibited that an employee use their position for personal benefits and will fully **disclose real or potential conflicts of interest.**

Any violation of law or good accounting practice including instances of noncompliance or internal control weaknesses must be reported as an audit finding per Section 12-6-5 NMSA 1978. Pursuant to GAGAS 4.23, "auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed: significant deficiencies and material internal control; instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the grant agreements that has a material effect on the audit; and abuse that has a material effect on the audit."

Effect

Not obtaining the best possible price for items needed by the District, can lead to biased or unfair advantage to vendors. It also prohibits other companies from fair competition. Taxpayer funds (federal, state, and local) may not have been spent in the best interest of the entire District. Violation of the Code of Conduct in Article 10 regarding related party transactions creates a situation where the District's risk of errors, irregularities, noncompliance, waste, abuse, or fraud is increased.

Employees who violate the requirement to disclose are subject to criminal and/or civil penalties. NMSA 1978 Section 10-16-17.4. Criminal proceedings. Unless specified otherwise in the Governmental Conduct Act, any person who knowingly and willfully violates any of the provisions of that act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one year or both. Nothing in the Governmental Conduct Act shall preclude criminal prosecution for bribery or other provisions of law set forth in the constitution of New Mexico or by statute.

It is unlawful for a public officer or employee to take an official act for the primary purpose of directly enhancing the public officer's or employee's financial interest or financial position. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth-degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978. Additionally, the Governmental Conduct Act does not preclude criminal prosecution for other provisions of the law, as noted above. Therefore, NOT ALL GCA violations are misdemeanors. Prosecutors may also charge the violators under other statutes.

Conflicts of interest decrease trust in governments and puts the District at higher risk for fraud, waste, abuse, noncompliance, and errors.

Cause	The District's Administration did not enforce District policy. Nor have they designed and implemented controls over GCA compliance. Key personnel may not have been aware of the conflict, as the employee never disclosed to them. Even when individuals knew of the conflict, they did not prevent the conflicted employee from interacting with the vendor or implement any mitigating controls.
Recommendation	The GCA helps to ensure that the people who operate state and local government and public institutions act honestly, diligently, transparently, fairly, within the limits of their lawful authority, and with integrity. The key that binds all these strands together is the concept of rule of law, sometimes referred to as a government of laws, not of men and women. What these phrases signify is that the people who make and carry out the laws do so according to binding legal principles, not according to their personal interests and whims. The District should review and reinforce policies and conduct a thorough review of the District's conflict of interest policies and expand. Provide regular training to the District employees and leaders of each department, ensure they are aware and know the consequences of conflict of interests. Establish procurement process with checks and balances to prevent similar situations in the future. For example, forms should be on-file with the CPO to be checked at each purchase award. It is important the District take appropriate disciplinary actions against any violations of the conflict-of-interest policies and laws to maintain the integrity of operations. The Board should consider updating policies for a process to address concerns and complaints independently of any alliances. We add here the standard reminder that all Governing Body members should be taken seriously and respectfully even if others do not agree, and all Public concerns should be addressed and resolved timely. The District should retrain all employees on what constitutes conflict of interests and how to protect themselves and the District from violation of the statue. The District should also consider having all employees sign a conflict-of-interest statement each year at the time they sign their other required documents, such as contracts, IT usage agreements, and W-4 forms. Governmental Conduct Act compliance with prevention and detection of conflicts of interest controls must be in place.
Management Response	**Corrective Action:** The District will implement through the HR department that all employees complete and sign a conflict-of-interest form. On the form, staff is required to disclose any related party transaction and or any conflict of interest. The conflict-of-interest forms will be shared with the CPO for review when approving purchase orders.
	Due Date of Completion: June 30, 2025
	Responsible Party: HR Director, Superintendent, Chief Financial Officer, Chief Procurement Officer

Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II: FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-003	NM PUBLIC EDUCATION DEPARTMENT (PED) CASH REPORT
Type of Finding	Significant Deficiency, Other Non-compliance
Condition	During our testing of the PED Cash Report, we noted the following Wells Fargo cash account bank balances as of June 30, 2024 were not reported in the PED cash report. AP Immediate Pay $235,403 FHS Scorpion $363,053 PVHS Panther $287,674 Payroll $2,510,135 Employee Benefits $2,803,984
Criteria	The quarterly and annual PED cash reports are required to be reconciled to the general ledger and bank accounts per NM Public Education Department, PSAB Supplement 7, *Cash Controls*. "Before completing the Cash Report districts/charter schools should first reconcile all bank accounts and properly record any adjustment items…The cash balance on the final line of the cash report should tie directly to the general ledger cash accounts total. Any differences must be found and corrected prior to submitting the report… Failure for timely, correct filing may cause an audit finding and funds to be withheld."
Cause	Three of the accounts not reported had a $0 ending balance; however, there was still activity (outstanding items) required to be reported. The other two accounts were related to custodial activity funds that were reclassified during the audit process; however, even these are required per the PED Cash Report instructions to be reported (for example, see Column I).
Effect	Not all cash accounts were reported to the District's oversight agency and any other users of the Cash Report. This increases the risk of reconciliation errors or fraud without reporting and monitoring controls in place.
Recommendation	We recommend the District's preparer and reviewer of the PED Cash Report both ensure that every bank account is reported each quarter and document their completeness check.
Management Response	**Corrective Action:** All bank accounts will be included on the cash report, including those used as clearing accounts with a zero balance each month. The custodial activity accounts have been reclassified as non-budget funds and will be reported as such starting in FY24/25.
	Due Date of Completion: January 31, 2025
	Responsible Party(ies): CFO and Comptroller

Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II: FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-004	GENERAL COMPUTER CONTROLS – USER ACCESS PRIVILEGES
Type of Finding	Significant Deficiency
Condition	During our assessment of general computer controls relating to the District's accounting, we observed that user access privileges within the accounting system appear to have been assigned in a manner that exceeds the principle of least privilege. It was noted that twenty-one individuals possessed full administrative privileges as of the end of fiscal year 2024.
Criteria	Any violation of law or good accounting practice including instances of noncompliance or internal control weaknesses must be reported as an audit finding per Section 12-6-5 NMSA 1978. Pursuant to GAGAS 4.23, "auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed: significant deficiencies and material weaknesses in internal control; instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the grant agreements that has a material effect on the audit; and abuse that has a material effect on the audit."
Effect	The over assignment of access and excessive admin accounts increase the risk of unauthorized access, data breaches, and potential fraud.
Cause	The District does not have effective controls in place to appropriately restrict user access.
Recommendation	We suggest implementing the following actions to address the over assignment of user access: a. Perform a comprehensive review of user roles and responsibilities and establish a segregation of duties (SoD) framework. Ensure that each user is granted access only to the functions and data necessary for performing their job duties effectively. It is recommended that administrative privileges be granted only to personnel who require such access for their job responsibilities. Typically, individuals who hold supervisory positions, and system administrators responsible for system maintenance and security should have full admin privileges. b. Regularly review and update user access privileges based on changes in employee responsibilities or organizational structure. Implement a formal process to review and approve access requests, ensuring they are appropriately authorized and documented.

Management Response	**Corrective Action:** A comprehensive review of user roles and responsibilities will be conducted quarterly to ensure each employee position and access is necessary pertaining to the employees' position and adjustments will be made if applicable. A formal process will be implemented in FY 2025. This will be monitored and reviewed quarterly to ensure the policies and procedures are being followed.
	Due Date of Completion: June 30, 2025
	Responsible Party: IT Director, CFO

Schedule of Findings and Questioned Costs (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION III: FEDERAL AWARDS FINDINGS

2024-005 (2023-002)	SPECIAL TEST AND PROVISION – ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE (Repeated and Modified)
Federal Program Information	Funding agency: U.S. Department of Education Title: Title I Grants to Local Educational Agencies ALN Number: 84.010 Award Year: 2023-2024 School Year Question Costs: None Type of Finding: Material Weakness in Internal Control over Compliance; Material Non-compliance
Condition	The District did not obtain proper written documentation to substantiate the correct student withdrawal codes for 40 of 40 students tested. No withdrawal forms were completed for 40 of 40 students tested. The District has not made significant progress towards corrective action on this finding from the prior year.
Criteria	Per Title 2 US Code of Federal Regulations Part 200.303a, the non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Per the May 2024 Compliance Supplement, to remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. A student who is retained in grade, enrolls in a GED program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort (ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25))). Per Farmington Municipal School District Board Policy, Section J Students, J-1300 Student Withdrawal from School, a withdrawal form shall be presented to the parent or legal guardian of a student who may or must withdraw from school. The withdrawal form shall include space for the reason for withdrawal and the signature of an official of the school from which the student has withdrawn.
Effect	District's reported High School Graduation Rate for the 2023-2024 school year cannot be verified due to lack of written documentation for students removed from cohort.
Cause	A deficiency in the internal control system to properly train and monitor the personnel who are assigned to maintain the accuracy of student records and ensure the District obtain all the necessary written documentation for student's files.
Recommendation	The auditor recommends the District implement controls to ensure student files are complete and accurate and conduct training to for Title I personnel and school sites over the appropriate level of written documentation required for different situations.
Management Response	**Corrective Action:** The District will implement controls to ensure student files are complete and accurate and conduct training to for Title I personnel and school sites over the appropriate level of written documentation required for different situations.
	Due Date of Completion: December 31, 2024
	Responsible Party: Student Information System Coordinator

Schedule of Section 12-6-5 NMSA 1978 Findings

FOR THE YEAR ENDED JUNE 30, 2024

2024-006 (2022-003)	**BUDGETARY COMPLIANCE (REPEATED AND MODIFIED)**
Type of Finding	Other Non-compliance
Condition	The District had the following expenditure major functions where actual expenditures exceeded budgetary authority by fund and by major function:

Nonmajor Funds	
Fund 23000 Non-Instructional Support - Instruction	$ (629)
Fund 24106 IDEA-B Entitlement - Support Services	(48,507)
Fund 31600 Special Capital Outlay HB-33 - Support Services	(2,224)
Fund 31701 Capital Improvement Local - Support Services	(2,406)
Total governmental funds	$ (53,766)

	The District has not made significant progress towards corrective action on this finding from the prior year.
Criteria	Sound financial management requires that budgets not be exceeded at the legal level of control. NMAC 6.20.2.9(A) states: "every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the (major) function level. Over-expenditure of a function shall not be allowed".
Effect	The District is not in compliance with New Mexico law, and the control established by the use of budgets has been exceeded. Funds could be over-spent.
Cause	The District did not make the appropriate budgetary adjustments or transfers to alleviate the over expenditures.
Recommendation	The District should establish a policy of budgetary review throughout the year and make the necessary budget adjustments as they become necessary and desirable. Due to established budget adjustment deadlines, it is particularly important to monitor expenditures at or near fiscal year-end.
Management Response	**Corrective Action:** Management will more closely monitor year-end adjustments in order to ensure there is sufficient budget. Quarterly reviews of budgeted functions have been put into place to ensure that budget deficits do not occur at the end of the year.
	Due Date of Completion: Immediate and ongoing
	Responsible Party: CFO, Comptroller

Schedule of Section 12-6-5 NMSA 1978 Findings (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

2024-007	SCHOOL PERSONNEL ACT
Type of Finding	Other Non-compliance
Condition	During our testing of five employee files for School Personnel Act compliance, we noted that one (1) employee did not complete the required training in detection and reporting of child abuse and neglect, including sexual abuse and assault, and substance abuse. Training is required when someone is expected to have repeated contact with children.
Criteria	Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with GAAP. Section 22-10A-32 Item A NMSA 1978 states that school district personnel, school employees, school volunteers, contractors and contractors' employees shall be required to complete training in the detection and reporting of child abuse and neglect, ethical misconduct, professional responsibilities, sexual abuse and assault, and substance abuse. Except as otherwise provided in this subsection, this requirement shall be completed within the school district employee's, school employee's, school volunteer's, contractor's or contractor's employee's first year of employment.
Effect	There is higher risk to the District and its students when required trainings are not completed.
Cause	We observed evidence that monitoring over this area was performed, and non-compliance was communicated to the employee and their direct supervisor. However, these controls over compliance were not sufficient.
Recommendation	We recommend establishing additional and more timely escalation procedures relating to employees who are non-compliant.
Management Response	**Corrective Action:** The Human Resources Department does acknowledge the training requirements related to substance abuse under the statutes cited above. Current trainings provided by the District cover detection and reporting of child abuse and neglect, including sexual abuse and assault. Management understands the need to mitigate the risk of failing to detect and report substance abuse and the District has taken corrective action for staff members to undergo proper training. The District has implemented a better system of maintaining records regarding employee files.
	Due Date of Completion: June 30, 2025
	Responsible Party: HR Director, Principals, Superintendent

Schedule of Section 12-6-5 NMSA 1978 Findings (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

2024-008	AUDIT COMMITTEE
Type of Finding	Other Non-compliance
Condition	While the District has had the required Finance and Audit committees, it does not always have the required Audit Committee members. It does not have Charters outlining the committees' purposes, responsibilities, functions, and planned actions. The Audit Committee members that were staff or board members did meet with the auditors during the audit as required by state statute; however, the community members (parent and with financial experience) were not in attendance as required. Over the years, there has been no indication that the Audit Committee or Central Office was actively assessing risks, following up on the thorough implementation of the independent auditor's recommended corrective actions, conducting surprise audits, examining policies, or making recommendations to the Board of Education. These committees are legislatively intended to be strong monitoring and oversight forces for the District. The Board of Education should appoint the members annually and as needed when members change. The members should sign Non-Disclosure Agreements to protect confidential information. Best practices would be to follow the Open Meetings Act for the Committee meetings; all audit updates must be in executive session. The Committee Chairs should work with the committee members and administration to ensure they stay active and effective, meeting frequently, addressing risks, and fulfilling the following statutory responsibilities:
Criteria	In 2010, the 49th Legislature of the State of New Mexico passed House Bill 227, which resulted in NM Stat §22-8-12.3. This statute requires each District to create a Finance Committee and an Audit Committee, the purposes of which are to increase accountability and transparency by providing independent oversight of District financial practices that may impact the annual external audit and District budget, revenues, expenditures, and operations. The relevant language of the bill is as follows (emphases added): Section 1: (B) Each local school board shall appoint at least two members of the board as a finance subcommittee to assist the board in carrying out its budget and finance duties. (C) The finance committee shall: (1) make **recommendations** to the local school board in the following areas: (a) financial planning, including **reviews** of the school district's revenue and expenditure projections; (b) **review** of financial statements and periodic **monitoring** of revenues and expenses; (c) annual budget preparation and **oversight**; and (d) **procurement**; and (2) serve as an **external monitoring** committee on budget and other financial matters. Section 1: (C) each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending that school district and one volunteer member who has experience in accounting or financial matters. The superintendent and the school district business manager shall serve as *ex-officio* members of the committee. The audit committee shall: (1) evaluate the request for proposal for annual financial audit services; (2) recommend the selection of the financial auditor [to the Board]; (3) attend the entrance and exit conferences for annual and special audits; (4) meet with external financial auditors at least monthly after audit field work begins until the conclusion of the audit; (5) be accessible to the external financial auditors as requested to facilitate communication with the board and superintendent; (6) **track and report progress on the status of the most recent audit findings and advise the local school board on policy changes needed to address audit findings;** (7) **provide other advice and assistance** as requested by the local school board; and (8) be subject to the same requirements regarding the confidentiality of audit information as those imposed upon the local school board by the Audit Act and rules of the state auditor.
Effect	The District's finances and operations do not have the proper external monitoring and oversight. Corrective action on findings are not occurring as completely as they should. This leaves the District susceptible to noncompliance, fraud, waste, abuse, and errors.

Cause	The statutory powers of the Board of Education and its Audit Committee are not being utilized to their intended and fullest extent.
Recommendation	The Board of Education, through its two committees and any necessary policies, should monitor that corrective action is being taken and that all audit findings are resolved promptly. The committees should document their purposes, responsibilities, functions, and procedures to assess risks and monitor the correction of existing deficiencies in the accounting internal controls environment. The Superintendent and/or Committee Chairs should provide monthly reports of corrective actions and recommendations to the Board of Education. We recommend the Board of Education appoint the members annually and approve the Audit Committee Charter. We have provided an example to the District's Finance Director. *We recommend that the Finance and Audit Committees remain active throughout the year to increase their effectiveness.* Examples of remaining active are: attending NMSBA/NMASBO finance and ethics trainings, performing random audits of activity funds or other topics, fundraisers, athletic events and concessions, requesting reports from administration on specific areas with findings or risks, evaluating internal controls, etc. Board and committee members are principally adept at assessing risks that may exist in the District and monitoring correction of problems because they are the closest to the people – parents, children, staff, business owners, and community members – and are accountable to their constituents.
Management Response	**Corrective Action:** The Audit Committee will remain active throughout the year in order to increase their effectiveness. Attendance will be monitored to ensure the members of the Audit Committee are present to participate in the functions of the Audit Committee. The Audit Committee will replace the community member or parent participant if those members show a pattern of excessive absences from regular meetings.
	Due Date of Completion: June 30, 2025
	Responsible Party: CFO and Superintendent

Schedule of Section 12-6-5 NMSA 1978 Findings (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

2024-009	CONTROLS OVER CASH RECEIPTS
Type of Finding	Other Matter
Condition	During our testing of 40 cash receipts, we noted five (5) receipts that only had one signature on the deposit slip.
Criteria	Deposits should be prepared by a cash custodian other than the person collecting the funds or running the cash registers and deposited daily at a local bank in accordance with the 24 hour rule. (NM Public Education Department, PSAB Supplement 7, *Cash Controls*.)
Cause	The District requires two signatures on their deposit slips, but this requirement was not well understood and was improperly implemented by the employees performing the control activity.
Effect	The District was out of compliance with the cash internal controls and compliance requirements of PSAB 7, *Cash Controls*. Lack of dual control removes an extra layer of accountability and protection over District assets.
Recommendation	We recommend the District perform an annual training over cash controls for all cash custodians, to include the above requirement. We recommend that the business office monitor cash receipts on a daily basis, and communicate when they see such issues.
Management Response	**Corrective Action:** The District will review the cash receipt procedures at each location to ensure compliance with the district internal control policies and state law. Training will be provided to all finance secretaries and procedures will be clarified. The District will continue to encourage all locations to use the online payment system.
	Due Date of Completion: June 30, 2025
	Responsible Party(ies): CFO, Comptroller

Exit Conference

JUNE 30, 2024

The contents of this report were discussed, in a closed session, on November 13, 2024 with Farmington Municipal Schools. The following individuals were in attendance:

REPRESENTING FARMINGTON MUNICIPAL SCHOOLS:	REPRESENTING JARAMILLO ACCOUNTING GROUP LLC (JAG):
CODY DIEHL Superintendent	**AUDREY J. JARAMILLO, CPA, CFE, J.M.** Managing Partner
BOBBI NEWLAND Chief Financial Officer	**SCOTT ELIASON, CPA** Partner
PHYLLIS TIMME Comptroller	**JUSTIN MEHNERT** Audit Supervisor
ANDRA STRADLING Secretary	**HALEY STEER** Audit Senior
LISA MAXWELL Deputy Secretary	

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

Rising to excellence in every pursuit

FARMINGTON MUNICIPAL SCHOOLS

OTHER INFORMATION



CORRECTIVE ACTION PLAN

November 13, 2024

U.S. Department of Education

Farmington Municipal Schools respectfully submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

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

Audit period:

June 30, 2024

The findings from the June 30, 2024 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT

MATERIAL WEAKNESS

2024-001 (2023-001) FINANCIAL CLOSE AND REPORTING – REPEATED & MODIFIED

RECOMMENDATION
We recommend that the District perform a review of all of the cash and accrual balances within their general ledger, and to make the necessary adjustment to fully revert to cash basis and to sweep all excess cash out of reimbursement basis funds. Deficit funds should be researched to determine if a previous billing was missed or if an expenditure was recorded in the wrong fund. If not, funds from the general funds should be budgeted and transferred to the fund with a deficit. Positive fund balances in reimbursement basis funds should be researched to determine if there were overbillings or other errors.

We also recommend management continue to evaluate all aspects of the financial close and reporting process and establish effective internal controls and procedures to ensure timely and accurate financial statements and supporting schedules. This should include a review of their final cash basis trial balance at the end of each fiscal year, and to look for any abnormalities or excess cash balances. We also recommend the District track and record modified and full accrual entries separately for financial reporting purposes.

We recommend in-depth training on governmental accounting standards and systems such as GASB and COSO.

MANAGEMENT RESPONSE
Corrective Action: The District will reverse journal entries required to complete end of year reports using June 30th as the date instead of July 1st to keep the books on a cash basis. Beginning cash balances will be reviewed and swept into the District Operational Fund, if needed. Permanent cash transfers from the District Operational Fund to funds that do not have active receivables will be performed at the end of the fiscal year, as needed.
Due Date of Completion: June 30, 2025
Responsible Party(ies): Chief Financial Officer and Comptroller

SIGNIFICANT DEFICIENCY

2024-002 STATE OF NEW MEXICO GOVERNMENTAL CONDUCT ACT (GCA) AND PROCUREMENT CODE VIOLATIONS

RECOMMENDATION
The GCA helps to ensure that the people who operate state and local government and public institutions act honestly, diligently, transparently, fairly, within the limits of their lawful authority, and with integrity. The key that binds all these strands together is the concept of rule of law, sometimes referred to as a government of laws, not of men and women. What these phrases signify is that the people who make and carry out the laws do so according to binding legal principles, not according to their personal interests and whims.

The District should review and reinforce policies and conduct a thorough review of the District's conflict of interest policies and expand. Provide regular training to the District employees and leaders of each department, ensure they are aware and know the consequences of conflict of interests. Establish procurement process with checks and balances to prevent similar situations in the future. For example, forms should be on-file with the CPO to be checked at each purchase award. It is important the District take appropriate disciplinary actions against any violations of the conflict-of-interest policies and laws to maintain the integrity of operations.

The Board should consider updating policies for a process to address concerns and complaints independently of any alliances. We add here the standard reminder that all Governing Body members should be taken seriously and respectfully even if others do not agree, and all Public concerns should be addressed and resolved timely.

The District should retrain all employees on what constitutes conflict of interests and how to protect themselves and the District from violation of the statue. The District should also consider having all employees sign a conflict-of-interest statement each year at the time they sign their other required documents, such as contracts, IT usage agreements, and W-4 forms. Governmental Conduct Act compliance with prevention and detection of conflicts of interest controls must be in place.

MANAGEMENT RESPONSE
Corrective Action: The District will implement through the HR department that all employees complete and sign a conflict-of-interest form. On the form, staff is required to disclose any related party transaction and or any conflict of interest. The conflict-of-interest forms will be shared with the CPO for review when approving purchase orders.
Due Date of Completion: June 30, 2025
Responsible Party(ies): HR Director, Superintendent, Chief Financial Officer, Chief Procurement Officer

2024-003 NM PUBLIC EDUCATION DEPARTMENT (PED) CASH REPORT

RECOMMENDATION
We recommend the District's preparer and reviewer of the PED Cash Report both ensure that every bank account is reported each quarter and document their completeness check.

MANAGEMENT RESPONSE
Corrective Action: All bank accounts will be included on the cash report, including those used as clearing accounts with a zero balance each month. The custodial activity accounts have been reclassified as non-budget funds and will be reported as such starting in FY24/25.
Due Date of Completion: January 31, 2025
Responsible Party(ies): CFO and Comptroller

2024-004 GENERAL COMPUTER CONTROLS – USER ACCESS PRIVILEGES

RECOMMENDATION
We suggest implementing the following actions to address the over assignment of user access:

a. Perform a comprehensive review of user roles and responsibilities and establish a segregation of duties (SoD) framework. Ensure that each user is granted access only to the functions and data necessary for performing their job duties effectively. It is recommended that administrative privileges be granted only to personnel who require such access for their job responsibilities. Typically, individuals who hold supervisory positions, and system administrators responsible for system maintenance and security should have full admin privileges.
b. Regularly review and update user access privileges based on changes in employee responsibilities or organizational structure. Implement a formal process to review and approve access requests, ensuring they are appropriately authorized and documented.

MANAGEMENT RESPONSE
Corrective Action: A comprehensive review of user roles and responsibilities will be conducted quarterly to ensure each employee position and access is necessary pertaining to the employees' position and adjustments will be made if applicable. A formal process will be implemented in FY 2025. This will be monitored and reviewed quarterly to ensure the policies and procedures are being followed.
Due Date of Completion: June 30, 2025
Responsible Party(ies): IT Director, CFO

FINDINGS - FEDERAL AWARDS

MATERIAL WEAKNESS

2024-005 (2023-002) SPECIAL TEST AND PROVISION – ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE – REPEATED & MODIFIED

RECOMMENDATION
The auditor recommends the District implement controls to ensure student files are complete and accurate and conduct training to for Title I personnel and school sites over the appropriate level of written documentation required for different situations.

MANAGEMENT RESPONSE

Corrective Action: The District will implement controls to ensure student files are complete and accurate and conduct training to for Title I personnel and school sites over the appropriate level of written documentation required for different situations.

Due Date of Completion: December 31, 2024

Responsible Party(ies): Student Information System Coordinator

If the US Department of Education has questions regarding this plan, please call me at 505-324-9840, ext 1520.

Sincerely yours,

Bobbi Newland

Bobbi Newland
Chief Financial Officer

JARAMILLO ACCOUNTING GROUP LLC (JAG)

CERTIFIED PUBLIC ACCOUNTANTS

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