

STATE OF NEW MEXICO  
**RIO RANCHO**  
**PUBLIC SCHOOL DISTRICT NO. 94**

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ANNUAL FINANCIAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2022  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION  
OF  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

ANNUAL FINANCIAL REPORT  
FISCAL YEAR 2022

JULY 1, 2021 THROUGH JUNE 30, 2022



Our district was established in 1994 and currently consists of a preschool, eleven elementary schools, four middle schools, three high schools, and the Rio Rancho Cyber Academy that features a “blended learning” model. Rio Rancho Public Schools is proud to be a part of the larger Rio Rancho community that plays a vital role in our students' and families' lives.

## **Our Mission**

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*Rio Rancho Public Schools is dedicated to graduating students who are responsible, ethical, and productive citizens, equipped with a solid foundation for individual success.*

## **Our Vision**

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*Find and develop the potential in every student for his or her passion, growth, and achievement.*

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Year Ended June 30, 2022

## INTRODUCTORY SECTION

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# OFFICIAL ROSTER

June 30, 2022

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## BOARD OF EDUCATION

Amanda Galbraith	President
Jeffrey Morgan	Vice-President
Noreen Scott	Secretary
Gary Tripp	Member
Jessica Tyler	Member

## SCHOOL OFFICIALS

Dr. V. Sue Cleveland	Superintendent
Carl Leppelman	Assoc. Superintendent C&I
Mike Baker	Chief Operating Officer
David Vigil	Exec. Dir. of Finance
Melanie Archibeque	Exec. Dir of Facilities
Michael Chavez	Exec. Dir of Human Resources
Jerry Reeder	Exec Dir of Special Services
Lynn Carl	Exec. Dir of Transportation

## AUDIT COMMITTEE

Gary Tripp	Chairperson
Noreen Scott	Vice Chairperson
Dr. V. Sue Cleveland	Member
Seth Muller	Member
David Vigil	Member
Kelly Wainwright	Member

## FINANCE COMMITTEE

Jessica Tyler	Chairperson
Amanda Galbraith	Board President
Jeffrey Morgan	Member
Noreen Scott	Member
Gary Tripp	Member

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FINANCIAL SECTION  
OF  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

ANNUAL FINANCIAL REPORT  
FISCAL YEAR 2022  
JULY 1, 2021 THROUGH JUNE 30, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Education and Audit Committee of  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

V. Sue Cleveland, Ed.D., Superintendent  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

Brian S. Colón, Esq., State Auditor  
New Mexico Office of the State Auditor  
Santa Fe, New Mexico

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and budgetary comparison of the general fund of the Rio Rancho Public School District No. 94, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Rio Rancho Public School District No. 94's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, and budgetary comparison of the general fund of the Rio Rancho Public School District No. 94, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rio Rancho Public School District No. 94 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 Rio Rancho Public School District No. 94'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.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94'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***

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions for pensions and OPEB (pages 66-68) 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.

Management has omitted 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 opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Rancho Public School District No. 94's basic financial statements. The combining and individual general fund financial statements, combining and individual nonmajor fund financial statements, schedule of debt maturities, schedules required by 2.2.2.NMAC (Cash Reconciliation, Schedule of Deposits and Investments, and Schedule of Pledged Collateral), and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 pre-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 general fund financial statements, combining and individual nonmajor fund financial statements, schedule of debt maturities, schedules required by 2.2.2.NMAC (Cash Reconciliation, Schedule of Deposits and Investments, and Schedule of Pledged Collateral), and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is 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 8, 2022 on our consideration of the Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94's internal control over financial reporting and compliance.

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico  
November 8, 2022

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BASIC FINANCIAL STATEMENTS  
OF  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2022

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

STATEMENT OF NET POSITION  
**June 30, 2022**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 34,639,747
Investments	10,271,990
Receivables:	
Taxes	1,794,918
Intergovernmental	6,261,209
Other receivables	20,000
Supplies inventory	645,489
Food inventory	96,221
Noncurrent assets:	
Restricted cash	29,770,958
Non-depreciable assets	27,634,390
Depreciable capital assets, net	<u>343,826,774</u>
<b>Total Assets</b>	<u>454,961,696</u>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	212,634,238
Deferred outflows related to OPEB (other post-employment benefits)	<u>33,765,659</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 246,399,897</u>

( cont'd; 1 of 2 )



STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

STATEMENT OF NET POSITION  
**June 30, 2022**

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Accounts payable	\$ 4,420,661
Payroll liabilities	15,057,023
Accrued interest	1,701,206
Unearned revenues	4,502
Current portion of compensated absences	979,069
Current portion lease obligations	143,493
Current portion of long-term debt	19,345,000
Noncurrent liabilities:	
Compensated absences	175,163
Lease obligations	537,479
Debt due in more than one year	109,270,108
Net pension liability	238,809,356
Net OPEB liability	<u>73,640,332</u>
<b>Total Liabilities</b>	<u>464,083,392</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	331,940,995
Deferred inflows related to OPEB (other post-employment benefits)	<u>48,864,676</u>
<b>Total Deferred Inflows of Resources</b>	<u>380,805,671</u>
<b>Net Position</b>	
Net investment in capital assets	250,593,602
Restricted for:	
Inventories	761,710
Special revenue funds	11,029,002
Capital projects	550,282
Debt service	29,484,311
Unrestricted	<u>(435,946,377)</u>
<b>Total Net Position</b>	<u>\$ (143,527,470)</u>

( 2 of 2 )

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary government:</b>					
<b>Governmental activities:</b>					
Instruction	\$ 139,264,246	\$ 3,853,783	\$ 13,729,479	\$ 2,187,471	\$ (119,493,513)
Support Services - Students	23,676,261	256,013	2,334,143	-	(21,086,105)
Support Services - Instruction	2,050,526	-	202,153	-	(1,848,373)
Support Services - General Administration	6,854,611	-	675,767	3,061	(6,175,783)
Support Services - School Administration	10,322,609	-	1,017,663	-	(9,304,946)
Central Services	10,869,372	-	1,071,566	-	(9,797,806)
Operations & Maintenance of Plant	31,861,203	-	3,141,063	-	(28,720,140)
Student Transportation	6,763,620	-	3,142,427	-	(3,621,193)
Other Support Services	598,605	-	59,014	-	(539,591)
Food Services	7,863,575	47,747	9,996,176	-	2,180,348
Community Services	49,524	-	4,882	-	(44,642)
Interest paid	<u>2,736,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,736,260)</u>
<b>Total governmental activities</b>	<b><u>\$ 242,910,412</u></b>	<b><u>\$ 4,157,543</u></b>	<b><u>\$ 35,374,333</u></b>	<b><u>\$ 2,190,532</u></b>	<b><u>(201,188,004)</u></b>
General revenues:					
Taxes:					
Property Taxes:					
General purposes					
800,537					
Capital projects					
4,925,885					
Debt service					
22,952,351					
Payments in lieu of taxes					
262,539					
State equalization					
161,917,420					
Grants and contributions not restricted					
522,632					
OPEB income					
6,318,950					
Unrestricted investment earnings					
35,817					
Miscellaneous income					
<u>798,025</u>					
Total general revenues					
<u>198,534,156</u>					
<i>Change in net position</i>					
(2,653,848)					
<b>Net position - beginning</b>					
<u>(140,873,622)</u>					
<b>Net position - ending</b>					
<b><u>\$ (143,527,470)</u></b>					

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

GOVERNMENTAL FUNDS

**Balance Sheet**  
**June 30, 2022**

	General Fund	GO Bond Building Fund 31100	GO Debt Service Fund 41000	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 17,025,269	\$ 8,428,518	\$ -	\$ 9,185,960	\$ 34,639,747
Investments	10,271,990	-	-	-	10,271,990
Receivables:					
Taxes	59,851	-	1,414,559	320,508	1,794,918
Intergovernmental	-	-	-	6,261,209	6,261,209
Due from other governmental funds	2,133,203	-	-	2,080,095	4,213,298
Due from fiduciary funds	20,000	-	-	-	20,000
Supplies inventory	90,337	-	-	555,152	645,489
Food inventory	-	-	-	96,221	96,221
Restricted:					
Cash and cash equivalents	-	-	29,770,958	-	29,770,958
<b>Total assets</b>	<u>\$ 29,600,650</u>	<u>\$ 8,428,518</u>	<u>\$ 31,185,517</u>	<u>\$ 18,499,145</u>	<u>\$ 87,713,830</u>
 <b>Liabilities, deferred inflows, and fund balance</b>					
Liabilities:					
Accounts payable	\$ 1,492,120	\$ 1,923,261	\$ -	\$ 1,005,280	\$ 4,420,661
Payroll liabilities - held payments	13,824,967	-	-	1,232,056	15,057,023
Due to other funds	-	-	-	4,213,298	4,213,298
Unearned revenues	-	-	-	4,502	4,502
Total liabilities	<u>15,317,087</u>	<u>1,923,261</u>	<u>-</u>	<u>6,455,136</u>	<u>23,695,484</u>
Deferred inflows of resources:					
Unavailable tax revenues	52,680	-	1,228,216	279,484	1,560,380
Unavailable intergovernmental sources	-	-	-	1,562,877	1,562,877
Total deferred inflows of resources	<u>52,680</u>	<u>-</u>	<u>1,228,216</u>	<u>1,842,361</u>	<u>3,123,257</u>
Fund balance:					
Non-spendable:					
Inventories	110,337	-	-	651,373	761,710
Restricted for:					
Food services	-	-	-	4,385,710	4,385,710
Extracurricular activities	-	-	-	2,599,961	2,599,961
Grantor restrictions	-	-	-	2,480,454	2,480,454
Capital projects	-	6,505,257	-	2,194,059	8,699,316
Debt service	-	-	29,957,301	-	29,957,301
Committed to:					
Subsequent year's expenditures	12,010,637	-	-	-	12,010,637
Unassigned	2,109,909	-	-	(2,109,909)	-
Total fund balance	<u>14,230,883</u>	<u>6,505,257</u>	<u>29,957,301</u>	<u>10,201,648</u>	<u>60,895,089</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 29,600,650</u>	<u>\$ 8,428,518</u>	<u>\$ 31,185,517</u>	<u>\$ 18,499,145</u>	<u>\$ 87,713,830</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

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

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$ 60,895,089
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	556,064,825
Accumulated depreciation	(184,603,661)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Contributions to pension subsequent to the measurement date	17,167,963
Difference between expected and actual pension experience	18,764,224
Net change in pension assumptions	158,963,741
Net change in proportionate share of pension liability	17,738,310
Contributions to OPEB subsequent to the measurement date	2,266,326
Difference between expected and actual OPEB experience	1,076,719
Net change in OPEB assumptions	14,743,476
Net change in proportionate share of OPEB liability	15,679,138
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(121,300,000)
Accrued interest payable	(1,701,206)
Accrued compensated absences	(1,154,232)
Lease obligations	(680,972)
Bond premiums	(7,315,108)
Net pension liability	(238,809,356)
Net OPEB liability	(73,640,332)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Unavailable tax revenues	1,560,380
Unavailable intergovernmental sources	1,562,877
Difference between expected and actual pension experience	(588,075)
Net difference between projected and actual investment earnings on pension plan investments	(59,387,041)
Net change in pension assumptions	(271,965,879)
Difference between expected and actual OPEB experience	(11,744,101)
Net difference between projected and actual investment earnings on OPEB plan investments	(2,110,838)
Net change in OPEB assumptions	(26,623,590)
Net change in proportionate share of OPEB liability	<u>(8,386,147)</u>
Net position of governmental activities	<u>\$ (143,527,470)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

GOVERNMENTAL FUNDS  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2022**

	General Fund	GO Bond Building Fund 31100	GO Debt Service Fund 41000	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
Property	\$ 800,689	\$ -	\$ 22,976,167	\$ 4,930,016	\$ 28,706,872
Intergovernmental - federal grants	956,844	-	-	25,355,578	26,312,422
Intergovernmental - state grants	167,109,589	-	-	4,488,296	171,597,885
Contributions - private grants	130,623	-	-	392,009	522,632
Payments in lieu of taxes	262,539	-	-	-	262,539
Charges for services	272,997	-	-	3,884,546	4,157,543
Investment and interest income	35,817	1,492	1,937	5,672	44,918
Miscellaneous	<u>389,324</u>	<u>-</u>	<u>-</u>	<u>408,701</u>	<u>798,025</u>
<b>Total revenues</b>	<u>169,958,422</u>	<u>1,492</u>	<u>22,978,104</u>	<u>39,464,818</u>	<u>232,402,836</u>
<b>Expenditures:</b>					
Current:					
Instruction	102,279,335	-	-	12,318,031	114,597,366
Support services:					
Students	17,752,526	-	-	4,171,757	21,924,283
Instruction	1,795,400	-	-	123,775	1,919,175
General Administration	4,727,146	-	228,029	1,392,214	6,347,389
School Administration	9,343,504	-	-	215,260	9,558,764
Central Services	10,053,959	-	-	11,109	10,065,068
Operation & Maintenance of Plant	18,322,719	-	-	4,176,744	22,499,463
Student transportation	4,946,410	-	-	1,316,721	6,263,131
Other Support services	554,310	-	-	-	554,310
Food services operations	-	-	-	7,281,692	7,281,692
Community services	-	-	-	45,859	45,859
Capital outlay	-	27,379,052	-	7,710,523	35,089,575
Debt service:					
Principal retirement	-	-	15,635,000	-	15,635,000
Bond interest paid	-	-	3,913,679	-	3,913,679
Bond issuance costs	<u>-</u>	<u>223,218</u>	<u>98,648</u>	<u>-</u>	<u>321,866</u>
<b>Total expenditures</b>	<u>169,775,309</u>	<u>27,602,270</u>	<u>19,875,356</u>	<u>38,763,685</u>	<u>256,016,620</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>183,113</u>	<u>(27,600,778)</u>	<u>3,102,748</u>	<u>701,133</u>	<u>(23,613,784)</u>
<b>Other financing sources and financing uses:</b>					
Issuance of general obligation bond	-	15,000,000	-	-	15,000,000
Issuance of general obligation refunding bond	-	-	9,940,000	-	9,940,000
Bond premium	-	392,199	553,725	-	945,924
Issuance of lease obligation	-	-	-	764,619	764,619
Payments to escrow agent for bond refunding	<u>-</u>	<u>-</u>	<u>(9,879,056)</u>	<u>-</u>	<u>(9,879,056)</u>
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>15,392,199</u>	<u>614,669</u>	<u>764,619</u>	<u>16,771,487</u>
<i>Net change in fund balance</i>	183,113	(12,208,579)	3,717,417	1,465,752	(6,842,297)
<b>Fund balance at beginning of the year</b>	<u>14,047,770</u>	<u>18,713,836</u>	<u>26,239,884</u>	<u>8,735,896</u>	<u>67,737,386</u>
<b>Fund balance at end of the year</b>	<u>\$ 14,230,883</u>	<u>\$ 6,505,257</u>	<u>\$ 29,957,301</u>	<u>\$ 10,201,648</u>	<u>\$ 60,895,089</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
**Year Ended June 30, 2022**

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

Net change in fund balance - total governmental funds	\$ (6,842,297)
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. This is the amount by which capital outlays exceeded depreciation in the current year	
Capital outlay	27,529,215
Capital outlay leased assets	783,650
Depreciation	(17,772,227)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred property taxes at:	
June 30, 2021	(1,588,479)
June 30, 2022	1,560,380
Deferred intergovernmental revenues at:	
June 30, 2022	1,562,877

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

Current year principal payments	15,635,000
Bonds obligations issued	(24,940,000)
Payments to escrow agent for bond refunding	9,879,056
Lease obligation issued	(764,619)
Lease principle payments	83,647
Loss on bond refunding amortization	(354,056)
Current year bond premiums	(945,924)
Bond premium amortization	1,491,367

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences at:	
June 30, 2021	1,174,614
June 30, 2022	(1,154,232)
Accrued interest at:	
June 30, 2021	1,752,144
June 30, 2022	(1,701,206)
Deferred contributions to pension plan	17,167,963
Deferred contributions to OPEB plan	2,266,326
Pension expense	(33,795,997)
OPEB income	<u>6,318,950</u>
Change in net position of governmental activities	<u>\$ (2,653,848)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94

GENERAL FUND  
Statements of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 748,523	\$ 748,523	\$ 803,113	\$ 54,590
Intergovernmental - federal grants	300,000	300,000	956,844	656,844
Intergovernmental - state grants	157,887,808	167,109,588	167,109,590	2
Contributions - private grants	260,000	271,500	130,623	(140,877)
Payments in lieu of taxes	-	294,363	262,539	(31,824)
Charges for services	85,400	85,400	272,997	187,597
Investment and interest income	24,000	24,000	35,817	11,817
Miscellaneous	50,000	50,000	389,324	339,324
<b>Total revenues</b>	<b>159,355,731</b>	<b>168,883,374</b>	<b>169,960,847</b>	<b>1,077,473</b>
<b>Expenditures:</b>				
Current:				
Instruction	106,113,434	110,001,961	101,613,136	8,388,825
Support services:				
Students	18,749,131	21,836,521	17,804,718	4,031,803
Instruction	1,821,682	1,941,788	1,793,098	148,690
General Administration	4,973,472	5,111,103	4,735,337	375,766
School Administration	9,214,065	9,387,829	9,342,130	45,699
Central Services	9,197,533	10,346,072	9,910,788	435,284
Operation & Maintenance of Plant	20,053,433	20,313,052	18,075,462	2,237,590
Student transportation	4,021,068	4,142,427	4,915,660	(773,233)
Other Support services	211,913	211,913	554,310	(342,397)
<b>Total expenditures</b>	<b>174,355,731</b>	<b>183,292,666</b>	<b>168,744,639</b>	<b>14,548,027</b>
<i>Excess (deficiency) of revenues over expenditures</i>	(15,000,000)	(14,409,292)	1,216,208	15,625,500
<b>Other financing uses:</b>				
Other out	-	-	-	-
<i>Net change in fund balance</i>	(15,000,000)	(14,409,292)	\$ 1,216,208	\$ 15,625,500
<i>Beginning cash balance budgeted</i>	15,000,000	14,409,292		
<b>Total budget excess (deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>RECONCILIATION TO GAAP BASIS:</b>				
<i>Net change in fund balance (budget basis)</i>			\$ 1,216,208	
Change in inventory			(92,779)	
Change in taxes receivable			4,048	
Change in due from other governments			(6,624)	
Change in payables			(937,892)	
Change in deferred property taxes			152	
<i>Net change in fund balance (GAAP basis)</i>			183,113	
<b>Fund balance at beginning of the year</b>			14,047,770	
<b>Fund balance at end of the year</b>			\$ 14,230,883	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

FIDUCIARY FUNDS  
Statement of Fiduciary Net Position  
June 30, 2022

	Custodial <u>Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 22,710
<b>Liabilities</b>	
Loan payable	<u>20,000</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organization, and other governments	<u>\$ 2,710</u>

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

FIDUCIARY FUNDS  
**Statement of Changes in Fiduciary Net Position**  
**For The Year Ended June 30, 2022**

	Custodial <u>Funds</u>
<b>Additions:</b>	
Contributions:	
Donations, gifts, and bequests	\$ 391
Participant contributions	<u>80,774</u>
<b>Total additions</b>	<u>81,165</u>
<b>Deductions:</b>	
Current:	
Beneficiary payments to organizations	41
Beneficiary payments to individuals	<u>78,905</u>
<b>Total deductions</b>	<u>78,946</u>
<i>Net increase (decrease) in fiduciary net position</i>	2,219
<b>Net position at beginning of the year</b>	<u>491</u>
<b>Net position at end of the year</b>	<u>\$ 2,710</u>

The notes to the financial statements are an integral part of this statement.

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<b>NOTE</b>	<b>PAGE</b>
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**I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Rio Rancho Public School District No. 94 (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 in the City of Rio Rancho, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Board of Education 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 nineteen schools within its boundaries and, in conjunction with the regular educational programs, some of these schools offer special education. In addition, the District provides transportation and school food services for the students.

The District’s student enrollments were as follows:

FISCAL YEAR	40 DAY COUNT	80 DAY COUNT	120 DAY COUNT
2022	16,941	16,905	16,926
2021	16,473	16,375	16,139
2020	17,174	17,138	17,212

The District’s financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of Rio Rancho Public Schools’ management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B. Implementation of New Accounting Principles

During fiscal year 2022, the District adopted the following Governmental Accounting Standards Board (GASB) Statements:

➤ **GASB Statement No. 87, *Leases***

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The provisions of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021; Extended June 30, 2022).

➤ **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement apply to the financial statements of all state and local governments. In financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. In financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021; Extended June 30, 2022). Earlier application is encouraged.

➤ **GASB Statement No. 92, *Omnibus 2020***

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports

Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan

The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits

The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements

Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition

Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature

Terminology used to refer to derivative instruments.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B. Implementation of New Accounting Principles (cont'd)

The requirements of this Statement are effective as follows:

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020 (FYE June 30, 2021; Extended June 30, 2022).

The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020 (FYE June 30, 2021; Extended June 30, 2022).

The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020 (FYE June 30, 2021; Extended June 30, 2022).

Earlier application is encouraged and is permitted by topic.

➤ **GASB Statement No. 93, *Replacement of Interbank Offered Rates***

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B. Implementation of New Accounting Principles (cont'd)

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (FYE June 30, 2022; Extended June 30, 2023). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (FYE June 30, 2021; Extended June 30, 2022). Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR.

- **GASB Statement No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement are effective as follows:

The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately.

The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021 (FYE June 30, 2022).

All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (FYE June 30, 2022).

Earlier application is encouraged and is permitted by specific requirements.

- **GASB Statement No. 98**, *The Annual Comprehensive Financial Report*

The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. This Statement replaces an existing term but does not otherwise establish new accounting and financial reporting requirements. The requirements of this Statement apply to all state and local governments. The terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements are replaced with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021 (FYE June 30, 2022). Earlier application is encouraged.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**B. Implementation of New Accounting Principles (cont'd)**

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

➤ **GASB Statement No. 91, *Conduit Debt Obligations***

This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (FYE June 30, 2022; Extended June 30, 2023). Earlier application is encouraged.

➤ **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (FYE June 30, 2023; Not extended), and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

➤ **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (FYE June 30, 2023; Not extended), and all reporting periods thereafter. Earlier application is encouraged.

Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.



## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B. Implementation of New Accounting Principles (cont'd)

#### ➤ GASB Statement No. 99, *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements

Effective dates:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter (FYE June 30, 2023).
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter (FYE June 30, 2024).

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B. Implementation of New Accounting Principles (cont'd)

➤ **GASB Statement No. 100**, *Accounting Changes and Error Corrections an amendment of GASB Statement No. 62*

This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). The requirements of this Statement do not apply to the initial application of U.S. generally accepted accounting principles (GAAP) established by the GASB as a financial reporting framework in circumstances in which a government is asserting for the first time that its financial statements are prepared in accordance with U.S. GAAP established by the GASB. The requirements of this Statement apply to the financial statements of all state and local governments. This Statement supersedes Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraphs 58–89. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 (FYE June 30, 2024), and all reporting periods thereafter. Earlier application is encouraged.

➤ **GASB Statement No. 101**, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 (FYE June 30, 2025), and all reporting periods thereafter. Earlier application is encouraged.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are prepared using the accrual basis of accounting and the information about the school district as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements.

Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities. All interfund transactions that do not represent services provided and used between governmental funds are eliminated on the government-wide statements. Interfund activity and balances resulting from transactions with fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party.

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the statement of activities.

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. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)**

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

**General Fund** – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes. Special revenue fund codes are organized into broad categories designated by the first two digits in the five-digit fund number as follows:

21000 Student Nutrition	26000 Local Grants
22000 Athletic Event Gate Receipts	27000 State Flow-through Grants
23000 Non-Instructional Support	28000 State Direct Grants
24000 Federal Flow-through Grants	29000 Combined Local/State Grants
25000 Federal Direct Grants	

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Debt Service Funds** are used to account for the payment of principal and interest on long-term debt. Debt service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis* requires the District to present certain governmental funds as major funds. In addition to the General Fund, the District reports the following major governmental funds:

➤ **CAPITAL PROJECTS FUNDS**

**GO Bond Building** (Fund No. 31100) Minimum Balance: None  
 This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

➤ **DEBT SERVICE FUNDS**

**GO Debt Service Fund** (Fund No. 41000) Minimum Balance: None  
 The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Additionally, the government reports the following fund type:

**Fiduciary Funds** – The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. These activities are excluded from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Custodial Funds

Funds that are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. For external reporting purposes, the District reports one combined Custodial Fund. However, at June 30, 2022 there were five Custodial Funds administered by the District.

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **E. Assets, Liabilities, and Net Position or Equity**

#### *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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

Restricted cash and cash equivalents are reserved for the payment of long-term debt payments and related interest.

#### *2. Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due from/to other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, Capital Improvements SB – 9 Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

#### *3. Inventories*

The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories are actually consumed. Inventory is valued at cost. In the General Fund, inventory consists of expendable fuel reserves held for consumption. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The inventories in the Operational Fund and the Capital Improvements SB-9 Capital Projects Fund consist of operations and maintenance supplies. The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**E. Assets, Liabilities, and Net Position or Equity (cont'd)**

4. *Prepaid items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These payments are related to grant reimbursements and are not recognized as expenditures and submitted for reimbursement until the purchase is complete. The District records prepaid items using the consumption method.

5. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

<b>ESTIMATED USEFUL LIVES</b>	
<b>ASSETS</b>	<b>YEARS</b>
Buildings & Improvements	10 - 50
Land Improvements	10 - 50
Vehicles	5-7
Furniture, fixtures, & Equipment	3-5

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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

6. *Compensated absences*

All District employees on a 12-month contract earn annual leave at a rate of 1 day per month. Employees shall not accumulate more than 30 days of annual leave. Upon termination, employees are paid for their accrued annual leave, up to a maximum of 30 days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

7. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts.

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

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **E. Assets, Liabilities, and Net Position or Equity (cont'd)**

#### *8. Leases*

A lease liability is reported in the governmental-wide financial statements and is calculated as the present value of the remaining lease payments expected to be paid during the lease term. Additionally, a leased asset, or right of use asset, is recognized that is equal to the lease liability, with a few adjustments for other items that must be reflected in those balances, such as prepaid or deferred rent and amounts required to place the asset into operation at the beginning of the lease. Leased assets are amortized using the straight-line method over the shorter of the asset life or the lease agreement. Lease liabilities are amortized using an effective interest rate method to recognize lease expense and interest expense on the lease.

Lease payments are reported as a lease expenditure in the governmental funds when paid from current financial resources. An interest expense is not recognized in the governmental fund financial statements.

All short-term leases with a maximum noncancelable term of 12 months or less, regardless of whether all noncancelable terms (e.g., renewals) are expected to be exercised, have been excluded from recognition on the statement of financial position.

Certain non-financial asset-based lease agreements are out of scope of reporting, such as leases of intangible assets, leases of biological assets, inventory leases, supply contracts, service concession arrangements, or other certain agreement types, such as assets financed with outstanding conduit debt

#### *9. 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 Education 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. 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.

#### *10. Other Post Employment Benefits*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Retiree Health Care Authority (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA. 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.

#### *11. Deferred Outflows/Inflows of Resources*

Both deferred inflows and outflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

In addition to assets, the District reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position/fund balance that applies to future periods and will not be recognized as an expenditure until that time.

The District also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as a 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 reports deferred outflows of resources for pension-related amounts for the District's share of the difference between projected and actual earnings, for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**E. Assets, Liabilities, and Net Position or Equity (cont'd)**

The District reports deferred inflows of resources for pension-related amounts in the government wide financial statements or the District's share of the difference between expected and actual experience and for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

12. *Fund balance*

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District had committed fund balance in the amount of \$12,010,637 for expenditures in the subsequent year.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2022.

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification 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. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$1,000,000 and unrestricted cash reserves of at least two percent (2%) of the total operational budget.



## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **E. Assets, Liabilities, and Net Position or Equity (cont'd)**

#### **13. *Net Position***

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

##### **a. Net investment in capital assets**

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

##### **b. Restricted Net Position**

Net Position is reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

##### **c. Unrestricted Net Position**

Unrestricted Net Position consists of Net Position that does not meet the definition of “net investment in capital assets” or “restricted.”

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

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

#### **14. *Indirect Costs***

The District’s General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

#### **15. *Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **16. *Inter-fund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### E. Assets, Liabilities, and Net Position or Equity (cont'd)

#### 17. Revenues

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's "program cost."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public-school fund under the authority of the Director of Public School Finance. The District received \$161,917,420 in state equalization guarantee distributions during the year ended June 30, 2022.

**Transportation Distribution:** School districts in the State of New Mexico received 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 twelve attending public school within the school district. The District received \$3,021,068 in transportation distributions during the year ended June 30, 2022.

#### 18. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 requires the District to disclose information on certain tax abatement agreements effecting the District. A tax abatement is created when a government enters into an agreement with an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. Accordingly, there are four tax abatement agreements that effect the District for the year ended June 30, 2022 which are detailed in Note IV.D.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. 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 Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash 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. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

### A. Budgetary Information (cont'd)

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

EXPENDITURE FUNCTION LEVELS	* SUBFUNCTIONS	
Instruction	Support services:	Operation of non-instructional services:
Support services*	Students	Food services operations
Operation of non-instructional services*	Instruction	Community services
Capital outlay	General administration	Debt service:
Debt service*	School administration	Principal retirement
Non-operating reserves	Central services	Bond interest paid
	Operation & maintenance of plant	Bond issuance costs
	Student transportation	Reserves
	Other support services	Other

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. 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 Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2022 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	ORIGINAL	FINAL
<b>Major Funds:</b>		
General Funds	\$ 174,355,731	\$ 183,292,666
Capital Projects Funds:		
GO Bond Building	37,534,146	35,739,479
Debt Service Funds:		
GO Debt Service	45,469,107	48,077,207
<b>Nonmajor Funds:</b>		
Special Revenue Funds	31,281,220	56,996,556
Capital Projects Funds	9,347,495	13,937,671
<b>Total Budget</b>	<u>\$ 297,987,699</u>	<u>\$ 338,043,579</u>

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)**

**B. Budgetary Violations**

The District exceeded its legal budget at the function level in individual funds during the year ended June 30, 2022 as follows:

FUND	FUNCTION	DEFICIT
Student Support and Academic Achievement	Support Services	\$ 3,679
Capital Improvements SB-9 (Local)	Support Services	3,020
GO Debt Service	Support Services	12,555

**C. Deficit Fund Equity**

The District had funds with deficit fund balances as of June 30, 2022. The following deficits will be funded by future grants or by the Operational Fund.

FUND	DEFICIT
Transportation	\$ (8,869)
Title I	(805)
Entitlement IDEA-B	(402)
Education of Homeless	(4,338)
Private Schools Share IDEA-B	(8,777)
Leadership - VocEd	(922)
Title II Teacher Quality	(887)
Carl D Perkins - JAG	(2)
Carl D Perkins Secondary Redistribution	(244)
CRRSA Act - ESSER II	(866,209)
ESSER - Social Emotional Learning	(1,900)
ARP ESSER III	(31,445)
ARP - Homeless CYF	(1,056)
Libraries GO Bond 2012	(52,423)
STEM Career Tech	(113,991)
Indian Education Act	(250)
School Buses	(1,011,500)
Next Gen CTE	(11,603)
GRADS Instruction	(3,155)

### III. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Temporary Investments

At June 30, 2022, the District's bank deposits reconciled to the amounts reported in the financial statements as follows:

	BALANCE
<b>Financial institution (FDIC):</b>	
US Bank	\$ 68,453,002
NM Bank & Trust	10,258,896
Bank of Albuquerque	1,595,605
Nusenda Credit Union	37,841
Wells Fargo Bank	553
Washington Federal	6,984
<b>State agencies:</b>	
New Mexico State Treasurer	13,108
<b>Less:</b>	
Net reconciling items	(20,717,606)
<b>Add:</b>	
Payments held at yearend	15,057,022
<b>Total cash and equivalents</b>	<u><u>\$ 74,705,405</u></u>
 <b>Governmental Financial Statements</b>	
Cash and cash equivalents	\$ 34,639,747
Investments	10,271,990
Restricted cash and cash equivalents	29,770,958
<b>Fiduciary Financial Statements</b>	
Fiduciary cash	22,710
	<u><u>\$ 74,705,405</u></u>

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the District. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. In the case of accounts located outside the state in which the public unit is located, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. All of the District's deposits are held in depository institutions within the state of New Mexico.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**III. DETAILED NOTES ON ALL FUNDS (cont'd)**

**A. Cash and Temporary Investments (cont'd)**

The disclosure listed below will meet the New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2022, none of the District's bank deposits were exposed to custodial risk as follows:

	INSURED	UNDER INSURED	TOTAL
<b>Bank deposits:</b>			
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	61,533,705	-	61,533,705
Total uninsured	61,533,705	-	61,533,705
Insured (FDIC)	18,819,176	-	18,819,176
Total deposits	\$ 80,352,881	\$ -	\$ 80,352,881
<b>State of New Mexico collateral requirement:</b>			
50% of uninsured public fund bank deposits	\$ 30,766,853	\$ -	\$ 30,766,853
Pledged security	81,988,193	-	81,988,193
Over collateralization	\$ 51,221,340	\$ -	\$ 51,221,340

Of the total cash and cash equivalents balance, \$18,819,176 (checking/savings, certificate of deposits, certificate of deposits account registry (CDAR)) was covered by federal depository insurance and \$55,353,284 was covered by collateral held in joint safekeeping by a third party. The collateral pledged is listed on Schedule of Pledged Collateral in the Other Supplemental Information section of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

**Investments**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a written policy for limiting interest rate risk.

	Fair Value	MATURITY			
		30 Days or Less	12 Months or Less	1 to 2 Years	More than 2 Years
<b>Security/Investment Type:</b>					
Certificate of Deposit Account Registry	\$ 10,258,882	\$ -	\$ 10,258,882	\$ -	\$ -
State Investment Pool – 4101 LGIP Fund	13,108	-	13,108	-	-
	\$ 10,271,990	\$ -	\$ 10,271,990	\$ -	\$ -

**Credit Risk**

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. U.S. obligations, investments explicitly guaranteed by the U.S. Government, and non-debt investments are excluded from this requirement. The District's investments in time deposits or investments guaranteed by the U.S government and therefore are excluded from this requirement. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

The District investments, excluding certificates of deposit, held at June 30, 2022 are as follows:

INVESTMENT TYPE	MATURITIES	FAIR VALUE	RATING (S&P)
State Investment Pool – 4101 LGIP Fund	89 Days (WAM-F)	\$ 13,108	AAAm

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### A. Cash and Temporary Investments (cont'd)

##### Concentration Credit Risk

For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. External investment pools, such as the LGIP (New Mexico State Treasurer), are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. Since the District only purchases investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the District. The District's policy related to concentration risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10- 63, NMSA 1978).

##### Foreign Currency Risk

Foreign currency risk as the potential that changes in exchange rates may adversely affect the fair value of an investment or deposit. The District does not have any foreign currency risk as all investments are denominated in US dollars.

##### Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

**Level 1** inputs are observable, quoted prices for identical assets or liabilities in active markets;

**Level 2** inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices e.g. interest rates and yield curves;

**Level 3** inputs are unobservable inputs for the asset or liability. These should be based on the best information available. The District should utilize all reasonably available information, but need not incur excessive cost or effort to do so. However, it should not ignore information that can be obtained without undue cost and effort. As such, the District's own data should be adjusted if information is reasonably available without undue cost and effort.

The fair value inputs used to value the District's investments (other than certificates of deposits) at June 30, 2022 were as follows:

FAIR VALUE INPUTS			
Level 1	Level 2	Level 3	Total
\$ 13,108	\$ -	\$ -	\$ 13,108

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool (LGIP) is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in the securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts of the fund were invested. Any realized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2022. The State of New Mexico is regulatory oversight entity and participation in the pool is voluntary.

**III. DETAILED NOTES ON ALL FUNDS (cont'd)**

**B. Receivables**

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>RECEIVABLES</u>		<u>DUE FROM OTHER</u>	
	Taxes	Intergovernmental	Governmental Funds	Fiduciary Funds
<b>Major Funds:</b>				
General Funds	\$ 59,851	\$ -	\$ 2,133,203	\$ 20,000
GO Bond Building	-	-	-	-
GO Debt Service	1,414,569	-	-	-
<b>Other Governmental Funds</b>	<u>320,504</u>	<u>6,261,209</u>	<u>2,080,095</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,794,924</u>	<u>\$ 6,261,209</u>	<u>\$ 4,213,298</u>	<u>\$ 20,000</u>

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
<b>Grant drawdowns prior to meeting all eligibility requirements</b>		
Other Governmental Funds	\$ -	\$ 4,502
<b>Unavailable tax revenue</b>		
General Fund	52,680	-
GO Debt Service	1,228,216	-
Other Governmental Funds	279,484	-
<b>Unavailable intergovernmental revenues</b>		
Other Governmental Funds	<u>1,562,877</u>	<u>-</u>
<b>Total</b>	<u>\$ 3,123,257</u>	<u>\$ 4,502</u>



### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### C. Inter-Fund Balances and Transactions

The inter-fund receivables and payables at June 30, 2022 were:

	RECEIVABLES	PAYABLES
<b>Major Funds:</b>		
General Funds	\$ 2,133,203	\$ -
<b>Other Governmental Funds</b>		
Title I	-	479,228
Entitlement IDEA-B	-	676,839
Preschool IDEA-B	-	2,111
Education of Homeless	-	27,186
Private Schools Share IDEA-B	-	8,777
Leadership - Voc Ed	-	922
Title III English Language	-	9
Title II Teacher Quality	-	238,548
Carl D Perkins - JAG	-	2
Carl D Perkins - Culinary	-	76,320
Carl D Perkins Secondary Redistribution	-	244
Student Support and Academic Achievement	-	8,649
CRRSA Act - ESSER II	-	362,541
ESSER - Social Emotional Learning	-	25,277
CRSSA ESSER II	-	78,584
ARP ESSER III	-	1,684
ESSER III - Near Peer Tutoring	-	20,801
ARPA-Homeless Children and Youth (ARP-HCY)	-	3,991
Homeless Emergency Rescue (ARP)	-	6,408
Title XIX Medicaid	2,080,095	-
Indian Education Formula Grant	-	61,972
Libraries GO Bond 2012	-	59,526
STEM Career Tech	-	113,991
Pre-K Initiative	-	349,594
Indian Education Act	-	38,314
School Buses	-	1,011,500
School Bus Cameras	-	27,428
Next Gen CTE	-	26,386
Hardware and Internet Access	-	261,012
GRADS Instruction	-	3,155
DOH COVID Testing Program	-	226,769
NMDVR - Pre-ETS	-	11,157
City/County Grants	-	4,373
<b>Total</b>	<u>\$ 4,213,298</u>	<u>\$ 4,213,298</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

The District did not have any inter-fund transfers during the year ended June 30, 2022.

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	BEGINNING	INCREASES	DECREASES	ENDING
<b>Governmental activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land	\$ 16,366,294	\$ 3,092,887	\$ -	\$ 19,459,181
Construction in progress	3,918,484	10,250,789	(5,994,064)	8,175,209
Total capital assets not being depreciated	<u>20,284,778</u>	<u>13,343,676</u>	<u>(5,994,064)</u>	<u>27,634,390</u>
<u>Capital assets being depreciated:</u>				
Land improvements	26,403,308	923,092	-	27,326,400
Buildings and improvements	458,216,899	17,080,870	-	475,297,769
Vehicles	8,098,702	1,218,988	-	9,317,690
Furniture, fixtures, and equipment	14,748,273	956,653	-	15,704,926
Leased:				
Leased equipment (intangible)	-	783,650	-	783,650
Total capital assets being depreciated	<u>507,467,182</u>	<u>20,963,253</u>	<u>-</u>	<u>528,430,435</u>
Less accumulated depreciation for:				
Land improvements	(15,413,986)	(3,142,415)	-	(18,556,401)
Buildings and improvements	(133,164,275)	(12,798,491)	-	(145,962,766)
Vehicles	(6,464,053)	(549,983)	-	(7,014,036)
Furniture, fixtures, and equipment	(11,789,120)	(1,189,912)	-	(12,979,032)
Leased:				
Leased equipment (intangible)	-	(91,426)	-	(91,426)
Total accumulated depreciation	<u>(166,831,434)</u>	<u>(17,772,227)</u>	<u>-</u>	<u>(184,603,661)</u>
Total capital assets being depreciated, net	<u>340,635,748</u>	<u>3,191,026</u>	<u>-</u>	<u>343,826,774</u>
<b>Total capital assets, net</b>	<u>\$360,920,526</u>	<u>\$ 16,534,702</u>	<u>\$ (5,994,064)</u>	<u>\$371,461,164</u>

Depreciation has been allocated to the functions by the following amounts:

	BALANCE
Instruction	\$ 10,305,172
Support Services - Students	1,751,978
Support Services - Instruction	151,733
Support Services - General Administration	507,222
Support Services - School Administration	763,845
Central Services	804,304
Operations & Maintenance of Plant	2,357,641
Student Transportation	500,489
Other Support Services	44,295
Food Services	581,883
Community Services	3,665
Total Depreciation Expense	<u>\$ 17,772,227</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### D. Capital Assets (cont'd)

##### Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

#### E. Long-Term Debt

##### **Lease Obligation**

The District has entered into a lease for photo copying equipment. The agreement was entered into on December 31, 2021 with monthly payments of \$13,470 for 5 years to matures on December 30, 2026. The liability is amortized at a rate of 3.00%. The agreement does not provide for the transfer of the assets at the end of the lease and does not provide for an extension of the agreement. The lease balances as of June 30, 2022 are as follows:

LEASE	LEASE MATURITY	ORIGINAL AMOUNT	INTEREST RATE	BALANCE	CURRENT PORTION
Copiers	Dec 2026	<u>\$ 764,619</u>	3.00%	<u>\$ 680,972</u>	<u>\$ 143,493</u>

The future minimum lease obligation payments are as follows:

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2023	\$ 143,493	\$ 18,467	\$ 161,960
2024	147,858	14,102	161,960
2025	152,355	9,605	161,960
2026	156,989	4,971	161,960
2027	<u>80,276</u>	<u>704</u>	<u>80,980</u>
Total	<u>\$ 680,971</u>	<u>\$ 47,849</u>	<u>\$ 728,820</u>

The following is the carrying value of assets pledged as collateral for the lease as of June 30, 2022.

	BALANCE
Leased equipment (intangible)	\$ 783,650
Less: accumulated depreciation	<u>(91,426)</u>
	<u>\$ 692,224</u>

**III. DETAILED NOTES ON ALL FUNDS (cont'd)**

**F. Long-Term Debt (cont'd)**

**General Obligation Bonds**

The District issues general obligation bonds for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes. There are not any District assets pledged as collateral for this debt. The Bonds are secured by the District's full faith and credit and are general obligations of the District payable from ad valorem taxes levied against property owners living within the District's boundaries. There are not any District assets pledged as collateral for the general obligations. The details of the bonds and notes as of June 30, 2022 are as follows:

BOND ISSUES	BOND MATURITY	ORIGINAL AMOUNT	INTEREST RATES	BALANCE	CURRENT PORTION	
Series 2012	10/30/12	Aug 2024	\$ 13,355,000	2.00% to 3.00%	\$ 4,300,000	\$ 1,000,000
Series 2013	12/23/13	Aug 2026	16,535,000	2.00% to 4.00%	1,000,000	1,000,000
Series 2014	09/22/14	Aug 2026	21,255,000	1.00% to 3.00%	11,850,000	1,750,000
Series 2015	11/30/15	Aug 2027	19,960,000	2.00% to 4.00%	11,460,000	1,200,000
Series 2016	06/28/16	Aug 2023	24,935,000	3.00% to 5.00%	6,395,000	3,565,000
Series 2016A	12/20/16	Aug 2028	14,160,000	3.00% to 5.00%	8,715,000	850,000
Series 2017A	10/17/17	Aug 2029	14,010,000	2.00% to 5.00%	11,460,000	800,000
Series 2017B	10/17/17	Aug 2022	11,295,000	2.00% to 4.00%	2,180,000	2,180,000
Series 2018	10/03/18	Aug 2030	15,000,000	3.00% to 5.00%	12,250,000	900,000
Series 2019	09/26/19	Aug 2031	15,000,000	2.00% to 5.00%	13,075,000	950,000
Series 2020	10/08/20	Aug 2032	15,000,000	2.00% to 4.00%	13,675,000	950,000
Series 2021A	10/13/21	Aug 2033	15,000,000	1.00% to 4.00%	15,000,000	4,000,000
Series 2021B	10/13/21	Aug 2026	9,940,000	0.50% to 1.65%	9,940,000	200,000
Total			<u>\$ 205,445,000</u>		<u>\$ 121,300,000</u>	<u>\$ 19,345,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing and the reconciliation to the Statement of Net Position is provided below.

	BALANCE
Bonds payable	\$ 121,300,000
Less: current maturities	(19,345,000)
Unamortized:	
Bond premiums	7,315,108
Total non-current liabilities	<u>\$ 109,270,108</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

YEAR ENDING	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
JUNE 30,			
2023	\$ 19,345,000	\$ 3,759,085	\$ 23,104,085
2024	16,445,000	2,728,374	19,173,374
2025	16,475,000	2,203,225	18,678,225
2026	14,285,000	1,733,663	16,018,663
2027	14,380,000	1,259,650	15,639,650
2028 - 2032	36,945,000	1,998,694	38,943,694
2033 - 2034	3,425,000	43,625	3,468,625
Total	<u>\$ 121,300,000</u>	<u>\$ 13,726,316</u>	<u>\$ 135,026,316</u>

Detail information on maturities of each long-term debt obligation is presented in Other Supplemental Information.

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### E. Long-Term Debt (cont'd)

The details of the changes in long-term liabilities as of during the year ended June 30, 2022 are as follows:

		BEGINNING				ENDING	DUE WITHIN
		BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS	BALANCE	ONE YEAR
<b>GO bonds payable</b>							
<u>Original Amount</u>	<u>Issue</u>						
\$ 13,355,000	2012	\$ 5,300,000	\$ -	\$ 1,000,000	\$ -	\$ 4,300,000	\$ 1,000,000
16,535,000	2013	11,025,000	-	10,025,000	-	1,000,000	1,000,000
21,255,000	2014	12,450,000	-	600,000	-	11,850,000	1,750,000
19,960,000	2015	12,260,000	-	800,000	-	11,460,000	1,200,000
24,935,000	2016	11,420,000	-	5,025,000	-	6,395,000	3,565,000
14,160,000	2016A	9,565,000	-	850,000	-	8,715,000	850,000
14,010,000	2017A	12,260,000	-	800,000	-	11,460,000	800,000
11,295,000	2017B	5,065,000	-	2,885,000	-	2,180,000	2,180,000
15,000,000	2018	13,150,000	-	900,000	-	12,250,000	900,000
15,000,000	2019	14,025,000	-	950,000	-	13,075,000	950,000
15,000,000	2020	15,000,000	-	1,325,000	-	13,675,000	950,000
15,000,000	2021A	-	15,000,000	-	-	15,000,000	4,000,000
9,940,000	2021B	-	9,940,000	-	-	9,940,000	200,000
		<u>121,520,000</u>	<u>24,940,000</u>	<u>25,160,000</u>	<u>-</u>	<u>121,300,000</u>	<u>19,345,000</u>
Bond premiums		<u>7,860,551</u>	<u>945,924</u>	<u>1,491,367</u>	<u>-</u>	<u>7,315,108</u>	<u>1,491,367</u>
Total bonds payable		<u>129,380,551</u>	<u>25,885,924</u>	<u>26,651,367</u>	<u>-</u>	<u>128,615,108</u>	<u>20,836,367</u>
<b>Other Long-Term Liabilities</b>							
Compensated absences:							
Compensated vacation		1,174,614	958,687	979,069	-	1,154,232	979,069
Leases		-	764,619	83,647	-	680,972	143,493
Pension liability *		646,648,066	-	15,283,004	(392,555,706)	238,809,356	17,167,963 *
OPEB liability *		<u>96,316,652</u>	<u>-</u>	<u>1,950,282</u>	<u>(20,726,038)</u>	<u>73,640,332</u>	<u>2,266,326 *</u>
		<u>\$ 873,519,883</u>	<u>\$ 27,609,230</u>	<u>\$ 44,947,369</u>	<u>\$ (413,281,744)</u>	<u>\$ 442,900,000</u>	<u>\$ 41,393,218</u>

\* Due within one year amounts are deferred outflows related to the pension and OPEB liabilities. See Note IV (B) and Note IV (C).

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

The District was authorized on November 5, 2019 to issue \$60,000,000 in general obligation bonds. After the issuance of GO Bond Series 2021A, the District has issued \$30,000,000 (Series 2020 and 2021A) of the \$60,000,000 authorized.

### III. DETAILED NOTES ON ALL FUNDS (cont'd)

#### E. Long-Term Debt (cont'd)

##### New Debt

The District issued Series 2021A General Obligation Bonds in the amount of \$15,000,000 on October 13, 2021. The District made the first interest payment on February 1, 2022 and will make the first principal payment on August 1, 2022. The bond series will mature on August 1, 2033 with interest rate of 1.125% to 4.00%.

The District also issued Series 2021B General Obligation Refunding Bonds in the amount of \$9,940,000 on October 13, 2021. The District made the first interest payment on February 1, 2022 and will make the first principal payment on August 1, 2022. The bond series will mature on August 1, 2026 with interest rate of 0.50% to 1.650%. The bond issuance was used to advance refund GO Bond Series 2013 in the amount of \$9,525,000. The refunding resulted in an economic present value savings of \$592,738. The remaining \$1,000,000 of Series 2013 will be paid on August 1, 2022 from the District's Debt Service Fund.

The District was at 82.5% of its bonding capacity (limited by New Mexico statute) after the issuance of GO Series 2021A and 2021B.

#### F. Net Investment in Capital Assets

The net investment in capital assets is detailed below and results in a net investment in capital assets as the carrying value of the capital assets are greater than outstanding debt used to acquire them.

	BALANCE
Total capital assets, net	\$ 371,461,164
Outstanding capital related debt:	
Bonds and notes payable	(121,300,000)
Bond premiums	(7,315,108)
Unspent bond proceeds	8,428,518
Outstanding capital related lease obligations:	
Lease with right of use assets	(680,972)
Net investment in capital assets	<u>\$ 250,593,602</u>

### IV. OTHER INFORMATION

#### A. 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; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMPSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2022.

#### IV. OTHER INFORMATION (cont'd)

##### B. Employee Retirement Plan

*Plan Description* - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained [www.nmerb.org](http://www.nmerb.org), [www.saonm.org](http://www.saonm.org), or by writing to:

ERB  
P.O. Box 26129  
Santa Fe, New Mexico 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 163,314 active, retired, and inactive members in fiscal year 2021; there were 163,402 active, retired, and inactive members in fiscal year 2020.

*Benefits Provided* - The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

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. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit commencing on July 1 following the later of: (i) the year a member retires, or (ii) the year in which a member attains age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

If the plan's funded ratio for the next preceding fiscal year is 100%, or greater, Section 22-11-31(C)(1) of the New Mexico Statutes Annotated defines the adjustment factor as  $\frac{1}{2}$  of the percentage increase of the consumer price index between the next preceding calendar year and the preceding calendar year. The adjustment factor cannot exceed four percent, nor be less than two percent. However, if the percentage increase of the consumer price index is less than two percent, the adjustment factor will be equal to the percentage increase of the consumer price index.

If the plan's funded ratio for the next preceding fiscal year is greater than 90%, but less than 100%, Section 22-11-31(C)(2) indicates that the adjustment factor for all non-disability retirements will be 95% of the adjustment factor defined in Section 22-11-31(C)(1) if the member had 25 or more years of service credit at retirement and whose annuity is less than or equal to the median adjusted annuity for the fiscal year next preceding the adjustment date. For all other retirees eligible for an adjustment, the adjustment factor will be 90% of the adjustment factor defined in Section 22-11-31(C)(1).

#### **IV. OTHER INFORMATION (cont'd)**

##### **B. Employee Retirement Plan (cont'd)**

If the plan's funded ratio for the next preceding fiscal year is 90%, or less, Section 22-11-31(C)(3) indicates that the adjustment factor for all non-disability retirements will be 90% of the adjustment factor defined in Section 22-11-31(C)(1) if the member had 25 or more years of service credit at retirement and whose annuity is less than or equal to the median adjusted annuity for the fiscal year next preceding the adjustment date. For all other retirees eligible for an adjustment, the adjustment factor will be 80% of the adjustment factor defined in Section 22-11-31(C)(1).

Finally, annuities shall not be decreased in the event that there is a decrease in the consumer price index between the next preceding calendar year and the preceding calendar year.

As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. 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.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any “Rule of 75” deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.



#### IV. OTHER INFORMATION (cont'd)

##### B. Employee Retirement Plan (cont'd)

###### Contributions

Educational employers contributed to the pension plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2022	07/01/2021 to 06/30/2022	Over \$24K	10.70%	15.15%	25.85%	1.00%
		\$24K or Less	7.90%	15.15%	23.05%	1.00%
2021	07/01/2020 to 06/30/2021	Over \$24K	10.70%	14.15%	24.85%	0.00%
		\$24K or Less	7.90%	14.15%	22.05%	0.00%

Senate Bill 42 was signed into law on April 5, 2021 and will increase ERB's employer contributions by 1% for two fiscal years and calls for ERB to perform a study to be completed before July 1, 2022 to improve ERB's solvency without the addition of further money from the General Fund. The current employer contribution rate is 14.15% and will increase to 15.15% beginning July 1, 2021 and then 16.15% beginning July 1, 2022 and remain at that amount in subsequent years.

Senate Bill 36 was signed into law on March 1, 2022 and will increase ERB's employer contributions set by Senate Bill 42 (16.15% beginning July 1, 2022) to 17.15% beginning July 1, 2022 and increase to 18.15% for the year beginning July 1, 2023.

The District's contributions to ERB for the fiscal year ending June 30, 2021 (measurement date) was \$15,283,004, which equal the amount of the required contributions.

###### Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 216 contributing employers in fiscal year 2021; there were 216 contributing employers in fiscal year 2020.

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

At June 30, 2022, the District reported a liability of \$238,809,356 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 school districts and regional education cooperatives, actuarially determined. At June 30, 2021 (pension measurement date), the District's proportion was 3.36946 percent compared to 3.19082 percent measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense/(income) as follows:

PENSION EXPENSE CALCULATION	
Net pension liability - end of the year	\$ 238,809,356
Net pension liability - beginning of the year	(646,648,066)
Deferred outflows of resources during the year	96,904,140
Deferred inflows of resources during the year	329,447,563
Reductions to ending net pension liability due contributions paid	15,283,004
<b>Total Pension Expense</b>	<b>\$ 33,795,997</b>

**IV. OTHER INFORMATION (cont'd)**

**B. Employee Retirement Plan (cont'd)**

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	\$ 18,764,224	\$ 588,075
Change of assumptions	158,963,741	271,965,879
Net difference between projected and actual earnings on pension plan investments	-	59,387,041
Changes in proportion and differences between District contributions and proportionate share of contributions	17,738,310	-
District contributions subsequent to the measurement date	<u>17,167,963</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 212,634,238</u></b>	<b><u>\$ 331,940,995</u></b>

Deferred outflows of resources related to pensions in the amount of \$17,167,963 resulted from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 (pension measurement date June 30, 2022). Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>JUNE 30,</u>	<u>AMORTIZATION</u>
2023	\$ (242,574)
2024	65,646,059
2025	51,255,953
2026	19,815,282
2027	
Thereafter	-
<b>Total</b>	<b><u>\$ 136,474,720</u></b>

*Actuarial Assumptions*

A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based on an expected rate of return on pension plan investments of 3.89 percent and a municipal bond rate of 7.00 percent. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. 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.

#### IV. OTHER INFORMATION (cont'd)

##### B. Employee Retirement Plan (cont'd)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the Plan's year ended June 30, 2021 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 17, 2020. There were no other significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2021. The liabilities reflect the impact of the new assumptions adopted by the Board of Trustees on April 17, 2020 as well as the change in the single discount rate between June 30, 2020 and June 30, 2021. Specifically, the liabilities measured as of June 30, 2021 incorporate the following assumptions:

- 1) All members with an annual salary of more than \$24,000 will contribute 10.70% during the fiscal year ending June 30, 2020 and thereafter.
- 2) All members with an annual salary of \$24,000 or less will contribute 7.90% during the fiscal year ending June 30, 2020 and thereafter.
- 3) Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their Cost of Living Adjustment (COLA) will be deferred until age 67.
- 4) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 5) The new assumptions adopted by the Board on April 21, 2017 in conjunction with the change in the single discount rate, and
- 6) For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Level Percentage of Payroll
Remaining Period:	Amortized - closed 30 years from June 30, 2019 to June 30, 2049
Asset Valuation Method:	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation:	2.30%
Salary Increases:	Composition: 2.30% inflation, plus 0.70% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.00% (2.30% inflation rate and a 4.70% real rate of return)
Single Discount Rate:	7.00%
Retirement Age:	Experience based table of age and service rates
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 and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.

**IV. OTHER INFORMATION (cont'd)**

**B. Employee Retirement Plan (cont'd)**

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2021 and 2020 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	2021 Long-Term Expected <u>Real Rate of Return</u>	2020 Long-Term Expected <u>Real Rate of Return</u>
Cash	-0.31%	-0.16%
U.S. Treasuries	-0.08%	0.17%
IG Corp Credit	1.69%	1.79%
Mortgage Backed Securities	0.28%	0.85%
Core Bonds*	0.58%	0.85%
Treasury Inflation Protected Securities	0.04%	0.18%
High-Yield Bonds	3.31%	2.98%
Bank Loans	2.91%	2.60%
Global Bonds (Unhedged)	-0.09%	-0.16%
Global Bonds (Hedged)	-0.16%	-0.03%
Emerging Market Debt External	2.99%	2.36%
Emerging Market Debt Local Currency	3.57%	2.67%
Large Cap Equities	5.18%	4.06%
Small/ Mid Cap Equities	6.11%	4.49%
International Equities (Unhedged)	5.84%	4.30%
International Equities (Hedged)	5.74%	4.67%
Emerging International Equities	9.37%	6.48%
Private Equity	10.18%	7.96%
Private Debt	5.78%	5.12%
Private Real Assets	7.59%	5.39%
Real Estate	6.17%	3.66%
Commodities	2.57%	2.16%
Hedge Funds	3.28%	3.25%

Rate of Return

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

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class.

#### IV. OTHER INFORMATION (cont'd)

##### B. Employee Retirement Plan (cont'd)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption*

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2021, 2020, and 2019. In particular, the table presents the Plan's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (1% decrease) or one percentage point higher (1% increase) than the single discount rate.

		CURRENT SINGLE RATE			
		Discount Rate	1% Decrease	Single Rate Assumption	1% Increase
<b>ERB (All Employers)</b>					
2021	7.00%	\$ 10,035,064,321	\$ 7,087,466,701	\$ 4,651,571,637	
2020	3.89%	25,593,615,269	20,265,889,826	15,979,388,434	
2019	7.25%	10,228,778,073	7,577,302,491	5,384,280,133	
<b>Rio Rancho Public School District No. 94</b>					
2021	7.00%	\$ 338,127,478	\$ 238,809,356	\$ 156,732,846	
2020	3.89%	816,646,195	646,648,066	509,873,522	
2019	7.25%	318,786,006	236,151,179	167,804,321	

##### C. Post-Retirement Health Care Benefits

*Plan Description*

*Plan Description* - The District, as an employer, contributes to the New Mexico Retiree Health Care Fund (RHCA), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. The plan provides healthcare insurance and prescription drug benefits to retired employees of participating employers, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies. RHCA issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained [www.nmrhca.org](http://www.nmrhca.org), [www.saonm.org](http://www.saonm.org), or by writing to:

Retiree Health Care Authority  
4308 Carlisle NE, Suite 104  
Albuquerque, NM 87107

The plan is used to provide postemployment benefits other than pensions (OPEB) for retirees who were an employee of participating employer in either the New Mexico Public Employees Retirement Association (PERA) or Educational Retirement Board (ERB), eligible to receive a pension. For employers who “buy-in” to the plan, retirees are eligible for benefits six months after the effective date of employer participation. Retirees not in a PERA enhanced (Fire, Police, Corrections) pension plan who commence benefits on or after January 1, 2020 will not receive any subsidy from RHCA before age 55.

Eligible retirees are:

- 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which the 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.

**IV. OTHER INFORMATION (cont'd)**

**C. Post-Retirement Health Care Benefits (cont'd)**

There were 157,330 active, retired, surviving spouses, and inactive members in fiscal year 2021; there were 154,177 active, retired, surviving spouses, and inactive members in fiscal year 2020.

*Funding Policy*

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars (\$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 RHCA or viewed on their website at [www.nmrhca.org](http://www.nmrhca.org).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) 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, 2013, the statute required each participating employer to contribute 2.5% of each participating employee’s annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, 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 Retiree Health Care Act.

*Benefits Provided* - Retirees and spouses are eligible for medical and prescription drug benefits. Dental and vision benefits are also available but were not included in any valuation since they are 100% retiree-paid. A description of these benefits may be found in Enrolled Participants at [www.nmrhca.org](http://www.nmrhca.org).

*Contributions*

Educational employers contributed to the pension plan based on the following rate schedule.

Fiscal Year	Date Range	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2022	07/01/2021 to 06/30/2022	1.00%	2.00%	3.00%	0.00%
2021	07/01/2020 to 06/30/2021	1.00%	2.00%	3.00%	0.00%

Senate Bill 42 was signed into law on April 5, 2021 and will increase ERB’s employer contributions by 1% for two fiscal years and calls for ERB to perform a study to be completed before July 1, 2022 to improve ERB’s solvency without the addition of further money from the General Fund. The current employer contribution rate is 14.15% and will increase to 15.15% beginning July 1, 2021 and then 16.15% beginning July 1, 2022 and remain at that amount in subsequent years.

The District’s contributions to RHCA for the fiscal year ending June 30, 2021 (measurement date) was \$1,950,282, which equal the amount of the required contributions.

#### IV. OTHER INFORMATION (cont'd)

##### C. Post-Retirement Health Care Benefits (cont'd)

*Employers* - The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 302 contributing employers in fiscal year 2021; there were 301 contributing employers in fiscal year 2020.

*Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to OPEB*

At June 30, 2022, the District reported a liability of \$73,640,332 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021 (measurement date), the District's proportion was 2.23807 percent compared to 2.29385 percent measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense/(income) as follows:

OPEB INCOME CALCULATION	
Net OPEB liability - end of the year	\$ 73,640,332
Net OPEB liability - beginning of the year	(96,316,652)
Deferred outflows of resources during the year	8,211,623
Deferred inflows of resources during the year	6,195,465
Reductions to ending net OPEB liability due contributions paid	<u>1,950,282</u>
<b>Total OPEB Income</b>	<b>\$ (6,318,950)</b>

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	\$ 1,076,719	\$ 11,744,101
Change of assumptions	14,743,476	26,623,590
Net difference between projected and actual earnings on OPEB plan investments	-	2,110,838
Changes in proportion and differences between District contributions and proportionate share of contributions	15,679,138	8,386,147
District contributions subsequent to the measurement date	<u>2,266,326</u>	<u>-</u>
<b>Total</b>	<b>\$ 33,765,659</b>	<b>\$ 48,864,676</b>

Deferred outflows of resources related to OPEB in the amount of \$2,266,326 resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022 (OPEB measurement date June 30, 2022). Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

JUNE 30,	AMORTIZATION
2023	\$ 8,668,403
2024	5,104,559
2025	2,253,003
2026	(2,171,161)
2027	3,510,539
Thereafter	-
<b>Total</b>	<b>\$17,365,343</b>

**IV. OTHER INFORMATION (cont'd)**

**C. Post-Retirement Health Care Benefits (cont'd)**

Actuarial Assumptions

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 OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2052.

A blended rate of the assumed investment return on Plan assets (e.g. 3.62% for the June 30, 2021 valuation) and the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (e.g. 2.16% as of June 30, 2021). The 3.62% discount rate was used to calculate the net OPEB liability through June 30, 2052. Benefit payments after June 30, 2052 are then discounted by the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, currently 2.16%. The blended discount rate of 3.62% was used to measure the total OPEB liability as of June 30, 2021.

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

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry age normal, level percent of pay, calculated on individual employee basis
Amortization Method:	30-year open-ended amortization, level percent of payroll
Remaining Period:	30 years as of June 30, 2019
Asset Valuation Method:	Market value of assets

Actuarial assumptions

Inflation:	2.30% for ERB; 2.50% for PERA
Projected Salary Increases:	3.25% to 13.00% based on years of service, including inflation
Investment Rate of Return:	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Discount Rate	3.62%
Health Care Cost Trend Rate:	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return

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

Asset Class	2021	2020
	Long-Term Expected Real Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. core fixed income	0.4	2.1
U.S. equity - large cap	6.6	7.1
Non U.S. - emerging markets	9.2	10.2
Non U.S. - developed equities	7.3	7.8
Private equity	10.6	11.8
Credit and structured finance	3.1	5.3
Real estate	3.7	4.9
Absolute return	2.5	4.1
U.S. equity - small/mid cap	6.6	7.1



**IV. OTHER INFORMATION (cont'd)**

**C. Post-Retirement Health Care Benefits (cont'd)**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate Assumption*

The following table shows the sensitivity of the net OPEB liability to changes in the discount rate as of the measurement date of June 30, 2021. In particular, the table presents the Plan's net OPEB liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (1% decrease) or one percentage point higher (1% increase) than the single discount rate.

		CURRENT SINGLE RATE			
		Discount Rate	1% Decrease	Single Rate Assumption	1% Increase
<b>RHCA (All Employers)</b>					
2021	3.62%	\$ 4,134,247,608	\$ 3,290,349,790	\$ 2,633,889,896	
2020	2.86%	5,219,259,908	4,198,908,018	3,410,281,542	
2019	4.16%	3,966,222,871	3,242,388,746	2,673,387,007	
<b>Rio Rancho Public School District No. 94</b>					
2021	3.62%	\$ 59,230,550	\$ 73,640,332	\$ 85,244,531	
2020	2.86%	119,721,994	96,316,652	78,226,743	
2019	4.16%	75,101,223	61,395,279	50,621,118	

The following presents the Net OPEB Liability of RHCA as of the measurement date of June 30, 2021, as well as what the Fund's Net OPEB Liability would be if it were calculated using a health cost trend rate that is one percentage point lower (1% decrease) or one percentage point higher (1% increase) than the health cost trend rates used:

		HEALTH COST TREND RATE		
		1% Decrease	Current Trend Rates	1% Increase
<b>RHCA (All Employers)</b>				
2021	\$ 2,646,501,227	\$ 3,290,349,790	\$ 3,808,841,141	
<b>Rio Rancho Public School District No. 94</b>				
2021	\$ 92,527,355	\$ 73,640,332	\$ 58,948,300	

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements**

The District is not a taxing authority and does not create, or enter into, any tax abatement agreements. However, the tax revenue which the District relies upon to fund debt service, capital improvement, maintenance and operations, is directly impacted by tax abatement agreements entered into by taxing authorities, such as the Sandoval County and City of Rio Rancho governments. New Mexico statutes allow certain taxing authorities to enter into tax abatement agreements. The four tax abatement agreements that effect the District's available tax revenue are the following:

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	5025
<b>Abating Agency Name</b>	Sandoval County, New Mexico
<b>Abating Agency Type</b>	County Government
<b>Tax Abatement Agreement Name</b>	Ordinance 04-19-16.7B (2004 Ordinance) and Ordinance 4-25-19.10 (2019 IRB Amendment)
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Intel Corporation
<b>Tax abatement program (name and brief description)</b>	Sandoval County Industrial Revenue Bond Ordinance which allows eligible companies to request certain tax abatements. County Ordinance Sec. 2 -68 "Industrial Revenue Bond Ordinance"
<b>Specific Tax(es) Being Abated</b>	Ad Valorem property taxes and certain Gross Receipts and Compensating Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	NMSA § 4-59-1 through 4-59-16 (County Industrial Revenue Bond "Act")
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$5,753,167 for Debt Service levy proceeds \$1,268,309 for Capital Improvement levy proceeds, and \$ 317,077 for Operational levy proceeds.
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$1,134,273 or \$75,618 per year
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 38,602
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 38,460
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 55,057
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 51,579
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Rio Rancho Public Schools
Agency number of Affected Agency	7090
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Safelite Solutions, LLC
Tax abatement program (name and brief description)	Authorize issuance of Industrial Revenue Bonds totaling \$10,000,000 for the purpose of acquisition and installation of equipment, furniture and furnishings for.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 10,065
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$ 10,065
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 158,260
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 156,525
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Innovation Partners, LLC
<b>Tax abatement program (name and brief description)</b>	Innovation Partners, LLC/Stolar Research Project - IRB Amended and Restated - Initially issued for \$3,000,000 and executed lease agreement in 2014. \$2,250,000 has been redeemed. A amended and restated bond indenture and lease agreement was executed in FY21 for \$376,276. Project property will be sub-leased to Nature's Toolbox.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 15,832
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	Pursuant to the amended and restated lease, past due PILOT payments from prior years will be collected in installments as outlined in the lease exhibit b. \$84, 296.75 will be paid in four annual installments of \$21,014.25 beginning January 31, 2021. An additional \$14,914.33 was paid for the current tax year (2020). PILOT payments through tax year 2020 are to be split equally between the City and the Rio Rancho School District. Beginning in tax year 2021 100% of PILOT payments go to the RRPS.
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**IV. OTHER INFORMATION (cont'd)**

**D. Tax Abatements (cont'd)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Nature's Toolbox, Inc
<b>Tax abatement program (name and brief description)</b>	Nature's Toolbox - Industrial Revenue Bond issued with a principal amount of \$20,000,000 to be used to finance certain capital costs, including acquiring, constructing, renovating, installing and equipping a biologic research development and production facility to be locate at 7701 Innovation Way, NE, Rio Rancho, NM.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated.
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 0
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 0
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A



#### IV. OTHER INFORMATION (cont'd)

##### E. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

##### F. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in itself does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursements, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

##### G. Commitments

Commitments are agreements to perform in the future. Commitments consist of all obligations of the State for future fiscal years. The District had significant commitments outstanding as of the year ended June 30, 2022, as follows:

PROJECT	PROJECTED COST	ESTIMATED COMPLETION	PAID TO DATE	REMAINING COMMITMENT
Puesta Del Sol Commissioning/Test & Balance	\$ 128,209	12/31/22	\$ 90,423	\$ 37,785
Puesta Del Sol HVAC Design Services	500,380	08/19/23	409,174	91,206
HVAC Upgrade and Roofing Interior RRMS	754,046	08/07/22	583,576	170,470
Commissioning Services RRMS	187,917	12/31/23	12,161	175,757
HVAC Upgrades at Puesta Del Sol ES	6,166,008	08/19/22	5,003,686	1,162,322
Field Turf Replacement RRHS	1,191,929	10/07/22	1,121,404	70,525
Field Turf Replacement CHS	1,302,206	10/07/22	1,215,070	87,136

##### H. Subsequent Events

Subsequent events were evaluated through November 8, 2022 which is the date the financial statements were available to be issued.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

For the year ended:	Measurement date of June 30:	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2022	2021	3.369460%	\$ 238,809,356	\$107,780,418	221.57%	69.77%
June 30, 2021	2020	3.190820%	646,648,066	101,766,886	635.42%	39.11%
June 30, 2020	2019	3.116560%	236,151,179	90,271,730	261.60%	64.13%
June 30, 2019	2018	3.032080%	360,554,668	84,466,280	426.86%	52.19%
June 30, 2018	2017	3.022700%	335,930,138	85,961,504	390.79%	52.95%
June 30, 2017	2016	3.030900%	218,115,985	86,353,800	252.58%	61.58%
June 30, 2016	2015	2.947000%	190,885,038	80,461,541	237.24%	63.97%
June 30, 2015	2014	2.945800%	168,077,189	81,195,899	207.00%	66.54%
June 30, 2013	2012	-	-	-	-	-
June 30, 2012	2011	-	-	-	-	-

\* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	Contractually required contribution	Contributions in relation to the contractually required	Contribution deficiency (excess)	District's Covered Payroll	Contribution as a percentage of covered payroll
June 30, 2022	\$ 17,167,963	\$ 17,167,963	\$ -	\$ 113,122,109	15.18%
June 30, 2021	15,283,004	15,283,004	-	107,780,418	14.18%
June 30, 2020	14,392,545	14,392,545	-	101,766,886	14.14%
June 30, 2019	12,568,362	12,568,362	-	90,271,730	13.92%
June 30, 2018	11,740,813	11,740,813	-	84,466,280	13.90%
June 30, 2017	11,948,649	11,948,649	-	85,961,504	13.90%
June 30, 2016	12,001,503	12,001,503	-	86,353,800	13.90%
June 30, 2015	11,601,785	11,601,785	-	83,466,079	13.90%
June 30, 2013	-	-	-	-	-
June 30, 2012	-	-	-	-	-

\* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET OPEB LIABILITY  
Retiree Health Care Authority (RHCA) OPEB Plan  
Last 10 Fiscal Years\***

For the year ended:	Measurement date of June 30:	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
June 30, 2022	2021	2.238070%	\$ 73,640,332	\$ 97,514,087	75.52%	25.39%
June 30, 2021	2020	2.293850%	96,316,652	101,766,886	94.64%	16.50%
June 30, 2020	2019	1.893520%	61,395,279	90,271,730	68.01%	18.92%
June 30, 2019	2018	2.133100%	92,754,757	84,466,280	109.81%	13.14%
June 30, 2018	2017	2.013690%	91,253,846	85,961,504	106.16%	11.34%
June 30, 2017	2016	-	-	-	-	-
June 30, 2016	2015	-	-	-	-	-
June 30, 2015	2014	-	-	-	-	-
June 30, 2014	2013	-	-	-	-	-
June 30, 2013	2012	-	-	-	-	-

\* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
Retiree Health Care Authority (RHCA) OPEB Plan  
Last 10 Fiscal Years\***

	Contractually required contribution	Contributions in relation to the contractually required	Contribution deficiency (excess)	District's covered payroll	Contribution as a percentage of covered payroll
June 30, 2022	\$ 2,266,326	\$ 2,266,326	\$ -	\$ 112,614,860	2.01%
June 30, 2021	1,950,282	1,950,282	-	97,514,087	2.00%
June 30, 2020	2,033,371	2,033,371	-	101,766,886	2.00%
June 30, 2019	1,806,475	1,806,475	-	90,271,730	2.00%
June 30, 2018	1,684,362	1,684,362	-	84,466,280	1.99%
June 30, 2017	-	-	-	-	-
June 30, 2016	-	-	-	-	-
June 30, 2015	-	-	-	-	-
June 30, 2014	-	-	-	-	-
June 30, 2013	-	-	-	-	-

\* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2022

*Changes of benefit terms:* There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2021.

*Changes of assumptions:* ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study as of June 30, 2019 and adopted by the Board of Trustees on April 17, 2020.

- 1) Fiscal year 2021 valuation assumptions that changed based on this study:
  - Incorporated
    - a. An explicit administrative expense assumption of 0.35% of pay per year such that the investment return used will be net of investment expenses only.
  - Reduced
    - b. Wage inflation from 3.25% to 3.00%
    - c. Inflation rate from 2.50% to 2.30%
    - d. Investment return from 7.25% to 7.00%
    - e. COLA assumption from 1.90% per year to 1.80%
    - f. Minor changes to demographic assumptions
    - g. Salary increases at 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for less than ten years of service to 2.30% inflation, plus 0.70%

See also the Note VI (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

*Changes of assumptions:* RHCA conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study as of June 30, 2019 and adopted by the Board of Trustees on April 17, 2020.

The total OPEB liability as of June 30, 2020 (measurement date) was determined by an actuarial valuation as of June 30, 2019. The mortality, retirement, disability, turnover and salary assumptions are based on the PERA annual valuation as of June 30, 2019 and the ERB actuarial experience study as of June 30, 2019.

- 1) Fiscal year 2021 valuation assumptions that changed based on this study:
  - a. Minor changes to demographic assumptions
- 2) Assumptions that were not changed:
  - a. Investment return 7.25%
  - b. Inflation rate 2.50% for ERB
  - c. Projected payroll increases 3.25% to 13.50%
  - d. Population growth per year at 0.00%
  - e. Health care cost trend rate 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5%

See also the Note IV (C) *Actuarial Assumptions* of the financial statement note disclosure on the OPEB Plan.

SUPPLEMENTAL INFORMATION  
OF  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2022

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# SUPPLEMENTAL INFORMATION

## GENERAL FUNDS

### **Operating Fund** (Fund No. 11000)

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

### **Transportation Fund** (Fund No. 13000)

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

### **Forest Reserve and Ad Valorem Tax Fund** (Fund No. 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.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

GENERAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<u>Operational</u> <u>Fund 11000</u>	<u>Transportation</u> <u>Fund 13000</u>	<u>Forest Reserve and Ad Valorem Tax</u> <u>Fund 15200</u>	<u>Total General</u> <u>Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 16,724,947	\$ 300,322	\$ -	\$ 17,025,269
Investments	10,271,990	-	-	10,271,990
Receivables:				
Taxes	-	-	59,851	59,851
Due from other governmental funds	2,133,203	-	-	2,133,203
Due from fiduciary funds	20,000	-	-	20,000
Supplies inventory	<u>90,337</u>	<u>-</u>	<u>-</u>	<u>90,337</u>
<b>Total assets</b>	<b><u>\$ 29,240,477</u></b>	<b><u>\$ 300,322</u></b>	<b><u>\$ 59,851</u></b>	<b><u>\$ 29,600,650</u></b>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ 1,483,251	\$ 8,869	\$ -	\$ 1,492,120
Payroll liabilities - held payments	<u>13,524,645</u>	<u>300,322</u>	<u>-</u>	<u>13,824,967</u>
Total liabilities	<u>15,007,896</u>	<u>309,191</u>	<u>-</u>	<u>15,317,087</u>
Deferred inflows of resources:				
Unavailable tax revenues	<u>-</u>	<u>-</u>	<u>52,680</u>	<u>52,680</u>
Fund balance:				
Non-spendable:				
Inventories	110,337	-	-	110,337
Committed to:				
Subsequent year's expenditures	12,010,637	-	-	12,010,637
Unassigned	<u>2,111,607</u>	<u>(8,869)</u>	<u>7,171</u>	<u>2,109,909</u>
Total fund balance	<u>14,232,581</u>	<u>(8,869)</u>	<u>7,171</u>	<u>14,230,883</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 29,240,477</u></b>	<b><u>\$ 300,322</u></b>	<b><u>\$ 59,851</u></b>	<b><u>\$ 29,600,650</u></b>



STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

GENERAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<u>Operational Fund 11000</u>	<u>Transportation Fund 13000</u>	<u>Forest Reserve and Ad Valorem Tax Fund 15200</u>	<u>Total General Fund</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ 793,518	\$ -	\$ 7,171	\$ 800,689
Intergovernmental - federal grants	956,844	-	-	956,844
Intergovernmental - state grants	163,967,162	3,142,427	-	167,109,589
Contributions - private grants	130,623	-	-	130,623
Payments in lieu of taxes	262,539	-	-	262,539
Charges for services	272,997	-	-	272,997
Investment and interest income	35,817	-	-	35,817
Miscellaneous	<u>389,324</u>	<u>-</u>	<u>-</u>	<u>389,324</u>
<b>Total revenue</b>	<u>166,808,824</u>	<u>3,142,427</u>	<u>7,171</u>	<u>169,958,422</u>
<b>Expenditures:</b>				
Current:				
Instruction	102,279,335	-	-	102,279,335
Support services:				
Students	17,752,526	-	-	17,752,526
Instruction	1,795,400	-	-	1,795,400
General Administration	4,727,146	-	-	4,727,146
School Administration	9,343,504	-	-	9,343,504
Central Services	10,053,959	-	-	10,053,959
Operation & Maintenance of Plant	18,322,719	-	-	18,322,719
Student transportation	1,802,257	3,144,153	-	4,946,410
Other Support services	<u>554,310</u>	<u>-</u>	<u>-</u>	<u>554,310</u>
<b>Total expenditures</b>	<u>166,631,156</u>	<u>3,144,153</u>	<u>-</u>	<u>169,775,309</u>
<i>Excess (deficiency) of revenues over expenditures</i>				
	177,668	(1,726)	7,171	183,113
<b>Fund balance at beginning of the year</b>	<u>14,054,913</u>	<u>(7,143)</u>	<u>-</u>	<u>14,047,770</u>
<b>Fund balance at end of the year</b>	<u>\$ 14,232,581</u>	<u>\$ (8,869)</u>	<u>\$ 7,171</u>	<u>\$ 14,230,883</u>

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

OPERATIONAL FUND - NO. 11000  
**Statements of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 748,523	\$ 748,523	\$ 803,113	\$ 54,590
Intergovernmental - federal grants	300,000	300,000	956,844	656,844
Intergovernmental - state grants	154,866,740	163,967,161	163,967,162	1
Contributions - private grants	260,000	271,500	130,623	(140,877)
Payments in lieu of taxes	-	294,363	262,539	(31,824)
Charges for services	85,400	85,400	272,997	187,597
Investment and interest income	24,000	24,000	35,817	11,817
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>389,324</u>	<u>339,324</u>
<b>Total revenues</b>	<u>156,334,663</u>	<u>165,740,947</u>	<u>166,818,419</u>	<u>1,077,472</u>
<b>Expenditures:</b>				
Current:				
Instruction	106,113,434	110,001,961	101,613,136	8,388,825
Support services:				
Students	18,749,131	21,836,521	17,804,718	4,031,803
Instruction	1,821,682	1,941,788	1,793,098	148,690
General Administration	4,973,472	5,111,103	4,735,337	375,766
School Administration	9,214,065	9,387,829	9,342,130	45,699
Central Services	9,197,533	10,346,072	9,910,788	435,284
Operation & Maintenance of Plant	20,053,433	20,313,052	18,075,462	2,237,590
Student transportation	1,000,000	1,000,000	1,773,233	(773,233)
Other Support services	<u>211,913</u>	<u>211,913</u>	<u>554,310</u>	<u>(342,397)</u>
<b>Total expenditures</b>	<u>171,334,663</u>	<u>180,150,239</u>	<u>165,602,212</u>	<u>14,548,027</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(15,000,000)	(14,409,292)	1,216,207	15,625,499
<b>Other financing uses:</b>				
Other out	-	-	-	-
<i>Net change in fund balance</i>	(15,000,000)	(14,409,292)	<u>\$ 1,216,207</u>	<u>\$ 15,625,499</u>
<i>Beginning cash balance budgeted</i>	<u>15,000,000</u>	<u>14,409,292</u>		
<b>Total budget excess (deficiency)</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>RECONCILIATION TO GAAP BASIS:</b>				
<i>Net change in fund balance (budget basis)</i>			\$ 1,216,207	
Change in inventory			(92,779)	
Change in taxes receivable			(55,803)	
Change in due from other governments			(6,624)	
Change in payables			(936,165)	
Change in deferred property taxes			<u>52,832</u>	
<i>Net change in fund balance (GAAP basis)</i>			177,668	
<b>Fund balance at beginning of the year</b>			<u>14,054,913</u>	
<b>Fund balance at end of the year</b>			<u>\$ 14,232,581</u>	

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

TRANSPORTATION FUND - NO. 13000  
**Statements of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 3,021,068	\$ 3,142,427	\$ 3,142,428	\$ 1
<b>Expenditures:</b>				
Current:				
Support services:				
Student transportation	<u>3,021,068</u>	<u>3,142,427</u>	<u>3,142,427</u>	<u>-</u>
<i>Excess of revenues over expenditures</i>	-	-	1	1
<b>Other financing uses:</b>				
Other out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	<u>\$ 1</u>	<u>\$ 1</u>
<i>Beginning cash balance budgeted</i>	<u>-</u>	<u>-</u>		
<b>Total budget excess (deficiency)</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>RECONCILIATION TO GAAP BASIS:</b>				
<i>Net change in fund balance (budget basis)</i>			\$ 1	
Change in payables			<u>(1,727)</u>	
<i>Net change in fund balance (GAAP basis)</i>			(1,726)	
<b>Fund balance (deficit) at beginning of the year</b>			<u>(7,143)</u>	
<b>Fund balance (deficit) at end of the year</b>			<u><u>\$ (8,869)</u></u>	

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

FOREST RESERVE AND AD VALOREM TAX FUND - NO. 15200  
**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Other out	-	-	-	-
<i>Net change in fund balance</i>	-	-	<u>\$ -</u>	<u>\$ -</u>
<i>Beginning cash balance budgeted</i>	-	-		
<b>Total budget excess (deficiency)</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>RECONCILIATION TO GAAP BASIS:</b>				
<i>Net change in fund balance (budget basis)</i>			\$ -	
Change in taxes receivable			59,851	
Change in deferred property taxes			<u>(52,680)</u>	
<i>Net change in fund balance (GAAP basis)</i>			7,171	
<b>Fund balance at beginning of the year</b>			<u>-</u>	
<b>Fund balance at end of the year</b>			<u><u>\$ 7,171</u></u>	

## SUPPLEMENTAL INFORMATION

### NONMAJOR GOVERNMENTAL FUNDS

Funds that did not meet the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* to be considered Major Funds and have not been identified as Major Funds by management.

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## Nonmajor Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

**Food Service** (Fund No. 21000) Minimum Balance: None  
This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-4, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

**Athletics** (Fund No. 22000) Minimum Balance: None  
This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

**Non-Instructional Support** (Fund No. 23000) Minimum Balance: None  
To account for funds paid to the Schools for student activity travel. Accumulated funds are used to replace activity buses. Funding authority is the New Mexico Public Education Department.

**Title I** (Fund No. 24101) Minimum Balance: None  
To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

**Entitlement IDEA-B** (Fund No. 24106) Minimum Balance: None  
Program provides grants to states that flow-through to schools, to assist them 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 Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**Preschool IDEA-B** (Fund No. 24109) Minimum Balance: None  
The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. 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.

**Education of Homeless** (Fund No. 24113) Minimum Balance: None  
To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Department of Interior/Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies to support the education of those children. Authorization: McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**Private Schools Share IDEA-B** (Fund No. 24115) Minimum Balance: None  
Under 34 CFR §§ 300.132-300.133, local educational agencies (LEA) must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, Preschool sub-grant funds for special education and related services ("equitable participation services" to students with disabilities who are parentally placed in private elementary and secondary schools ("equitable participation services") located in the school district served by the LEA. The private schools must be nonprofit institutions. Children aged three through five are considered to be parentally-placed private school children with disabilities only if they are enrolled in a private school that meets the definition of elementary school in 34 CFR §300.13. New Mexico State law defines an elementary school as "a public school providing instruction for grades kindergarten through eight, unless there is a junior high school program approved by the state board [department], in which case it means a public school providing instruction for grades kindergarten through six" 22-1-3(A) NMSA 1978.

**Leadership – Voc. Ed.** (Fund No. 24139) Minimum Balance: None  
To support areas with high percentages of Career Technical Education students, or areas with high numbers of career Technical Education students and provide career technical education services that address identified needs within the State of New Mexico. The authority for creation of this fund is the New Mexico Public Education Department.

## Nonmajor Special Revenue Funds ( cont'd )

<p><b>Title III English Language</b> (Fund No. 24153)</p> <p>To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.</p>	<p>Minimum Balance: None</p>
<p><b>Title II Teacher Quality</b> (Fund No. 24154)</p> <p>To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.</p>	<p>Minimum Balance: None</p>
<p><b>Carl D Perkins</b> (Fund No. 24171, 24174, &amp; 24176)</p> <p>The redistribution component of the Carl D. Perkins program represents an allocation of remaining balances from the Carl D. Perkins Career and Technical Education Act (Perkins IV-Year 4). The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.</p>	<p>Minimum Balance: None</p>
<p><b>Student Support and Academic Achievement</b> (Fund No. 24189)</p> <p>The objective of this grant is to support well-rounded educational opportunities, safe and healthy students and effective use of technology. The Every Student Succeeds Act (ESSA) was signed into law in December 2015. It reauthorized the Elementary and Secondary Education Act in 1965 (ESEA). Newly authorized under subpart 1 of Title IV, Part A of the ESEA is the Student Support and Academic Enrichment (SSAE) program.</p>	<p>Minimum Balance: None</p>
<p><b>Title I Comprehensive Support and Improvement</b> (Fund No. 24190)</p> <p>Under the New Mexico Public Education Department's (NMPED) approved Every Student Succeeds Act (ESSA), the state' lowest-achieving schools are identified as Comprehensive Support and Improvement (CSI) schools. As a result, CSI schools, with the support of the larger Local Education Agency (LEA) and school community, have an opportunity to develop and implement targeted interventions with the goal of achieving dramatic school-level achievement gains such that the school is in good academic standing within three years. Funding authorization: Elementary and Secondary Education Act of 1965, as amended, Title I, Part B.</p>	<p>Minimum Balance: None</p>
<p><b>CARES Act - Education Stabilization</b> (Fund No. 24301)</p> <p>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. Authorization: Title The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), 116-136</p>	<p>Minimum Balance: None</p>
<p><b>CRRSA Act - ESSER II</b> (Fund No. 24308)</p> <p>To provide local education agencies with funding to safely reopen schools, measure and effectively address significant learning loss, and to mitigate the impact of COVID-19. LEAs must expend all ESSER (24301) funds and submit the associated requests for reimbursement before expending any of the ESSER II (24308) funds. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, Elementary and Secondary School Education Relief Fund (ESSER II Fund).</p>	<p>Minimum Balance: None</p>
<p><b>ESSER – Social Emotional Learning</b> (Fund No. 24309)</p> <p>Address gaps in students' learning and social and emotional wellness through the implementation of evidence-based interventions. Those interventions should respond to students' social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Elementary and Secondary School Education Relief Fund (ESSER II SEA Reserve)</p>	<p>Minimum Balance: None</p>
<p><b>CRRSA Retention Stipend</b> (Fund No. 24312)</p> <p>A retention stipend in the amount of \$100 is available if an eligible employee was required to work, and did work, in-person, physically on school district, charter school, or school premises at least 50% of their paid hours or more, between September 8, 2020 and February 19, 2021. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Elementary and Secondary School Education Relief Fund (ESSER II SEA Reserve)</p>	<p>Minimum Balance: None</p>



## Nonmajor Special Revenue Funds ( cont'd )

**CRSSA ESSER II (Air Quality)** (Fund No. 24316) Minimum Balance: None

This is a sub-award for funding through the Elementary and Secondary School Emergency Relief Fund for air quality improvements relate to COVID-19. Authorization: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Elementary and Secondary School Education Relief Fund (ESSER II SEA Reserve)

**ARP ESSER III** (Fund No. 24330) Minimum Balance: None

The New Mexico Public Education Department (PED) has granted its full (2/3 + 1/3) preliminary FY21-22 subawards for funding through the American Rescue Plan (ARP) Act, Elementary and Secondary School Emergency Relief Fund (24330), to help schools to return safely to in-person instruction, maximize in-person instructional time, sustain the safe operation of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on New Mexico's students. Authorization: 2 C.F.R. Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 1 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.

**ESSER III - Near Peer Tutoring** (Fund No. 24333) Minimum Balance: None

This grant is designed to provide opportunities for high school students to be compensated for providing near peer tutoring in reading and mathematics to elementary and middle school students enrolled in the same LEA. Authorization: Public Law 116-136, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); Public Law 116-260, Division M, The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA).

**ARP - Homeless CYF** (Fund No. 24350) Minimum Balance: None

To support the specific needs of homeless children and youth via the American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY) Fund. State educational agencies and local educational agencies (LEAs) must use ARP-HCY funds to identify homeless children and youth, to provide homeless children and youth with wrap-around services to address the challenges of COVID-19, and to enable homeless children and youth to attend school and fully participate in school activities. The Department will release ARP-HCY funds in two separate disbursements (ARP Homeless I and ARP Homeless II). Authorization: Public Law 117-2, the American Rescue Plan (ARP) Act of 2021.

**Homeless Emergency Rescue (ARP)** (Fund No. 24355) Minimum Balance: None

This is a subawards for funding through the American Rescue Plan Act, Elementary and Secondary School Emergency Relief Fund to help schools to return safely to in-person instruction, maximize in-person instructional time, sustain the safe operation of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on NM students.

**Title XIX Medicaid** (Fund No. 25153) Minimum Balance: None

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-14, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

**Indian Education Formula Grant** (Fund No. 25184) Minimum Balance: None

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

**REC/District Fiscal Agent** (Fund No. 26107) Minimum Balance: None

To promote excellence in teaching and learning among educators and students. Authorized by the New Mexico Public Education Department.

## Nonmajor Special Revenue Funds ( cont'd )

<p><b>LANL Foundation</b> (Fund No. 26113) Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university. The LANL Foundation's Education Outreach Grants are open to school districts, nonprofit New Mexico educational institutions, IRS-qualified 501(c)(3) organizations, government agencies, and Pueblo/Tribal communities serving Los Alamos, Mora, Rio Arriba, San Miguel, Sandoval, Santa Fe, and Taos counties.</p>	<p>Minimum Balance: None</p>
<p><b>Intel Foundation</b> (Fund No. 26116) To account for a grant received from Intel Corporation – New Mexico for an educational project. The authority for creation of this fund is the New Mexico Public Education Department.</p>	<p>Minimum Balance: None</p>
<p><b>Rio Rancho Education Foundation</b> (Fund No. 26171) The objective of this program is to provide monies for various types of educational projects (sensory cameras to study local wildlife, calculators for students to conduct fine arts mathematics, etc.) that will improve an existing community need, problem, or issue. This fund is awarded directly to the school district by the Rio Rancho Education Foundation. Authority for the creation of this fund is the New Mexico Public Education Department.</p>	<p>Minimum Balance: None</p>
<p><b>CNM Foundation</b> (Fund No. 26207) To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.</p>	<p>Minimum Balance: None</p>
<p><b>Dual Credit Instructional Materials</b> (Fund No. 27103) To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.</p>	<p>Minimum Balance: None</p>
<p><b>Library Go Bonds 2012</b> (Fund No. 27107) Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).</p>	<p>Minimum Balance: None</p>
<p><b>STEM Career Tech</b> (Fund No. 27123) This funding is to be used specifically for the reframe program at Rio Rancho Middle School in the Rio Rancho Public School district.</p>	<p>Minimum Balance: None</p>
<p><b>Feminine Hygiene</b> (Fund No. 27130) To purchase Feminine Hygiene products for students.</p>	<p>Minimum Balance: None</p>
<p><b>NM Computer Science K 8 Grant Program</b> (Fund No. 27135) The purpose of this award is to increase access to high-quality computer science professional learning programs to ensure that more students master computer science skills leading to rewarding, high-paying, and in-demand careers..</p>	<p>Minimum Balance: None</p>
<p><b>Pre-K Initiative</b> (Fund No. 27149) The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.</p>	<p>Minimum Balance: None</p>
<p><b>Indian Education Act</b> (Fund No. 27150) To develop and evaluate the relationship between improved academic performance of American Indian students who experience a culturally relevant education curriculum. Authority for creation of this funds is the New Mexico Public Education Department.</p>	<p>Minimum Balance: None</p>
<p><b>ELTP Transportation</b> (Fund No. 27153) To provide transportation in support of extended learning time. Authority for creation of this funds is the New Mexico Public Education Department.</p>	<p>Minimum Balance: None</p>
<p><b>School Buses</b> (Fund No. 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.</p>	<p>Minimum Balance: None</p>
<p><b>New Mexico Grown</b> (Fund No. 27183) Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.</p>	<p>Minimum Balance: None</p>

## Nonmajor Special Revenue Funds ( cont'd )

<p><b>School Bus Cameras</b> (Fund No. 27405) 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.</p>	<p>Minimum Balance: None</p>
<p><b>Next Gen CTE</b> (Fund No. 27502) Funds are to be used for (1) to support Local Educational Agencies (LEAs) with the cost of Career Technical Education (CTE) programs of study, (2) to provide relevant career exploration, and (3) to provide other CTE-related supports. Authorization: 2019 New Mexico House Bill 91</p>	<p>Minimum Balance: None</p>
<p><b>Hardware and Internet Access</b> (Fund No. 27506) This award is for hardware and internet access for Rio Rancho Public Schools to support students in need. This may include tablets or laptops and internet access service fees. Authorization: 2019 legislative session (Laws of 2019, Chapter 279, Section 25A {HB548} and Laws of 2019, Chapter 278 Section 26A {SB 536}.</p>	<p>Minimum Balance: None</p>
<p><b>GRADS Instruction</b> (Fund No. 28190) To account for a program funded by the Public Education Department for the purpose to establish and maintain an in-school, family and consumer science instructional and intervention program for pregnant and parenting students, which focuses on knowledge and skills related to positive self, pregnancy, parenting and economic independence. Special Revenue fund established by the local school board.</p>	<p>Minimum Balance: None</p>
<p><b>GRADS Plus</b> (Fund No. 28203) The purpose of this fund is to support a shared case management model between Central High School GRADS program and school and community partners. Authority for the creation of this fund is the New Mexico GRADS System.</p>	<p>Minimum Balance: None</p>
<p><b>New Mexico Child Care Health and Safety</b> (Fund No. 28207) Health and safety costs that have occurred as a result of the public health emergency such as enhanced cleaning and sanitation to ensure the health and safety of children and early childhood education and care professionals. Other costs that have occurred as a result of the public health emergency, such as staffing increases, technology and furniture purchases, remodeling, creating outdoor learning spaces, or any other expenses associated with supporting student success.</p>	<p>Minimum Balance: None</p>
<p><b>ECEC - Pre-K Teacher and EA Compensation Increases</b> (Fund No. 28208) To account for revenues and expenditures for grants to provide daycare for high school students with children.</p>	<p>Minimum Balance: None</p>
<p><b>DOH COVID Testing Program</b> (Fund No. 28211) As you know, the Public Education Department and the Department of Health are working closely together to help New Mexico schools maximize In-person learning safely during the pandemic. We have received federal funding to assist you in achieving that goal by supporting the testing and testing-related activities in our schools. We write today to share the good news that Cimarron Public Schools has been allocated up to \$80,380.00 for this effort. This award will allow you to strengthen your school health services infrastructure and may be used as you see fit to prevent, mitigate, and reduce the consequences of COVID infections in your schools.</p>	<p>Minimum Balance: None</p>
<p><b>NMDVR - Pre-ETS</b> (Fund No. 282215) To support NMDVR in the implementation of the Rehabilitation Act 1973 as amended by Workforce Innovation and Opportunity Act (WIOA), by providing Pre-employment Transition Services (Pre-ETS) to New Mexico students with disabilities (SWD) ages 14 through 21 in need of such services.</p>	<p>Minimum Balance: None</p>
<p><b>Private Direct Grants</b> (Fund No. 29102) To provide additional classroom time at Rio Rancho High Schools for seniors to meet graduation requirements. Funding authority is the New Mexico Public Education Department.</p>	<p>Minimum Balance: None</p>
<p><b>City/County Grants</b> (Fund No. 29107) To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support a nutrition focused event for the school. Funding is provided by Sandoval County and the City of Rio Rancho (NM Public Education Department, PSAB, Supp 3).</p>	<p>Minimum Balance: None</p>
<p><b>NACA Inspired Schools Network</b> (Fund No. 29138) The funds are to support expanding impact and increasing positive academic student outcomes through the school's participation in Social Emotional Learning Communities of Practice. To serve low-income, students with disabilities, English language learners, Indigenous, and immigrant populations in Sandoval County.</p>	<p>Minimum Balance: None</p>

## Nonmajor 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.

**Special Capital Outlay - Local** (Fund No. 31300) Minimum Balance: None

To account for resources received by revenue generated local sources for the purpose of remodeling and improvements on existing structures. Funding authority is the New Mexico Public Education Department.

**Special Capital Outlay - State** (Fund No. 31400) Minimum Balance: None

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

**Capital Improvements SB-9 (State, State Match)** (Fund No. 31700 & 31703) Minimum Balance: None

To account for funds distributed under the Public School Capital Outlay Improvements Act (22-25-1 to 22-25-10 NMSA 1978) to any school district that has imposed a tax for capital outlays and maintenance. An amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

**Capital Improvements SB-9 (Local)** (Fund No. 31701) Minimum Balance: None

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Food Service	Athletics	Non- Instructional Support	Title I
	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 23000</u>	<u>Fund 24101</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,437,866	\$ 208,794	\$ 2,168,704	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	973,262	-	-	715,622
Due from other governmental funds	-	-	-	-
Supplies inventory	-	-	-	-
Food inventory	<u>96,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 4,507,349</u></u>	<u><u>\$ 208,794</u></u>	<u><u>\$ 2,168,704</u></u>	<u><u>\$ 715,622</u></u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ 18,124	\$ -	\$ 9,444	\$ -
Payroll liabilities - held payments	7,294	-	44,003	237,199
Due to other funds	-	-	-	479,228
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>25,418</u>	<u>-</u>	<u>53,447</u>	<u>716,427</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	96,221	-	-	-
Restricted for:				
Food services	4,385,710	-	-	-
Extracurricular activities	-	208,794	2,115,257	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(805)</u>
Total fund balance	<u>4,481,931</u>	<u>208,794</u>	<u>2,115,257</u>	<u>(805)</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u><u>\$ 4,507,349</u></u>	<u><u>\$ 208,794</u></u>	<u><u>\$ 2,168,704</u></u>	<u><u>\$ 715,622</u></u>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Entitlement IDEA-B <u>Fund 24106</u>	Preschool IDEA-B <u>Fund 24109</u>	Education of Homeless <u>Fund 24113</u>	Private Schools Share IDEA-B <u>Fund 24115</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	1,069,127	2,471	22,848	8,777
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 1,069,127</b>	<b>\$ 2,471</b>	<b>\$ 22,848</b>	<b>\$ 8,777</b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ 402	\$ -	\$ -	\$ -
Payroll liabilities - held payments	390,122	360	-	-
Due to other funds	676,839	2,111	27,186	8,777
Unearned revenues	2,166	-	-	-
Total liabilities	1,069,529	2,471	27,186	8,777
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	8,777
Total deferred inflows of resources	-	-	-	8,777
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	(402)	-	(4,338)	(8,777)
Total fund balance	(402)	-	(4,338)	(8,777)
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,069,127</b>	<b>\$ 2,471</b>	<b>\$ 22,848</b>	<b>\$ 8,777</b>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Leadership - Voc Ed <u>Fund 24139</u>	Title III English Language <u>Fund 24153</u>	Title II Teacher Quality <u>Fund 24154</u>	Carl D Perkins - JAG <u>Fund 24171</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	1,281	254,816	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,281</b>	<b>\$ 254,816</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 887	\$ -
Payroll liabilities - held payments	-	-	16,246	-
Due to other funds	922	9	238,548	2
Unearned revenues	-	1,272	22	-
<b>Total liabilities</b>	<b>922</b>	<b>1,281</b>	<b>255,703</b>	<b>2</b>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	(922)	-	(887)	(2)
<b>Total fund balance</b>	<b>(922)</b>	<b>-</b>	<b>(887)</b>	<b>(2)</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ -</b>	<b>\$ 1,281</b>	<b>\$ 254,816</b>	<b>\$ -</b>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Carl D Perkins - Culinary <u>Fund 24174</u>	Carl D Perkins Secondary Redistribution <u>Fund 24176</u>	Student Support and Academic Achievement <u>Fund 24189</u>	Title I Comprehensive Support & Improvement <u>Fund 24190</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 936
Receivables:				
Taxes	-	-	-	-
Intergovernmental	80,101	-	8,649	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 80,101</b>	<b>\$ -</b>	<b>\$ 8,649</b>	<b>\$ 936</b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	2,739	-	-	936
Due to other funds	76,320	244	8,649	-
Unearned revenues	<u>1,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b>80,101</b>	<b>244</b>	<b>8,649</b>	<b>936</b>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>(244)</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<b>-</b>	<b>(244)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 80,101</b>	<b>\$ -</b>	<b>\$ 8,649</b>	<b>\$ 936</b>

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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	CARES Act - Education Stabilization <u>Fund 24301</u>	CRRSA Act - ESSER II <u>Fund 24308</u>	ESSER - Social Emotional Learning <u>Fund 24309</u>	CRRSA Retention Stipend <u>Fund 24312</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	366,520	25,277	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 366,520</b>	<b>\$ 25,277</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ 499,689	\$ 1,900	\$ -
Payroll liabilities - held payments	-	3,979	-	-
Due to other funds	-	362,541	25,277	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>866,209</b>	<b>27,177</b>	<b>-</b>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	366,520	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>366,520</b>	<b>-</b>	<b>-</b>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(866,209)	(1,900)	-
<b>Total fund balance</b>	<b>-</b>	<b>(866,209)</b>	<b>(1,900)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ -</b>	<b>\$ 366,520</b>	<b>\$ 25,277</b>	<b>\$ -</b>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	CRSSA ESSER II <u>Fund 24316</u>	ARP ESSER III <u>Fund 24330</u>	ESSER III - Near Peer Tutoring <u>Fund 24333</u>	ARP - Homeless CYF <u>Fund 24350</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	78,584	1,684	20,801	3,991
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 78,584</u>	<u>\$ 1,684</u>	<u>\$ 20,801</u>	<u>\$ 3,991</u>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ 31,445	\$ -	\$ 1,056
Payroll liabilities - held payments	-	-	-	-
Due to other funds	78,584	1,684	20,801	3,991
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>78,584</u>	<u>33,129</u>	<u>20,801</u>	<u>5,047</u>
 Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>(31,445)</u>	<u>-</u>	<u>(1,056)</u>
<b>Total fund balance</b>	<u>-</u>	<u>(31,445)</u>	<u>-</u>	<u>(1,056)</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 78,584</u>	<u>\$ 1,684</u>	<u>\$ 20,801</u>	<u>\$ 3,991</u>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Homeless Emergency Rescue (ARP) <u>Fund 24355</u>	Title XIX Medicaid <u>Fund 25153</u>	Indian Education Formula Grant <u>Fund 25184</u>	REC/District Fiscal Agent <u>Fund 26107</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 449,622	\$ -	\$ 710
Receivables:				
Taxes	-	-	-	-
Intergovernmental	6,408	212,984	64,765	-
Due from other governmental funds	-	2,080,095	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 6,408</b>	<b>\$ 2,742,701</b>	<b>\$ 64,765</b>	<b>\$ 710</b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ 14,709	\$ -	\$ -
Payroll liabilities - held payments	-	309,743	2,186	-
Due to other funds	6,408	-	61,972	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>6,408</b>	<b>324,452</b>	<b>64,158</b>	<b>-</b>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	2,418,249	607	710
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>2,418,249</b>	<b>607</b>	<b>710</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 6,408</b>	<b>\$ 2,742,701</b>	<b>\$ 64,765</b>	<b>\$ 710</b>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	LANL Foundation <u>Fund 26113</u>	Intel Foundation <u>Fund 26116</u>	Rio Rancho Education Foundation <u>Fund 26171</u>	CNM Foundation <u>Fund 26207</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 50	\$ 33,337	\$ 27,278	\$ 2
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 50</u>	<u>\$ 33,337</u>	<u>\$ 27,278</u>	<u>\$ 2</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	50	33,337	27,278	2
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance</b>	<u>50</u>	<u>33,337</u>	<u>27,278</u>	<u>2</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 50</u>	<u>\$ 33,337</u>	<u>\$ 27,278</u>	<u>\$ 2</u>

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STATE OF NEW MEXICO  
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NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Dual Credit Instructional Materials <u>Fund 27103</u>	Libraries GO Bond 2012 <u>Fund 27107</u>	STEM Career Tech <u>Fund 27123</u>	Feminine Hygiene <u>Fund 27130</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 221	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	59,526	113,991	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 221</u>	<u>\$ 59,526</u>	<u>\$ 113,991</u>	<u>\$ -</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,937	\$ -	\$ -
Payroll liabilities - held payments	-	-	-	-
Due to other funds	-	59,526	113,991	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>61,463</u>	<u>113,991</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	50,486	113,991	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>50,486</u>	<u>113,991</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	221	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(52,423)	(113,991)	-
<b>Total fund balance</b>	<u>221</u>	<u>(52,423)</u>	<u>(113,991)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 221</u>	<u>\$ 59,526</u>	<u>\$ 113,991</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	NM Computer Science K-8 Grant Program <u>Fund 27135</u>	Pre-K Initiative <u>Fund 27149</u>	Indian Education Act <u>Fund 27150</u>	ELTP Transportation <u>Fund 27153</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	499,822	44,187	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 499,822</u>	<u>\$ 44,187</u>	<u>\$ -</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	-	150,228	6,123	-
Due to other funds	-	349,594	38,314	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>499,822</u>	<u>44,437</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	(250)	-
<b>Total fund balance</b>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ 499,822</u>	<u>\$ 44,187</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	School Buses <u>Fund 27178</u>	New Mexico Grown <u>Fund 27183</u>	School Bus Cameras <u>Fund 27405</u>	Next Gen CTE <u>Fund 27502</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	1,011,500	-	27,428	26,386
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 1,011,500</u>	<u>\$ -</u>	<u>\$ 27,428</u>	<u>\$ 26,386</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	-	-	-	-
Due to other funds	1,011,500	-	27,428	26,386
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>1,011,500</u>	<u>-</u>	<u>27,428</u>	<u>26,386</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	1,011,500	-	-	11,603
<b>Total deferred inflows of resources</b>	<u>1,011,500</u>	<u>-</u>	<u>-</u>	<u>11,603</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	(1,011,500)	-	-	(11,603)
<b>Total fund balance</b>	<u>(1,011,500)</u>	<u>-</u>	<u>-</u>	<u>(11,603)</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 1,011,500</u>	<u>\$ -</u>	<u>\$ 27,428</u>	<u>\$ 26,386</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	Hardware and Internet Access <u>Fund 27506</u>	GRADS Instruction <u>Fund 28190</u>	GRADS Plus <u>Fund 28203</u>	New Mexico Child Care Health and Safety <u>Fund 28207</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 2,135	\$ 2,500
Receivables:				
Taxes	-	-	-	-
Intergovernmental	261,012	-	-	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 261,012</b>	<b>\$ -</b>	<b>\$ 2,135</b>	<b>\$ 2,500</b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	-	-	-	-
Due to other funds	261,012	3,155	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>261,012</b>	<b>3,155</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	2,135	2,500
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	(3,155)	-	-
<b>Total fund balance</b>	<b>-</b>	<b>(3,155)</b>	<b>2,135</b>	<b>2,500</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 261,012</b>	<b>\$ -</b>	<b>\$ 2,135</b>	<b>\$ 2,500</b>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>			
	ECEC - Pre-K Teacher and EA	DOH COVID Testing Program	NMDVR - Pre- ETS	Private Direct Grants
	<u>Fund 28208</u>	<u>Fund 28211</u>	<u>Fund 28215</u>	<u>Fund 29102</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 93,326	\$ -	\$ -	\$ 181,757
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	282,232	11,157	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 93,326</u>	<u>\$ 282,232</u>	<u>\$ 11,157</u>	<u>\$ 181,757</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities - held payments	5,435	55,463	-	-
Due to other funds	-	226,769	11,157	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<u>5,435</u>	<u>282,232</u>	<u>11,157</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	-	-
Unavailable intergovernmental sources	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	87,891	-	-	181,757
Grantor restrictions	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance</b>	<u>87,891</u>	<u>-</u>	<u>-</u>	<u>181,757</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 93,326</u>	<u>\$ 282,232</u>	<u>\$ 11,157</u>	<u>\$ 181,757</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Special Revenue Funds</b>		
	City/County Grants <u>Fund 29107</u>	NACA Inspired Schools Network <u>Fund 29138</u>	Total Non-Major Special Revenue <u>Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 6,607,238
Receivables:			
Taxes	-	-	-
Intergovernmental	6,000	-	6,261,209
Due from other governmental funds	-	-	2,080,095
Fuel inventory	-	-	-
Food inventory	-	-	96,221
<b>Total assets</b>	<b>\$ 6,000</b>	<b>\$ -</b>	<b>\$ 15,044,763</b>
 <b>Liabilities, deferred inflows and fund balance</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 579,593
Payroll liabilities - held payments	-	-	1,232,056
Due to other funds	4,373	-	4,213,298
Unearned revenues	-	-	4,502
<b>Total liabilities</b>	<b>4,373</b>	<b>-</b>	<b>6,029,449</b>
 Deferred inflows of resources:			
Unavailable tax revenues	-	-	-
Unavailable intergovernmental sources	-	-	1,562,877
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,562,877</b>
 Fund balance:			
Non-spendable:			
Inventories	-	-	96,221
Restricted for:			
Food services	-	-	4,385,710
Extracurricular activities	1,627	-	2,599,961
Grantor restrictions	-	-	2,480,454
Capital projects	-	-	-
Unassigned	-	-	(2,109,909)
<b>Total fund balance</b>	<b>1,627</b>	<b>-</b>	<b>7,452,437</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 6,000</b>	<b>\$ -</b>	<b>\$ 15,044,763</b>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	<b>Capital Projects Funds</b>			
	Special Capital Outlay - Local <u>Fund 31300</u>	Special Capital Outlay - State <u>Fund 31400</u>	Capital Improvements SB-9 (Local) <u>Fund 31701</u>	Capital Improvements SB-9 (State Match Cash) <u>Fund 31703</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 7,325	\$ 40	\$ 2,099,369	\$ 471,988
Receivables:				
Taxes	-	-	320,508	-
Intergovernmental	-	-	-	-
Due from other governmental funds	-	-	-	-
Fuel inventory	-	-	555,152	-
Food inventory	-	-	-	-
<b>Total assets</b>	<u>\$ 7,325</u>	<u>\$ 40</u>	<u>\$ 2,975,029</u>	<u>\$ 471,988</u>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 343,890	\$ 81,797
Payroll liabilities - held payments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>343,890</u>	<u>81,797</u>
Deferred inflows of resources:				
Unavailable tax revenues	-	-	279,484	-
Unavailable intergovernmental sources	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>279,484</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	555,152	-
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Grantor restrictions	-	-	-	-
Capital projects	7,325	40	1,796,503	390,191
Unassigned	-	-	-	-
Total fund balance	<u>7,325</u>	<u>40</u>	<u>2,351,655</u>	<u>390,191</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 7,325</u>	<u>\$ 40</u>	<u>\$ 2,975,029</u>	<u>\$ 471,988</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2022**

	Total Non-Major Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,578,722	\$ 9,185,960
Receivables:		
Taxes	320,508	320,508
Intergovernmental	-	6,261,209
Due from other governmental funds	-	2,080,095
Fuel inventory	555,152	555,152
Food inventory	-	<u>96,221</u>
<b>Total assets</b>	<u>\$ 3,454,382</u>	<u>\$ 18,499,145</u>
 <b>Liabilities, deferred inflows and fund balance</b>		
Liabilities:		
Accounts payable	\$ 425,687	\$ 1,005,280
Payroll liabilities - held payments	-	1,232,056
Due to other funds	-	4,213,298
Unearned revenues	-	<u>4,502</u>
Total liabilities	<u>425,687</u>	<u>6,455,136</u>
 Deferred inflows of resources:		
Unavailable tax revenues	279,484	279,484
Unavailable intergovernmental sources	-	<u>1,562,877</u>
Total deferred inflows of resources	<u>279,484</u>	<u>1,842,361</u>
 Fund balance:		
Non-spendable:		
Inventories	555,152	651,373
Restricted for:		
Food services	-	4,385,710
Extracurricular activities	-	2,599,961
Grantor restrictions	-	2,480,454
Capital projects	2,194,059	2,194,059
Unassigned	-	<u>(2,109,909)</u>
Total fund balance	<u>2,749,211</u>	<u>10,201,648</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 3,454,382</u>	<u>\$ 18,499,145</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>			
	Food Service	Athletics	Non- Instructional Support	Title I
	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 23000</u>	<u>Fund 24101</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	9,996,176	-	-	2,062,023
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	20,350	192,281	-
Charges for services	47,747	256,013	3,580,786	-
Investment and interest income	-	-	5,530	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>10,043,923</u>	<u>276,363</u>	<u>3,778,597</u>	<u>2,062,023</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	249,584	3,404,735	1,956,442
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	105,581
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	7,268,692	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>7,268,692</u>	<u>249,584</u>	<u>3,404,735</u>	<u>2,062,023</u>
<i>Excess (deficiency) of revenues over expenditures</i>	2,775,231	26,779	373,862	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	2,775,231	26,779	373,862	-
<b>Fund balance (deficit) at beginning of the year</b>	<u>1,706,700</u>	<u>182,015</u>	<u>1,741,395</u>	<u>(805)</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ 4,481,931</u>	<u>\$ 208,794</u>	<u>\$ 2,115,257</u>	<u>\$ (805)</u>

(cont'd; 1 of 16)

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	Entitlement IDEA-B <u>Fund 24106</u>	Preschool IDEA-B <u>Fund 24109</u>	Education of Homeless <u>Fund 24113</u>	Private Schools Share IDEA-B <u>Fund 24115</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	3,268,190	54,444	29,850	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	3,268,190	54,444	29,850	-
<b>Expenditures:</b>				
Current:				
Instruction	2,828,634	5,350	2,000	-
Support services:				
Students	28,463	46,304	24,320	8,397
Instruction	-	-	-	-
General Administration	372,409	2,790	1,530	380
School Administration	39,086	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	2,000	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	3,268,592	54,444	29,850	8,777
<i>Excess (deficiency) of revenues over expenditures</i>	(402)	-	-	(8,777)
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	(402)	-	-	(8,777)
<b>Fund balance (deficit) at beginning of the year</b>	-	-	(4,338)	-
<b>Fund balance (deficit) at end of the year</b>	\$ (402)	\$ -	\$ (4,338)	\$ (8,777)

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>			
	Leadership - Voc Ed <u>Fund 24139</u>	Title III English Language <u>Fund 24153</u>	Title II Teacher Quality <u>Fund 24154</u>	Carl D Perkins - JAG <u>Fund 24171</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	64,015	512,828	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	64,015	512,828	-
<b>Expenditures:</b>				
Current:				
Instruction	-	61,152	401,034	-
Support services:				
Students	-	-	84,896	-
Instruction	-	-	-	-
General Administration	-	2,863	27,785	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	64,015	513,715	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(887)	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	-	(887)	-
<b>Fund balance (deficit) at beginning of the year</b>	(922)	-	-	(2)
<b>Fund balance (deficit) at end of the year</b>	\$ (922)	\$ -	\$ (887)	\$ (2)

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	Carl D Perkins - Culinary <u>Fund 24174</u>	Carl D Perkins Secondary Redistribution <u>Fund 24176</u>	Student Support and Academic Achievement <u>Fund 24189</u>	Title I Comprehensive Support & Improvement <u>Fund 24190</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	140,794	25,919	162,141	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	140,794	25,919	162,141	-
<b>Expenditures:</b>				
Current:				
Instruction	134,490	25,724	153,240	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	6,304	195	8,901	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	140,794	25,919	162,141	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance (deficit) at beginning of the year</b>	-	(244)	-	-
<b>Fund balance (deficit) at end of the year</b>	\$ -	\$ (244)	\$ -	\$ -

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	CARES Act - Education Stabilization <u>Fund 24301</u>	CRRSA Act - ESSER II <u>Fund 24308</u>	ESSER - Social Emotional Learning <u>Fund 24309</u>	CRRSA Retention Stipend <u>Fund 24312</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	4,414,252	38,062	6,500
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	4,414,252	38,062	6,500
<b>Expenditures:</b>				
Current:				
Instruction	-	711,172	-	1,600
Support services:				
Students	-	363,599	-	2,400
Instruction	-	-	-	-
General Administration	-	245,003	39,962	-
School Administration	-	8	-	100
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	3,941,082	-	500
Student transportation	-	19,597	-	400
Food services operations	-	-	-	-
Community services	-	-	-	1,500
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	5,280,461	39,962	6,500
<i>Excess (deficiency) of revenues over expenditures</i>	-	(866,209)	(1,900)	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	(866,209)	(1,900)	-
<b>Fund balance (deficit) at beginning of the year</b>	-	-	-	-
<b>Fund balance (deficit) at end of the year</b>	\$ -	\$ (866,209)	\$ (1,900)	\$ -

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	CRSSA ESSER II <u>Fund 24316</u>	ARP ESSER III <u>Fund 24330</u>	ESSER III - Near Peer Tutoring <u>Fund 24333</u>	ARP - Homeless CYF <u>Fund 24350</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	163,057	1,684	20,801	16,473
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>163,057</u>	<u>1,684</u>	<u>20,801</u>	<u>16,473</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	-	19,735	16,670
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	86	1,066	859
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	163,057	33,043	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>163,057</u>	<u>33,129</u>	<u>20,801</u>	<u>17,529</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(31,445)	-	(1,056)
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	(31,445)	-	(1,056)
<b>Fund balance (deficit) at beginning of the year</b>	-	-	-	-
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ (31,445)</u>	<u>\$ -</u>	<u>\$ (1,056)</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>			
	Homeless Emergency Rescue (ARP) <u>Fund 24355</u>	Title XIX Medicaid <u>Fund 25153</u>	Indian Education Formula Grant <u>Fund 25184</u>	REC/District Fiscal Agent <u>Fund 26107</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	7,242	4,220,994	150,133	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	20,000
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>7,242</u>	<u>4,220,994</u>	<u>150,133</u>	<u>20,000</u>
<b>Expenditures:</b>				
Current:				
Instruction	6,871	111,223	86,132	-
Support services:				
Students	-	3,241,948	27,077	-
Instruction	-	-	-	-
General Administration	371	465,789	36,317	540
School Administration	-	50,424	-	18,750
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	116,530	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>7,242</u>	<u>3,985,914</u>	<u>149,526</u>	<u>19,290</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	235,080	607	710
<b>Other financing sources:</b>				
Issuance of lease obligation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	235,080	607	710
<b>Fund balance (deficit) at beginning of the year</b>	<u>-</u>	<u>2,183,169</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ 2,418,249</u>	<u>\$ 607</u>	<u>\$ 710</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	LANL Foundation <u>Fund 26113</u>	Intel Foundation <u>Fund 26116</u>	Rio Rancho Education Foundation <u>Fund 26171</u>	CNM Foundation <u>Fund 26207</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	5,005	-	1,500
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	5,005	-	1,500
<b>Expenditures:</b>				
Current:				
Instruction	278	18,332	5,097	1,498
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	278	18,332	5,097	1,498
<i>Excess (deficiency) of revenues over expenditures</i>	(278)	(13,327)	(5,097)	2
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	(278)	(13,327)	(5,097)	2
<b>Fund balance (deficit) at beginning of the year</b>	328	46,664	32,375	-
<b>Fund balance (deficit) at end of the year</b>	\$ 50	\$ 33,337	\$ 27,278	\$ 2

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	Dual Credit Instructional Materials <u>Fund 27103</u>	Libraries GO Bond 2012 <u>Fund 27107</u>	STEM Career Tech <u>Fund 27123</u>	Feminine Hygiene <u>Fund 27130</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	29,002	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	2,263	-	-
<b>Total revenues</b>	-	31,265	-	-
<b>Expenditures:</b>				
Current:				
Instruction	-	-	113,991	-
Support services:				
Students	-	-	-	-
Instruction	-	83,409	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	83,409	113,991	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(52,144)	(113,991)	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	(52,144)	(113,991)	-
<b>Fund balance (deficit) at beginning of the year</b>	221	(279)	-	-
<b>Fund balance (deficit) at end of the year</b>	\$ 221	\$ (52,423)	\$ (113,991)	\$ -

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	NM Computer Science K-8 Grant Program <u>Fund 27135</u>	Pre-K Initiative <u>Fund 27149</u>	Indian Education Act <u>Fund 27150</u>	ELTP Transportation <u>Fund 27153</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	1,198,737	75,352	43,518
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	391,968	14,470	-
<b>Total revenues</b>	-	1,590,705	89,822	43,518
<b>Expenditures:</b>				
Current:				
Instruction	-	1,506,152	89,822	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	84,553	-	43,518
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	1,590,705	89,822	43,518
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance (deficit) at beginning of the year</b>	-	-	(250)	-
<b>Fund balance (deficit) at end of the year</b>	\$ -	\$ -	\$ (250)	\$ -

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>			
	School Buses <u>Fund 27178</u>	New Mexico Grown <u>Fund 27183</u>	School Bus Cameras <u>Fund 27405</u>	Next Gen CTE <u>Fund 27502</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	13,000	27,428	26,104
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	13,000	27,428	26,104
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	37,707
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	1,011,500	-	27,428	-
Food services operations	-	13,000	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	1,011,500	13,000	27,428	37,707
<i>Excess (deficiency) of revenues over expenditures</i>	(1,011,500)	-	-	(11,603)
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	(1,011,500)	-	-	(11,603)
<b>Fund balance (deficit) at beginning of the year</b>	-	-	-	-
<b>Fund balance (deficit) at end of the year</b>	\$ (1,011,500)	\$ -	\$ -	\$ (11,603)

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	Hardware and Internet Access <u>Fund 27506</u>	GRADS Instruction <u>Fund 28190</u>	GRADS Plus <u>Fund 28203</u>	New Mexico Child Care Health and Safety <u>Fund 28207</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	261,012	9,991	-	2,500
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>261,012</u>	<u>9,991</u>	<u>-</u>	<u>2,500</u>
<b>Expenditures:</b>				
Current:				
Instruction	261,012	9,939	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>261,012</u>	<u>9,939</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	52	-	2,500
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	-	52	-	2,500
<b>Fund balance (deficit) at beginning of the year</b>	-	(3,207)	2,135	-
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ (3,155)</u>	<u>\$ 2,135</u>	<u>\$ 2,500</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Special Revenue Funds			
	ECEC - Pre-K Teacher and EA Compensation Increases Fund 28208	DOH COVID Testing Program Fund 28211	NMDVR - Pre-ETS Fund 28215	Private Direct Grants Fund 29102
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	132,250	460,408	27,563	-
Contributions - private grants	-	-	-	97,674
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	132,250	460,408	27,563	97,674
<b>Expenditures:</b>				
Current:				
Instruction	-	-	22,700	20,995
Support services:				
Students	-	330,340	3,450	10,563
Instruction	-	-	-	40,366
General Administration	-	7,000	1,413	15,660
School Administration	-	106,892	-	-
Central Services	-	4,981	-	6,128
Operation & Maintenance of Plant	-	-	-	39,062
Student transportation	-	11,195	-	-
Food services operations	-	-	-	-
Community services	44,359	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	44,359	460,408	27,563	132,774
<i>Excess (deficiency) of revenues over expenditures</i>	87,891	-	-	(35,100)
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	-	-
<i>Net change in fund balance</i>	87,891	-	-	(35,100)
<b>Fund balance (deficit) at beginning of the year</b>	-	-	-	216,857
<b>Fund balance (deficit) at end of the year</b>	\$ 87,891	\$ -	\$ -	\$ 181,757

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	<b>Special Revenue Funds</b>		
	City/County Grants <u>Fund 29107</u>	NACA Inspired Schools Network <u>Fund 29138</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	25,355,578
Intergovernmental - state grants	-	-	2,306,865
Contributions - private grants	55,199	-	392,009
Charges for services	-	-	3,884,546
Investment and interest income	-	-	5,530
Miscellaneous	-	-	408,701
<b>Total revenues</b>	<u>55,199</u>	<u>-</u>	<u>32,353,229</u>
<b>Expenditures:</b>			
Current:			
Instruction	54,639	81	12,318,031
Support services:			
Students	-	-	4,171,757
Instruction	-	-	123,775
General Administration	-	-	1,342,804
School Administration	-	-	215,260
Central Services	-	-	11,109
Operation & Maintenance of Plant	-	-	4,176,744
Student transportation	-	-	1,316,721
Food services operations	-	-	7,281,692
Community services	-	-	45,859
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>54,639</u>	<u>81</u>	<u>31,003,752</u>
<i>Excess (deficiency) of revenues over expenditures</i>	560	(81)	1,349,477
<b>Other financing sources:</b>			
Issuance of lease obligation	-	-	-
<i>Net change in fund balance</i>	560	(81)	1,349,477
<b>Fund balance (deficit) at beginning of the year</b>	<u>1,067</u>	<u>81</u>	<u>6,102,960</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ 1,627</u>	<u>\$ -</u>	<u>\$ 7,452,437</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Capital Projects Funds			
	Special Capital Outlay - Local <u>Fund 31300</u>	Special Capital Outlay - State <u>Fund 31400</u>	Capital Improvements SB-9 (Local) <u>Fund 31701</u>	Capital Improvements SB-9 (State Match Cash) <u>Fund 31703</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ 4,930,016	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	199,500	-	1,981,931
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	142	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	199,500	4,930,158	1,981,931
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	49,410	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	199,460	5,768,723	1,742,340
<b>Total expenditures</b>	-	199,460	5,818,133	1,742,340
<i>Excess (deficiency) of revenues over expenditures</i>	-	40	(887,975)	239,591
<b>Other financing sources:</b>				
Issuance of lease obligation	-	-	764,619	-
<i>Net change in fund balance</i>	-	40	(123,356)	239,591
<b>Fund balance (deficit) at beginning of the year</b>	7,325	-	2,475,011	150,600
<b>Fund balance (deficit) at end of the year</b>	\$ 7,325	\$ 40	\$ 2,351,655	\$ 390,191

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2022**

	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>		
Taxes:		
Property	\$ 4,930,016	\$ 4,930,016
Intergovernmental - federal grants	-	25,355,578
Intergovernmental - state grants	2,181,431	4,488,296
Contributions - private grants	-	392,009
Charges for services	-	3,884,546
Investment and interest income	142	5,672
Miscellaneous	<u>-</u>	<u>408,701</u>
<b>Total revenues</b>	<u>7,111,589</u>	<u>39,464,818</u>
<b>Expenditures:</b>		
Current:		
Instruction	-	12,318,031
Support services:		
Students	-	4,171,757
Instruction	-	123,775
General Administration	49,410	1,392,214
School Administration	-	215,260
Central Services	-	11,109
Operation & Maintenance of Plant	-	4,176,744
Student transportation	-	1,316,721
Food services operations	-	7,281,692
Community services	-	45,859
Capital outlay	<u>7,710,523</u>	<u>7,710,523</u>
<b>Total expenditures</b>	<u>7,759,933</u>	<u>38,763,685</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(648,344)	701,133
<b>Other financing sources:</b>		
Issuance of lease obligation	<u>764,619</u>	<u>764,619</u>
<i>Net change in fund balance</i>	116,275	1,465,752
<b>Fund balance (deficit) at beginning of the year</b>	<u>2,632,936</u>	<u>8,735,896</u>
<b>Fund balance (deficit) at end of the year</b>	<u><u>\$ 2,749,211</u></u>	<u><u>\$ 10,201,648</u></u>

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## SUPPLEMENTAL INFORMATION

### SCHEDULE OF DEBT MATURITIES

Five-year maturities of the individual debt issuances.

### STATE REQUIRED DISCLOSURES

Supplemental schedules required by the State of New Mexico to provide additional analysis.

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF BOND MATURITIES  
**June 30, 2022**

Bond / Note Issue	Year(s) Ending June 30,	Principal	Interest	Total	Avg Interest Rates	Due During Fiscal Year 2023	
						Principal	Interest
<b>GO Series 2012</b>	2023	\$ 1,000,000	\$ 91,000	\$ 1,091,000	3.000%	\$ 1,000,000	\$ 30,000
October 30, 2012	2024	1,000,000	61,000	1,061,000	3.000%	-	38,000
Original Amount: \$ 13,355,000	2025	2,300,000	23,000	2,323,000	2.000%	-	23,000
Refunding Component of Bon	2026	-	-	-		-	-
Callable Aug 1, 2022	2027	-	-	-		-	-
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 4,300,000</b>	<b>\$ 175,000</b>	<b>\$ 4,475,000</b>		<b>\$ 1,000,000</b>	<b>\$ 91,000</b>
<b>GO Series 2013</b>	2023	\$ 1,000,000	\$ 15,000	\$ 1,369,500	3.000%	\$ 1,000,000	\$ 15,000
December 23, 2013	2024	-	-	-		-	-
Original Amount: \$ 16,535,000	2025	-	-	-		-	-
Refunding Component of Bon	2026	-	-	-		-	-
Callable Aug 1, 2022	2027	-	-	-		-	-
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 369,500</b>	<b>\$ 1,369,500</b>		<b>\$ 1,000,000</b>	<b>\$ 15,000</b>
<b>GO Series 2014</b>	2023	\$ 1,750,000	\$ 315,500	\$ 2,065,500	2.000%	\$ 1,750,000	\$ 77,500
September 22, 2014	2024	4,000,000	238,000	4,238,000	3.000%	-	120,000
Original Amount: \$ 21,255,000	2025	4,000,000	118,000	4,118,000	3.000%	-	76,500
Refunding Component of Bon	2026	1,100,000	41,500	1,141,500	3.000%	-	29,000
Callable Aug 1, 2023	2027	1,000,000	12,500	1,012,500	2.500%	-	12,500
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 11,850,000</b>	<b>\$ 725,500</b>	<b>\$ 12,575,500</b>		<b>\$ 1,750,000</b>	<b>\$ 315,500</b>
<b>GO Series 2015</b>	2023	\$ 1,200,000	\$ 332,800	\$ 1,532,800	4.000%	\$ 1,200,000	\$ 48,000
November 30, 2015	2024	1,200,000	284,800	1,484,800	4.000%	-	44,000
Original Amount: \$ 19,960,000	2025	1,000,000	240,800	1,240,800	4.000%	-	60,500
Refunding Component of Bon	2026	2,700,000	180,300	2,880,300	3.000%	-	72,000
Callable Aug 1, 2024	2027	2,800,000	108,300	2,908,300	2.250%	-	69,900
	2028 - 2032	2,560,000	38,400	2,598,400	3.000%	-	38,400
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 11,460,000</b>	<b>\$ 1,185,400</b>	<b>\$ 12,645,400</b>		<b>\$ 1,200,000</b>	<b>\$ 332,800</b>

(cont'd; 1 of 4)

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF BOND MATURITIES  
**June 30, 2022**

Bond / Note Issue	Year(s) Ending June 30,	Principal	Interest	Total	Avg Interest Rates	Due During Fiscal Year 2023	
						Principal	Interest
<b>GO Series 2016</b>	2023	\$ 3,565,000	\$ 230,625	\$ 3,795,625	5.000%	\$ 3,565,000	\$ 159,875
June 28, 2016	2024	2,830,000	70,750	2,900,750	5.000%	-	70,750
Original Amount: \$ 24,935,000	2025	-	-	-		-	-
Refunding Bond	2026	-	-	-		-	-
	2027	-	-	-		-	-
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 6,395,000</b>	<b>\$ 301,375</b>	<b>\$ 6,696,375</b>		<b>\$ 3,565,000</b>	<b>\$ 230,625</b>
<b>GO Series 2016A</b>	2023	\$ 850,000	\$ 295,094	\$ 1,145,094	5.000%	\$ 850,000	\$ 43,750
December 20, 2016	2024	900,000	251,344	1,151,344	5.000%	-	45,000
Original Amount: \$ 14,160,000	2025	900,000	206,344	1,106,344	5.000%	-	45,300
Non-Refunding Bond	2026	1,520,000	161,044	1,681,044	3.000%	-	45,525
Callable Aug 1, 2025	2027	1,515,000	115,519	1,630,519	3.000%	-	45,450
	2028 - 2032	3,030,000	93,741	3,123,741	3.063%	-	70,069
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 8,715,000</b>	<b>\$ 1,123,086</b>	<b>\$ 9,838,086</b>		<b>\$ 850,000</b>	<b>\$ 295,094</b>
<b>GO Series 2017A</b>	2023	\$ 800,000	\$ 388,344	\$ 1,188,344	2.250%	\$ 800,000	\$ 21,000
October 17, 2017	2024	800,000	367,344	1,167,344	3.000%	-	28,000
Original Amount: \$ 14,010,000	2025	800,000	339,344	1,139,344	4.000%	-	61,000
Non-Refunding Bond	2026	1,800,000	278,344	2,078,344	5.000%	-	90,000
Callable Aug 1, 2026	2027	1,800,000	188,344	1,988,344	5.000%	-	67,625
	2028 - 2032	5,460,000	224,516	5,684,516	2.625%	-	120,719
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 11,460,000</b>	<b>\$ 1,786,236</b>	<b>\$ 13,246,236</b>		<b>\$ 800,000</b>	<b>\$ 388,344</b>
<b>GO Series 2017B</b>	2023	\$ 2,180,000	\$ 43,600	\$ 2,223,600	4.000%	\$ 2,180,000	\$ 43,600
October 17, 2017	2024	-	-	-		-	-
Original Amount: \$ 11,295,000	2025	-	-	-		-	-
Refunding Bond	2026	-	-	-		-	-
Non-callable	2027	-	-	-		-	-
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	<b>Total</b>	<b>\$ 2,180,000</b>	<b>\$ 43,600</b>	<b>\$ 2,223,600</b>		<b>\$ 2,180,000</b>	<b>\$ 43,600</b>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF BOND MATURITIES  
**June 30, 2022**

Bond / Note Issue	Year(s) Ending June 30,	Principal	Interest	Total	Avg Interest Rates	Due During Fiscal Year 2023	
						Principal	Interest
<b>GO Series 2018</b>	2023	\$ 900,000	\$ 427,000	\$ 1,327,000	3.000%	\$ 900,000	\$ 27,000
October 3, 2018	2024	900,000	400,000	1,300,000	3.000%	-	31,500
Original Amount: \$ 15,000,000	2025	900,000	368,500	1,268,500	4.000%	-	58,000
Non-Refunding Bond	2026	1,600,000	310,500	1,910,500	5.000%	-	72,000
Callable Aug 1, 2025	2027	1,600,000	238,500	1,838,500	4.000%	-	64,000
	2028 - 2032	6,350,000	386,750	6,736,750	3.250%	-	174,500
	2033 - 2034	-	-	-		-	-
	Total	<u>\$ 12,250,000</u>	<u>\$ 2,131,250</u>	<u>\$ 14,381,250</u>		<u>\$ 900,000</u>	<u>\$ 427,000</u>
<b>GO Series 2019</b>	2023	\$ 950,000	\$ 433,050	\$ 1,383,050	5.000%	\$ 950,000	\$ 58,750
September 26, 2019	2024	1,400,000	374,300	1,774,300	5.000%	-	47,500
Original Amount: \$ 15,000,000	2025	500,000	326,800	826,800	5.000%	-	49,125
Non-Refunding Bond	2026	1,465,000	277,675	1,742,675	5.000%	-	65,925
Callable Aug 1, 2026	2027	1,465,000	211,750	1,676,750	4.000%	-	58,600
	2028 - 2032	7,295,000	407,163	7,702,163	2.500%	-	153,150
	2033 - 2034	-	-	-		-	-
	Total	<u>\$ 13,075,000</u>	<u>\$ 2,030,738</u>	<u>\$ 15,105,738</u>		<u>\$ 950,000</u>	<u>\$ 433,050</u>
<b>GO Series 2020</b>	2023	\$ 950,000	\$ 398,000	\$ 1,348,000	4.000%	\$ 950,000	\$ 38,000
October 8, 2020	2024	950,000	360,000	1,310,000	4.000%	-	38,000
Original Amount: \$ 15,000,000	2025	950,000	322,000	1,272,000	4.000%	-	39,000
Non-Refunding Bond	2026	1,000,000	283,000	1,283,000	4.000%	-	43,000
Callable Aug 1, 2026	2027	1,150,000	240,000	1,390,000	4.000%	-	52,000
	2028 - 2032	7,250,000	541,250	7,791,250	2.600%	-	173,750
	2033 - 2034	1,425,000	14,250	1,439,250	2.000%	-	14,250
	Total	<u>\$ 13,675,000</u>	<u>\$ 2,158,500</u>	<u>\$ 15,833,500</u>		<u>\$ 950,000</u>	<u>\$ 398,000</u>
<b>GO Series 2021A</b>	2023	\$ 4,000,000	\$ 355,000	\$ 4,355,000	4.000%	\$ 4,000,000	\$ 100,000
October 13, 2021	2024	1,000,000	255,000	1,255,000	4.000%	-	40,000
Original Amount: \$ 15,000,000	2025	1,000,000	215,000	1,215,000	4.000%	-	40,000
Non-Refunding Bond	2026	1,000,000	175,000	1,175,000	4.000%	-	40,000
Callable Aug 1, 2027	2027	1,000,000	135,000	1,135,000	4.000%	-	40,000
	2028 - 2032	5,000,000	306,875	5,306,875	1.725%	-	73,125
	2033 - 2034	2,000,000	29,375	2,029,375	1.438%	-	21,875
	Total	<u>\$ 15,000,000</u>	<u>\$ 1,471,250</u>	<u>\$ 16,471,250</u>		<u>\$ 4,000,000</u>	<u>\$ 355,000</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF BOND MATURITIES  
**June 30, 2022**

Bond / Note Issue	Year(s) Ending June 30,	Principal	Interest	Total	Avg Interest Rates	Due During Fiscal Year 2023	
						Principal	Interest
<b>GO Series 2021B</b>	2023	\$ 200,000	\$ 79,573	\$ 279,573	1.650%	\$ 200,000	\$ 13,736
October 13, 2021	2024	1,465,000	65,836	1,530,836	1.650%	-	22,399
Original Amount: \$ 9,940,000	2025	4,125,000	43,438	4,168,438	0.500%	-	17,138
Refunding Bond	2026	2,100,000	26,300	2,126,300	0.650%	-	16,563
	2027	2,050,000	9,738	2,059,738	0.950%	-	9,738
	2028 - 2032	-	-	-		-	-
	2033 - 2034	-	-	-		-	-
	Total	<u>\$ 9,940,000</u>	<u>\$ 224,885</u>	<u>\$ 10,164,885</u>		<u>\$ 200,000</u>	<u>\$ 79,574</u>
<b>Total</b>	2023	\$ 19,345,000	\$ 3,759,086	\$ 23,104,086		\$ 19,345,000	\$ 698,961
	2024	16,445,000	2,728,374	19,173,374		-	525,149
	2025	16,475,000	2,203,226	18,678,226		-	469,563
	2026	14,285,000	1,733,663	16,018,663		-	474,013
	2027	14,380,000	1,259,651	15,639,651		-	419,813
	2028 - 2032	36,945,000	1,998,695	38,943,695		-	803,713
	2033 - 2034	3,425,000	43,625	3,468,625		-	36,125
	Total	<u>\$121,300,000</u>	<u>\$ 13,726,320</u>	<u>\$135,026,320</u>		<u>\$ 19,345,000</u>	<u>\$ 3,427,337</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

CASH RECONCILIATION  
 Year Ended June 30, 2022

Fund Name/Grouping		Beginning Cash	Receipts (Cash Basis)	Expenditures (Cash Basis)	Permanent Transfers / Reversions	Net Cash End of Period
11000	Operational	\$ 26,627,798	\$166,818,506	\$165,602,211	\$ -	\$ 27,844,093
13000	Transportation	305,491	3,142,427	3,142,427	-	305,491
15200	Forest Reserve and Ad Valorem Tax	-	-	-	-	-
21000	Food Service	1,533,940	8,662,489	6,756,585	-	3,439,844
22000	Athletics	183,850	276,363	251,419	-	208,794
23000	Non-Instructional Support	1,788,756	3,778,597	3,396,780	-	2,170,573
24000	Federal Flowthrough Funds	1,272	10,694,874	11,363,568	-	(667,422)
25000	Federal Direct Funds	1,138,646	4,101,983	4,125,320	-	1,115,309
26000	Local Grants	86,323	26,505	51,451	-	61,377
27000	State Flowthrough Funds	221	1,660,652	3,270,434	-	(1,609,561)
28000	State Direct Funds	2,135	339,324	542,270	-	(200,811)
29000	Local/State	220,637	146,874	190,127	-	177,384
31100	GO Bond Building	20,479,044	15,170,385	27,312,454	-	8,336,975
31300	Special Capital Outlay - Local	7,325	-	-	-	7,325
31400	Special Capital Outlay - State	-	290,953	199,460	-	91,493
31701	Capital Improvements SB-9 (Local)	2,035,146	4,941,186	4,876,963	-	2,099,369
31703	Capital Improvements SB-9 (State Match Cash)	248,075	1,981,931	1,758,018	-	471,988
41000	GO Debt Service	25,998,766	23,548,900	19,776,708	-	29,770,958
	Total	<u>\$ 80,657,425</u>	<u>\$245,581,949</u>	<u>\$252,616,195</u>	<u>\$ -</u>	<u>\$ 73,623,179</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

CASH RECONCILIATION  
 Year Ended June 30, 2022

Fund Name/Grouping		Payroll Liabilities (Current Year)	Payroll Liabilities (Prior Year)	Adjustments	Change in Outstanding Loans	Total Cash on Report
11000	Operational	\$ 13,524,645	\$ (12,512,177)	\$ -	\$ (1,859,624)	\$ 26,996,937
13000	Transportation	300,322	(305,491)	-	-	300,322
15200	Forest Reserve and Ad Valorem Tax	-	-	-	-	-
21000	Food Service	7,294	(9,272)	-	-	3,437,866
22000	Athletics	-	-	-	-	208,794
23000	Non-Instructional Support	44,003	(45,872)	-	-	2,168,704
24000	Federal Flowthrough Funds	651,581	(730,332)	-	747,109	936
25000	Federal Direct Funds	311,929	(230,505)	-	(747,111)	449,622
26000	Local Grants	-	-	-	-	61,377
27000	State Flowthrough Funds	156,351	(163,858)	-	1,617,289	221
28000	State Direct Funds	60,898	-	-	237,874	97,961
29000	Local/State	-	-	-	4,373	181,757
31100	GO Bond Building	-	-	-	91,543	8,428,518
31300	Special Capital Outlay - Local	-	-	-	-	7,325
31400	Special Capital Outlay - State	-	-	-	(91,453)	40
31701	Capital Improvements SB-9 (Local)	-	-	-	-	2,099,369
31703	Capital Improvements SB-9 (State Match Cash)	-	-	-	-	471,988
41000	GO Debt Service	-	-	-	-	29,770,958
	Total	<u>\$ 15,057,023</u>	<u>\$ (13,997,507)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,682,695</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS  
 Year Ended June 30, 2022

Bank and Account Name	Account Type	Account Classification	Bank Amount
<b>US BANK:</b>			
Operational	Checking - Interest	Cash and Cash Equivalents	\$ 10,602,497
Operational MM	Money Market	Cash and Cash Equivalents	176,920
SAFE Merchant	Checking - Non-Interest	Cash and Cash Equivalents	10,710
Operational	Savings ICS - Interest	Cash and Cash Equivalents	3,022,710
Capital Projects / Debt Service	Certificate of Deposit Account Registry	Cash and Cash Equivalents	7,001,074
Capital Projects / Debt Service	Certificate of Deposit Account Registry	Cash and Cash Equivalents	8,000,000
Accounts Payable Clearing	Checking - Non-Interest	Cash and Cash Equivalents	1,438,000
Payroll Clearing	Checking - Non-Interest	Cash and Cash Equivalents	9,873,014
Food Service	Checking - Non-Interest	Cash and Cash Equivalents	3,425,178
Federal Account	Checking - Non-Interest	Cash and Cash Equivalents	112,623
Capital Projects / Debt Service	Checking - Non-Interest	Cash and Cash Equivalents	11,669,783
Capital Projects / Debt Service	Money Market	Cash and Cash Equivalents	12,000,765
Cielo Azul Elementary	Checking - Non-Interest	Cash and Cash Equivalents	32,491
Colinas Del Norte Elementary	Checking - Non-Interest	Cash and Cash Equivalents	18,359
Eagle Ridge Middle School	Checking - Non-Interest	Cash and Cash Equivalents	33,402
Ernest Stapleton Elementary	Checking - Non-Interest	Cash and Cash Equivalents	71,213
Fine Arts Academy	Checking - Non-Interest	Cash and Cash Equivalents	33,799
Independence High School	Checking - Non-Interest	Cash and Cash Equivalents	14,062
Joe Harris	Checking - Non-Interest	Cash and Cash Equivalents	7,365
Lincoln Middle School	Checking - Non-Interest	Cash and Cash Equivalents	78,318
Maggie Cordova Elementary	Checking - Non-Interest	Cash and Cash Equivalents	38,370
Mountain View Middle School	Checking - Non-Interest	Cash and Cash Equivalents	48,479
Native American PAC	Checking - Non-Interest	Cash and Cash Equivalents	3,518
Puesta Del Sol Elementary	Checking - Non-Interest	Cash and Cash Equivalents	26,010
Cyber Academy	Checking - Non-Interest	Cash and Cash Equivalents	2,480
Rio Rancho Elementary	Checking - Non-Interest	Cash and Cash Equivalents	27,961
Rio Rancho Middle School	Checking - Non-Interest	Cash and Cash Equivalents	95,303
Shining Stars Preschool Account	Checking - Non-Interest	Cash and Cash Equivalents	7,213
V. Sue Cleveland High School	Checking - Interest	Cash and Cash Equivalents	548,334
Vista Grande Elementary	Checking - Non-Interest	Cash and Cash Equivalents	11,282
Sheakley	Checking - Non-Interest	Cash and Cash Equivalents	21,769
<b>Subtotal</b>			<u>68,453,002</u>

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STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS  
 Year Ended June 30, 2022

Bank and Account Name	Account Type	Account Classification	Bank Amount
<b>NEW MEXICO BANK &amp; TRUST:</b>			
Operational	Savings - Interest	Cash and Cash Equivalents	\$ 14
Operational	Certificate of Deposit	Investment	10,258,882
<b>Subtotal</b>			<u>10,258,896</u>
<b>BANK OF ALBUQUERQUE:</b>			
Capital Projects / Debt Service	Checking - Interest	Cash and Cash Equivalents	1,062,572
Enchanted Hills Elementary	Checking - Non-Interest	Cash and Cash Equivalents	28,581
Rio Rancho High School	Checking - Interest	Cash and Cash Equivalents	504,452
<b>Subtotal</b>			<u>1,595,605</u>
<b>NUSENDA CREDIT UNION:</b>			
Sandia Vista Elementary	Checking - Non-Interest	Cash and Cash Equivalents	<u>37,841</u>
<b>WELLS FARGO BANK:</b>			
Mountain View Middle School	Checking - Non-Interest	Cash and Cash Equivalents	<u>553</u>
<b>NEW MEXICO STATE TREASURER:</b>			
Local Gov Investment Pool	Investment Portfolio	Investment	<u>13,108</u>
<b>WASHINGTON FEDERAL:</b>			
Martin Luther King Jr Elementary	Checking - Non-Interest	Cash and Cash Equivalents	<u>6,984</u>
<b>TOTAL DEPOSITS</b>			<u><u>\$ 80,365,989</u></u>

Cash and investments:	
Bank Balance	\$ 80,365,989
Less: fiduciary funds	(2,710)
Less: loan to fiduciary funds	(20,000)
Outstanding deposits	-
Less: Outstanding checks	(20,717,606)
Held payments at yearend	15,057,022
	<u>74,682,695</u>
Adjustments for cash and cash equivalents:	
Less: investments	(10,271,990)
Less: restricted cash	(29,770,958)
Reported cash and cash equivalents:	<u><u>\$ 34,639,747</u></u>

STATE OF NEW MEXICO  
RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94

SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2022

	US Bank	New Mexico Bank and Trust	Bank of Albuquerque	Nusenda Credit Union
<b>Cash on deposit at June 30, 2022:</b>				
Checking and savings	\$ 68,453,002	\$ 10,258,896	\$ 1,595,605	\$ 37,841
Less: FDIC coverage	<u>(18,273,784)</u>	<u>(250,014)</u>	<u>(250,000)</u>	<u>(37,841)</u>
Uninsured funds	<u>50,179,218</u>	<u>10,008,882</u>	<u>1,345,605</u>	<u>-</u>
<b>Amount requiring pledged collateral:</b>				
Pledged collateral	71,500,000	5,280,889	5,207,304	-
50% collateral requirement	<u>(25,089,609)</u>	<u>(5,004,441)</u>	<u>(672,803)</u>	<u>-</u>
Excess (deficiency) of pledged collateral	<u>\$ 46,410,391</u>	<u>\$ 276,448</u>	<u>\$ 4,534,501</u>	<u>\$ -</u>

	Wells Fargo Bank	Washington Federal Credit Union	Total
<b>Cash on deposit at June 30, 2022:</b>			
Checking and savings	\$ 553	\$ 6,984	\$ 80,352,881
Less: FDIC coverage	<u>(553)</u>	<u>(6,984)</u>	<u>(18,819,176)</u>
Uninsured funds	<u>-</u>	<u>-</u>	<u>61,533,705</u>
<b>Amount requiring pledged collateral:</b>			
Pledged collateral	-	-	81,988,193
50% collateral requirement	<u>-</u>	<u>-</u>	<u>(30,766,853)</u>
Excess (deficiency) of pledged collateral	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,221,340</u>

( cont'd; 1 of 2 )

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF PLEDGED COLLATERAL  
**June 30, 2022**

Collateral	Issue Date	Expiration	Credit Limit
<b>US BANK:</b>			
FHLB Letter of Credit	8/2/2021	8/1/2022	\$ <u>71,500,000</u>

The above letter of credit is held at US Bank in Cincinnati, OH, will honored by the Federal Home Loan Bank of Cincinnati, and expires on August 1, 2022 at 2:00 pm.

Collateral	Maturity	CUSIP #	Market Value
<b>NEW MEXICO BANK AND TRUST:</b>			
FNMA Pool #BF0485	1/1/2050	3140FXRF1	\$ 190,958
FNMA Pool #BF0274	5/1/2058	3140FXJU7	1,949,957
FNMA Pool #AM4522	10/1/2024	3138L5AY6	326,901
FNMA Pool #AN9639	6/1/2033	3138LNV99	174,716
FNR 2005-51 DZ	6/25/2035	31394EBR8	40,189
FNR 2015-93 MA	1/25/2046	3136AQU73	1,413,325
SCRT 2017-4 HT	6/25/2057	35563PDD8	1,184,843
			<u>\$ 5,280,889</u>

The above securities are held at Raymond James, Atlanta, GA.

<b>BANK OF ALBUQUERQUE:</b>			
FN AB9823	7/1/2028	31417G4H6	\$ 1,315,571
FNA 2017-MIO AV2	7/25/2024	3136AXVB8	1,750,700
FHMS K023 A2	8/25/2022	3137AWQH1	2,062,209
FNR 201 0- 126 PC	11/25/2025	31398SAFO	78,824
			<u>\$ 5,207,304</u>

The above securities are held at Federal Home Loan Bank, Topeka, KS.

**STATE OF NEW MEXICO:**

Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

( 2 of 2 )

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COMPLIANCE SECTION  
OF  
RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94

ANNUAL FINANCIAL REPORT  
FISCAL YEAR 2022

JULY 1, 2021 THROUGH JUNE 30, 2022



Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

§

Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance  
Required By Uniform Guidance

§

Schedule of Findings and Questioned Costs

Summary of Auditor's Results  
Findings Related to the Financial Statements  
Findings Related to Federal Award  
Findings Related to Section 12-6-5 NMSA 1978

§

Summary Schedule of Prior Year Audit Findings

§

Schedule of Expenditures of Federal Awards  
Notes to the Schedule of Expenditures of Federal Awards

§

Required Disclosure

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education and Audit Committee of  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

V. Sue Cleveland, Ed.D., Superintendent  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

Brian S. Colón, Esq., State Auditor  
New Mexico Office of the 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 budgetary comparison of the general fund of the Rio Rancho Public School District No. 94 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Rio Rancho Public School District No. 94's basic financial statements, and the combining and individual funds of Rio Rancho Public School District No. 94, presented as supplemental information, and have issued our report thereon dated November 8, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the Rio Rancho Public School District No. 94's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rio Rancho Public School District No. 94's internal control. Accordingly, we do not express an opinion on the effectiveness of Rio Rancho Public School District No. 94's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Rio Rancho Public School District No. 94's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rio Rancho Public School District No. 94's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that are required to be reported pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 2022-002 through 2022-006.

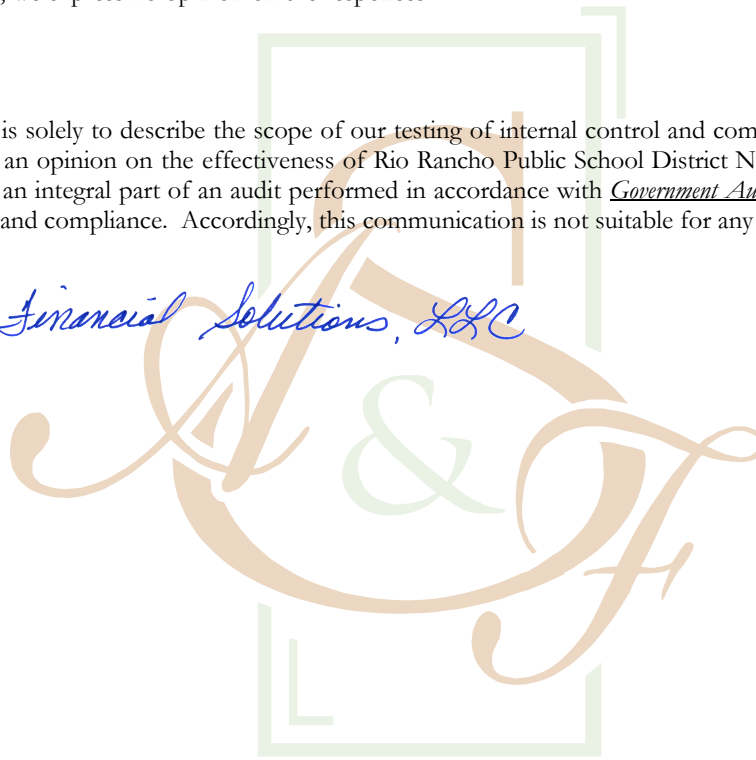
## Rio Rancho Public School District No. 94's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Rio Rancho Public School District No. 94 responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Rio Rancho Public School District No. 94's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## 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 Rio Rancho Public School District No. 94'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.

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico  
November 8, 2022



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education and Audit Committee of  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

V. Sue Cleveland, Ed.D., Superintendent  
Rio Rancho Public School District No. 94  
Rio Rancho, New Mexico

and

Brian S. Colón, Esq., State Auditor  
New Mexico Office of the State Auditor  
Santa Fe, New Mexico

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Rio Rancho Public School District No. 94's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rio Rancho Public School District No. 94's major federal programs for the year ended June 30, 2022. Rio Rancho Public School District No. 94's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rio Rancho Public School District No. 94 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Rio Rancho Public School District No. 94 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 Rio Rancho Public School District No. 94's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94'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. Non-compliance 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 Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94'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 Rio Rancho Public School District No. 94's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico  
November 8, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
OF  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2022

STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
**Year Ended June 30, 2022**

Federal Grantor/Pass - Through Federal Assistance Listing Program or Cluster Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Pass-Through Entity Identifying Name	Passed To Subrecipients	Cluster Programs	Federal Expenditures
<b>U.S. Department of Agriculture:</b>						
Direct Program:						
Schools and Roads - Grants to States	10.665	11000	Forest Reserve	\$ -		\$ 115,941
Pass-Through Program From:						
New Mexico Public Education Department:						
<u>Child Nutrition Cluster:</u>						
USDA National School Lunch Program	10.555	21000	Food Service	-	4,488,629	
USDA School Breakfast Program	10.553	21000	Food Service	-	<u>2,281,390</u>	
Total Child Nutrition Cluster						6,770,019
New Mexico Human Service Department:						
USDA Commodities Program	(1) 10.565	21000	Food Service	-		<u>498,673</u>
<i>Subtotal Pass-Through Programs</i>						<u>7,268,692</u>
<i>Total U.S. Department of Agriculture</i>						<u>7,384,633</u>
 <b>U.S. Department of Education:</b>						
Direct Programs:						
Indian Education Grants to Local Educational Agencies	84.060	25184	Indian Education Formula Grant	-		149,526
Pass-Through Programs From:						
New Mexico Public Education Department:						
<u>Special Education (IDEA) Cluster:</u>						
Special Education Grants to State	(M) 84.027	24106	Entitlement IDEA-B	-	3,268,592	
Special Education Preschool Grants	(M) 84.173	24109	Preschool IDEA-B	-	54,444	
Special Education Grants to State	(M) 84.027	24115	Private Schools Share IDEA-B	\$ -	<u>8,777</u>	
Total Special Education (IDEA) Cluster						\$ 3,331,813

( cont'd; 1 of 2 )

See the accompanying notes to the Schedule of Expenditures of Federal Awards.



STATE OF NEW MEXICO  
**RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
**Year Ended June 30, 2022**

Federal Grantor/Pass - Through Federal Assistance Listing Program or Cluster Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Pass-Through Entity Identifying Name	Passed To Subrecipients	Cluster Programs	Federal Expenditures
<b>U.S. Department of Education (continued):</b>						
Pass-Through Programs From:						
New Mexico Public Education Department:						
Title I Grants to Local Educational Agencies	84.010	24101	Title I	\$ -		\$ 2,062,023
Education for Homeless Children and Youth	84.196	24113	Education of Homeless	-		29,850
English Language Acquisition State Grants	84.365	24153	Title III English Language	-		64,015
Improving Teacher Quality State Grants	(M) 84.367	24154	Title II Teacher Quality	-		513,715
Career and Technical Education -- Basic Grants to States	84.048	24174	Carl D Perkins - Culinary	-		140,794
Career and Technical Education -- Basic Grants to States	84.048	24176	Carl D Perkins Secondary Redistribution	-		25,919
Student Support and Academic Enrichment Program	84.424	24189	Student Support and Academic Achievement	-		162,141
COVID-19: Education Stabilization Fund	(M) 84.425D	24308	CRRSA Act - ESSER II	-		5,280,461
COVID-19: Coronavirus Response and Relief Supplemental Appropriations	(M) 84.425D	24309	ESSER - Social Emotional Learning	-		39,962
COVID-19: Coronavirus Response and Relief Supplemental Appropriations	(M) 84.425D	24312	CRRSA Retention Stipend	-		6,500
COVID-19: Coronavirus Response and Relief Supplemental Appropriations	(M) 84.425D	24316	CRSSA ESSER II	-		163,057
COVID-19: ARP - Elementary and Secondary Schools Emergency Relief	(M) 84.425U	24330	ARP ESSER III	-		33,129
COVID-19: ARP - Elementary and Secondary Schools Emergency Relief (ARP ESSER)	(M) 84.425U	24333	ESSER III - Near Peer Tutoring	-		20,801
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief -- Homeless Children and Youth	(M) 84.425W	24350	ARP - Homeless CYF	-		17,529
COVID-19: ARP - Homeless Emergency Rescue	(M) 84.425W	24355	Homeless Emergency Rescue (ARP)	-		7,242
<i>Subtotal Pass-Through Programs</i>						<u>11,898,951</u>
<i>Total U.S. Department of Education</i>						<u>12,048,477</u>
Total Expenditures of Federal Awards				<u>\$ -</u>		<u>\$ 19,433,110</u>

<sup>(M)</sup> Major Programs

<sup>(U)</sup> Noncash Assistance

**I. SCOPE OF AUDIT PURSUANT TO OMB UNIFORM GRANT GUIDANCE**

All federal grant operations of Rio Rancho Public School District No. 94 (the “District”) are included in the scope of the Office of Management and Budget (“OMB”) Uniform Grant Guidance audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised April 2022 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all federal award programs and other grants with fiscal year 2022 cash and non-cash expenditures to ensure coverage of at least 40% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 48% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$18,934,437 and all non-cash expenditures amounted to \$498,673.

MAJOR FEDERAL ASSISTANCE LISTING TITLE	ASSISTANCE NO.	EXPENDITURE
<b>Cash Assistance:</b>		
COVID-19: CARES Act, CRRSA, & ARP	84.425 D, U, & W	\$ 5,568,681
Special Education (IDEA) Cluster	84.027 & 84.173	3,331,813
Improving Teacher Quality State Grants	84.367	513,715
<b>Total</b>		<b>\$ 9,414,209</b>

The District had two federal programs considered to be High-Risk Type A programs for the year ended June 30, 2022.

The U.S. Department of Education is the District’s oversight agency for single audit.

**Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Grant 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 and changes in net position of the District. All federal programs considered active during the year ended June 30, 2022, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

**Accrued and deferred reimbursements**

Various reimbursement procedures are used for Federal awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

**II. INDIRECT COSTS**

There District has not elected to use the 10% de minimis indirect cost. The District’s indirect cost rate allowed by New Mexico Public Education Department during the year ended June 30, 2022 was 5.71%.

### III. RECONCILIATION OF FEDERAL AWARDS TO EXPENDITURE OF FEDERAL AWARDS

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2022 and the federal awards expended during the year are as follows:

	BALANCE
<b>Federal Sources</b>	\$ 26,312,422
Indirect costs from federal programs	(840,903)
Unexpended federal sources from current year	(2,728,091)
Unavailable sources	910,676
Revenues received as vendor	(4,220,994)
<b>Total Expenditures of Federal Awards</b>	<u>\$ 19,433,110</u>

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**I. SUMMARY OF AUDIT RESULTS**

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
<b>FINANCIAL STATEMENTS:</b>			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant deficiency(ies) identified?	✓	—	1
Noncompliance material to financial statements noted?	—	✓	—
<b>FEDERAL AWARDS:</b>			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant deficiency(ies) identified?	—	✓	—
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	—	✓	—
The programs treated as major programs include:			
<u>Program or Cluster</u>	<u>Federal Assistance Number</u>		
COVID-19: CARES Act, CRRSA, & ARP Act	84.425D, U & W		
Special Education (IDEA) Cluster	84.027 & 84.173		
Improving Teacher Quality State Grants	84.367		
The threshold for distinguishing types A and B programs: <u>\$750,000</u>			
Auditee qualified as low-risk auditee?	—	✓	
<b>NEW MEXICO STATE REQUIREMENTS:</b>			
Internal control over state requirements:			
Other noncompliance?	✓	—	5
Finding that does not rise to the level of significant deficiency?	—	✓	—

## II. AUDIT FINDINGS - FINANCIAL STATEMENTS

**2022 – 001** (Original Finding No. 2021-002) **CONTROLS OVER CAPITAL ASSETS**  
(Repeat of prior year finding; Updated and revised)  
***Significant Deficiency***

Condition: The District does not have written and approved procedures for preparing and reviewing the capital assets reports. Reconciliation of the capital assets from the prior year to the current year did not reconcile by \$2,386,774, which was subsequently corrected and reported.

*Status from prior year:* The District \$36,769,494 in errors related to the construction in progress in the prior year and has made significant improvements related to capital asset reporting.

Criteria:

NMAC 2.20.1.8 FIXED ASSET ACCOUNTING SYSTEM:

- A. Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.
- B. The information to be recorded and maintained on its fixed assets, must include at a minimum the following:
  - 1) agency name or commonly used initials used to identify the agency;
  - 2) fixed asset number or fixed asset number plus component number;
  - 3) a description using words meaningful for identification;
  - 4) location, specifically a building and room number. If the asset is movable, the name and location of the fixed asset coordinator should be used;
  - 5) manufacturer name (NOT the vendor's name, unless vendor is the manufacturer);
  - 6) model number or model name;
  - 7) serial number, or vehicle identification number (VIN) for vehicles in agency's use & possession. If the fixed asset has no serial number, e.g., a custom-built asset, absence should be acknowledged by coding this as "none";
  - 8) estimated useful life or units expected to be produced;
  - 9) date acquired (month and year);
  - 10) cost (according to the valuation methods described in Section 2.20.1.10 NMAC);
  - 11) fund and organization that purchased the asset, or to which it was transferred.
- C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

Effect of condition: The capital asset master file and reporting is susceptible to unauthorized alterations, either intentional or accidental. The District is also at risk of not complying with laws and regulations in the event of an extended illness or other event that results in the position of maintaining the master file being vacated.

Cause: Management had not prepared and implemented a system of procedures and controls that would provide oversight and assurance to the accuracy of capital asset maintenance and reporting. There are not written procedures in place to ensure continuity of controls over capital assets.

Recommendation: An official system of controls over the capital assets master file should be developed, approved by the governing board, and implemented. The system should detail the documenting and approval of changes to the master file. The system should also establish a regular monitoring of the master file to ensure it has not been altered and allows for consistent tracking and reporting. That system should ensure that assets are captures and recorded when funding is being spent on the District's behalf.

The District should implement a policy that requires a monthly reconciliation of capital assets and that the monthly reports be presented to the Board of Education at each regular meeting as part of the financial reports. That reconciliation should present the capital assets at the beginning of the year, assets added/deleted since the previous meeting/presentation, assets previously added/deleted during the year, and the ending balances. A detailed listing of the assets should be provided electronically after the end of the fiscal year, along with the annual capital asset reconciliation report (beginning, additions, deletions, and ending) to be certified during the July Board meeting.

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## II. AUDIT FINDINGS – FINANCIAL STATEMENTS (cont'd)

**2022 – 001** (Original Finding No. 2021-002) **CONTROLS OVER CAPITAL ASSETS (cont'd)**  
(Repeat of prior year finding; Updated and revised)  
***Significant Deficiency***

Management's response: Management agrees with this finding and will address this issue in two ways: 1) Revise the written procedures for capital assets recording and reconciliation based on the conversion to a new Financial ERP system, 2) Reassign the Finance Specialist charged with the capital asset accounting to the Finance Department and supervised directly by the Director of Finance. This reorganization will provide the proper support and supervision for proper capital asset accounting.

Responsible party(ies) for corrective action(s): Director of Finance and Finance Specialist

Corrective action(s) timeline: July 1, 2023

### III. AUDIT FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

There were not any findings to be reported for this section.

### IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978

**2022 – 002** (Original Finding No. 2019-001) **INTERNAL CONTROLS OVER STUDENT ACTIVITY FUNDS**  
(Repeat of prior year finding; Updated and revised)  
***Other Noncompliance***

Condition: There are not sufficient controls over the receipting of cash collections and stewardship over student activity funds to ensure compliance with state regulations. There were thirty receipts selected to be reviewed for state requirements:

Five deposits, totaling \$48,128, were not deposited within one banking day. The average time from the receipt to the deposit was 3 days with the shortest time being 2 days and the longest being 4 days.

During the year ended June 30, 2020, principals were instructed to use the monies within the activity funds that did not meet the definition of “raised by students for students” in the efforts to clear this finding. In December 2019, the fund “SSF/Academics” transferred \$71,771 out to “Homecoming” (\$26,771) and “Prom” (\$45,000). In December 2021, the funds were taken back in order to pay for a marquee. The funds were taken from “Homecoming” (\$45,000) and “Prom” (\$30,000) and deposited into “Student Store” to be used for the marquee. Student activity funds belong to the student groups and are held in stewardship by the District. These funds are not intended for use by school administration. Once the monies are placed in the student activity fund they become a part of that student activity and should be used according to the activities purpose.

There are transactions being accounted for within the student activity accounts (funds) that should be accounted for in the Operational Fund or a special revenue fund. The transactions consist of fees and fines for classes, labs, library/text books being lost or damaged and the monies are being used for the District’s benefit. The assets within the student activity funds should be used directly for the students and within the original intent of the fundraising. The assets should not be used for purchases in which the District receives a benefit. There are also monies from student activity funds being used to purchase assets that would be considered to be owned by the District (amount was undetermined).

*Status from prior year:* The District has made improvements from the prior year in regards timely deposits of cash receipts. The prior year had three of the tested deposits that were 6 days late on average compared to the five deposits that were 3 days late on average.

Criteria: New Mexico Administrative Code (NMAC) states the following:

Public records are required to be retained for given period after year-end, typically three years, as per NMAC 1.15.4

NMAC 6.20.2.14 (A) School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

NMAC 6.20.2.14 (B) The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

NMAC 6.20.2.14 (C) Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

The Public Education Department’s Manual of Procedures PSAB Supplement 18 Student Activities & Athletics states “The appropriate fund classification for student activity funds is determined by their legal status. If resources accounted for in student activity funds are legally owned by students or student groups, these funds should be classified as Agency Funds (Fund 23000). If the school district legally owns the resources accounted for in student activity funds, they should be accounted for in the General or Special Revenue Fund type. Reference PSAB Supplement 3, Uniform Chart of Accounts.” It also states “Student activity accounts represent the monies raised or collected by and/or for school sponsored student activities. The activity accounts are typically used to account for monies raised by the students for the students.”



**IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)**

**2022 – 002** (Original Finding No. 2019-001) **INTERNAL CONTROLS OVER STUDENT ACTIVITY FUNDS (cont'd)**  
(Repeat of prior year finding; Updated and revised)  
***Other Noncompliance***

Cause: Deposits are being kept within school offices for lengths longer than the 24 hours deposit requirement. Other deposits are not being filled out completely in order to verify compliance with state requirements.

Fees are being collected by the District and recorded in funds that are reserved for student activities. These funds are being used for the District's benefit.

Effect of condition: The District is not in compliance with 1978 NMAC 6.20.2.14 and undeposited cash retained for extended periods of time is susceptible to misuse. Student activity funds are not adequately safeguarded from misuse/misappropriation. Student activity accounts are not being restricted to their intended purpose as defined by New Mexico Public Education Department. The District is not in compliance with established intent of the student activity funds as set forth by the New Mexico Public Education Department.

Recommendation: Policies should be updated to stress the importance of depositing cash within the required 24 hours as well as establishing procedures for controlling cash receipts from the point of collection to the bank deposit. Staff should be trained on the state law concerning cash receipts/deposits and the importance of following that law. The District should consider using receipts books that have the district name and address on them in an effort to assist with the "controlled and secured" requirement by reducing the chance of unauthorized receipt books. All receipts books should be ordered and maintained by central office when not being used by the schools. Control logs should be used by the central office for assigning books out to the schools and the schools should use control logs for assigning books to individuals.

Assets that would be considered to be owned by the District and any related transactions should be accounted for in the Operational Fund or in a special revenue fund approved by New Mexico Public Education Department so that Board of Education can have oversight of the assets. Student activity funds should be limited to only those activities associated with monies raised by students and to be used directly for the students through their own decisions with assistance of a sponsor. The assets within the student activity funds should be used for purposes within the original intent of the fundraising.

Management's response: Management agrees with this finding that the incorrect amounts were transferred out of the prom and homecoming funds and seeks to clarify the circumstances of the budget transfers that occurred. The Chief Operations Officer communicated to the School Principal that the funds could be used from the Student Government Account for the purchase of the marquee only if the students voted to buy it. The school transferred funds out of the prom and homecoming activity funds into the Government Account in order to make the purchase of the marquee that the students approved. Management will address this finding by implementing centralized controls for submission of purchase requisitions and budget/cash transfers to the District Finance Office. This will be accomplished by managing user roles and approval chains in the new Financial ERP system and discontinuing the use of the EPES financial system.

Responsible party(ies) for corrective action(s): District Finance and Purchasing staff

Corrective action(s) timeline: July 1, 2023

**IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)**

**2022 – 003 RECORDS RETENTION AND STORAGE**  
*Other Noncompliance*

Condition: During our review of cash receipting within the District there was a receipt book that was not available to be reviewed because it could not be located.

Criteria: The District is required to have a systematic control of all records from creation or receipt through processing, distribution, maintenance and retrieval, to their ultimate disposition as per NMAC 1.15.4.

Cause: The procedures for checking in receipts books at the end of the year were not being followed.

Effect of condition: The District is not in compliance with the record retention requirements of the state and some records are not available to be reviewed or to provide support for a small number of transactions.

Recommendation: All employees should be made aware of the records retention requirements applicable to the District. All receipt books should be checked in at the end of the year so that they can be reviewed for appropriate use and are available for review as a part of the public records.

Management's response: Management agrees with this finding and will address the issue by requiring school site or department staff to verify possession of each receipt book issued to each site or department prior to staff leaving for winter and summer break.

Responsible party(ies) for corrective action(s): Finance Department Admin. Assist

Corrective action(s) timeline: July 1, 2023

#### IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)

**2022 – 004** (Original Finding No. 2021-005 & 2020-003) **PERSONNEL FILES**  
(Repeat of prior year finding; Updated and revised)  
***Other Noncompliance***

Condition: Fifty-two personnel files were reviewed for the background check required for employment. There was an employee that worked during the fiscal year ended June 30, 2022 but the background check on file was not completed until August 2022.

During the review of employee files, there was one of the fifty-two employee files selected for testing that had the Form I-9 was incomplete and another one that was missing.

*Status from prior year:* The District has made improvements over the previous year which had two missing background checks.

The District has not made improvements from the prior year in regards to this area. The prior year had one of the forty-eight files tested that had Form I-9s completed late.

Criteria: 1978 NMSA 22-10A-5, all employees who have unsupervised access to children are required to have a background check completed and approved.

In accordance with the federal immigration and nationality act section 274A, employees are required to provide proof of citizenship or legal immigrant status prior to beginning employment.

NMAC 1.21.2.228 EMPLOYMENT ELIGIBILITY VERIFICATION (I-9):

- A. Category: Employee services - personnel management
- B. Description: Records related to employment eligibility verification form I-9.
- C. Retention: destroy three years from date of separation from employment

Cause: During reviews of personnel files, the checklist for required documents in the personnel file was inadvertently completed to indicate that the required forms were present and complete even though there was not a background check in a file and missing or incomplete forms in two other files.

Effect of condition: The District is out of compliance with requirements for 1978 NMSA 22-10A-5. The District may be at risk of having employing an individual that is ineligible for employment. The District is out of compliance with requirements for the Immigration and Nationality Act.

Recommendation: The District should review its procedures and provide training to ensure that the District's personnel file checklists are being followed, completed accurately, and reviewed before an employee begins working and receives a paycheck. Files for new hires should be verified by a second person to ensure that the required documents for employment are in place and that the document checklist in the front of the personnel file is accurate. During systematic reviews of personnel files for existing employees, files should be selected at random to be checked by a second person.

Management's response: The Human Resources Department has completed a full second internal audit of all background checks. Anyone found to have no background check or questionable background documents has been sent for a new updated check.

The Human Resources Department will be conducting a full internal audit of the I-9 forms. We hope to have this completed by May of 2023.

Responsible party(ies) for corrective action(s): Human Resources Staff.

Corrective action(s) timeline: May 31, 2022.

#### IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)

##### 2022 – 005 MISUSE OF RESOURCES

###### *Other Noncompliance*

Condition: A department director received a personal benefit by having repairs performed on a personal vehicle. The repairs were performed by district employees during regular working hours and using district facilities. District resources that were utilized for personal benefit included employee time (approximately 25.5 hours with an approximate value of less than \$1,000), facility use (undetermined cost), and engine coolant (subsequently replaced by an employee).

Criteria: NMAC 2.2.2.7 "Abuse" includes, but is not limited to, behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances but excludes fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements. Abuse also includes misuse of authority or position for personal interests or for the benefit of another or those of an immediate or close family member or business associate. (GAGAS latest revision.) Abuse does not necessarily involve fraud or illegal acts. However, abuse may be an indication of potential fraud or illegal acts and may still impact the achievement of defined objectives. (GAO-14-704G federal internal control standards paragraph 8.03.).

Cause: The district employees were not aware that the actions were not appropriate as it concerns stewardship of public resources and public trust.

Effect of condition: The District did not fully receive the benefit of its facilities and employee time.

Recommendation: All departmental directors and employees should be made aware their stewardship roles in working for the public.

Management's response: Reprimands were issued to the Director of Special Services and the Maintenance Supervisor stipulating that they are to comply with all State and District policies effective immediately. Additionally, the Director of Special Services is required to reimburse the District for the expenses incurred by the incident; the maintenance Supervisor is required to reimburse the District for the antifreeze that was purchased and is receiving three (3) days of administrative leave without pay and the three (3) mechanics received a Letter of Expectations stating that they are to comply with all State and District policies, effective immediately. Activities in the maintenance area will be closely monitored by the Executive Director of Transportation and written policies put in place for the Transportation Department.

Responsible party(ies) for corrective action(s): Executive Director of Transportation.

Corrective action(s) timeline: November 7, 2022

**IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)**

**2022 – 006 INTERNAL CONTROLS OVER BUDGETARY EXPENDITURES**

***Other Noncompliance***

Condition: There were unfavorable variances between actual and budgeted expenditures at the function level. The District had three over expenditures at the function level for the year ended June 30, 2022. The following is a list of the unfavorable function level variances:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Expenditure</u>	<u>Over Spent</u>
Student Support and Academic Achievement	Direct Instruction	\$ 149,561	\$ 153,240	\$ (3,679)
Capital Improvements SB-9 (Local)	Support Services	46,390	49,410	(3,020)
GO Debt Service	Support Services	215,474	228,029	(12,555)

Criteria: According to NMSA 1978 Section 22-8-11 B, an expenditure shall not be made or any obligation incurred for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department.

Cause: Budget authorizations (adjustments) were not in place at the function level prior to the expenditures being incurred resulted in unfavorable (negative) variances, overspending of line item budgets, to occur.

Effect of condition: Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. The condition could lead to expenditures being paid in excess of total budgeted amounts.

Recommendation: Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of function level expenditures. Budget adjustment requests should be approved by the Board of Education and State Public Education Department (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

Management’s response: Management agrees with this finding and will address it in the following way: In these instances, budget reports reviews did not detect these negative variances. Specifically, the PED requires the district to budget a 1% County Tax Collection Fee. This amount is based on a estimate of tax collections that take place throughout the year. During the year, the county collected property taxes in excess of the budgeted amount. The Executive Director of Finance will work with the Director of Finance and Budget Manager to verify the taxes collected in each quarter and adjust the 1% collection fee if needed. Properly prepared budget adjustment requests (BARs) will be submitted to the School Board and PED. These approved BARs will ensure that the proper budget authority is obtained. The Director of Finance will verify each quarter, all budget to actual variances at the Function level for all Funds on the PED quarterly expenditure report prior to submission to PED.

Responsible party(ies) for corrective action(s): Executive Director of Finance and Director of Finance

Corrective action(s) timeline: July 1, 2023

**I. PRIOR YEAR FINDINGS - NOT RESOLVED**

2019 – 001 INTERNAL CONTROLS OVER STUDENT ACTIVITY FUNDS

*Current Status:* Not resolved. Repeated and modified in the current year as Finding 2021-003.

2020 – 003 TIMELY COMPLETION OF FORM I-9

*Current Status:* Not resolved. Repeated and modified in the current year as Finding 2022-004.

2021 – 005 BACKGROUND CHECKS

*Current Status:* Not resolved. Repeated and modified in the current year as Finding 2022-004.

2021 – 002 CONTROLS OVER CAPITAL ASSETS

*Current Status:* Not resolved. Repeated and modified in the current year as Finding 2022-001.

**II. PRIOR YEAR FINDINGS - RESOLVED**

2021 – 001 MANAGEMENT OVERRIDE OF CONTROLS

*Current Status:* Resolved.

The independent public accountants assisted in the preparation of the financial statements. The accompanying financial statements are the responsibility of the District and are based on information from the District's financial records.

An exit conference was held November 9, 2022 and was attended by the following individuals:

RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94

Noreen Scott	Secretary, Board of Education / Audit Committee
Gary Trip	Member, Board of Education / Audit Committee
Kelly Wainwright	Member, Audit Committee
Seth Miller	Member, Audit Committee
Dr. V. Sue Cleveland	Superintendent; Member, Audit Committee
Michael Baker	Chief Operating Officer; Member, Audit Committee
Mike Chavez	Executive Director of Human Resources
David Vigil	Executive Director of Finance
Heather Gabaldon	Director of Finance

NEW MEXICO OFFICE OF THE STATE AUDITOR

Elena Tercero, CPA, CGFM, CGMA, CPO	Co-Deputy State Auditor
Shawn P. Beck, MBA, CFE	Special Investigations Director

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
William King, CPA, CGFM	Partner

**RIO RANCHO PUBLIC SCHOOLS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR YEAR ENDED JUNE 30, 2022**

**SECTION 1 – RECIPIENT ORGANIZATION GENERAL INFORMATION**

Name of Recipient Organization: RIO RANCHO PUBLIC SCHOOL DISTRICT NO. 94

Audit Performed by: ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Period Audited: Fiscal Year Ended June 30, 2022

**SECTION 2 – AUDIT FINDINGS AND CORRESPONDING CORRECTIVE ACTION PLAN**

1. Finding Number and Title: 2022 – 001 (Original Finding No. 2021-002) CONTROLS OVER CAPITAL ASSETS

Financial Assistance Number(s): N/A

Repeat Finding    Financial Statements    Federal Awards    Section 12-6-5 NMSA 1978

Material Weakness    Material Non-Compliance    Significant Deficiency

Other Noncompliance    Finding that does not rise to the level of significant deficiency

**Description of Finding:** The District does not have written and approved procedures for preparing and reviewing the capital assets reports. Reconciliation of the capital assets from the prior year to the current year did not reconcile by \$2,386,774, which was subsequently corrected and reported. *Status from prior year:* The District \$36,769,494 in errors related to the construction in progress in the prior year and has made significant improvements related to capital asset reporting.

**Did you, as the Recipient agree with this finding?**  Yes    No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

Management agrees with this finding and will address this issue in two ways: 1) Revise the written procedures for capital assets recording and reconciliation based on the conversion to a new Financial ERP system, 2) Reassign the Finance Specialist charged with the capital asset accounting to the Finance Department and supervised directly by the Director of Finance. This reorganization will provide the proper support and supervision for proper capital asset accounting.



**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** Director of Finance and Finance Specialist

**Due Date for the Complete the Implementation of the Corrective Action Plan:** July 1, 2023

2. Finding Number and Title: 2022 – 002 (Original Finding No. 2019-001) INTERNAL CONTROLS OVER STUDENT ACTIVITY FUNDS

Financial Assistance Number(s): N/A

Repeat Finding    Financial Statements    Federal Awards    Section 12-6-5 NMSA 1978

Material Weakness    Material Non-Compliance    Significant Deficiency

Other Noncompliance    Finding that does not rise to the level of significant deficiency

**Description of Finding:** There are not sufficient controls over the receipting of cash collections and stewardship over student activity funds to ensure compliance with state regulations. There were thirty receipts selected to be reviewed for state requirements:

Five deposits, totaling \$48,128, were not deposited within one banking day. The average time from the receipt to the deposit was 3 days with the shortest time being 2 days and the longest being 4 days.

During the year ended June 30, 2020, principals were instructed to use the monies within the activity funds that did not meet the definition of “raised by students for students” in the efforts to clear this finding. In December 2019, the fund “SSF/Academics” transferred \$71,771 out to “Homecoming” (\$26,771) and “Prom” (\$45,000). In December 2021, the funds were taken back in order to pay for a marquee. The funds were taken from “Homecoming” (\$45,000) and “Prom” (\$30,000) and deposited into “Student Store” to be used for the marquee. Student activity funds to the student groups and are held in stewardship by the District. These funds are not intended for use by school administration. Once the monies are placed in the student activity fund they become a part of that student activity and should be used according to the activities purpose.

There are transactions being accounted for within the student activity accounts (funds) that should be accounted for in the Operational Fund or a special revenue fund. The transactions consist of fees and fines for classes, labs, library/text books being lost or damaged and the monies are being used for the District’s benefit. The assets within the student activity funds should be used directly for the students and within the original intent of the fundraising. The assets should not be used for purchases in which the District receives a benefit. There are also monies from student activity funds being used to purchase assets that would be considered to be owned by the District (amount was undetermined).

*Status from prior year:* The District has made improvements from the prior year in regards timely deposits of cash receipts. The prior year had three of the tested deposits that were 6 days late on average compared to the five deposits that were 3 days late on average.

**Did you, as the Recipient agree with this finding?**  Yes  No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

Management agrees with this finding that the incorrect amounts were transferred out of the prom and homecoming funds and seeks to clarify the circumstances of the budget transfers that occurred. The Chief Operations Officer communicated to the School Principal that the funds could be used from the Student Government Account for the purchase of the marquee only if the students voted to buy it. The school transferred funds out of the prom and homecoming activity funds into the Government Account in order to make the purchase of the marquee that the students approved. Management will address this finding by implementing centralized controls for submission of purchase requisitions and budget/cash transfers to the District Finance Office. This will be accomplished by managing user roles and approval chains in the new Financial ERP system and discontinuing the use of the EPES financial system.

**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** District Finance and Purchasing staff

**Due Date for the Complete the Implementation of the Corrective Action Plan:** July 1, 2023

3. Finding Number and Title: 022 – 003 RECORDS RETENTION AND STORAGE

Financial Assistance Number(s): N/A

Repeat Finding  Financial Statements  Federal Awards  Section 12-6-5 NMSA 1978

Material Weakness  Material Non-Compliance  Significant Deficiency

Other Noncompliance  Finding that does not rise to the level of significant deficiency

**Description of Finding:** During our review of cash receipting within the District there was a receipt book that was not available to be reviewed because it could not be located.

**Did you, as the Recipient agree with this finding?**  Yes  No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

Management agrees with this finding and will address the issue by requiring school site or department staff to verify possession of each receipt book issued to each site or department prior to staff leaving for winter and summer break.

**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** Finance Department Admin. Assist.

**Due Date for the Complete the Implementation of the Corrective Action Plan:** July 1, 2023

4. Finding Number and Title: 2022 – 004 (Original Finding No. 2021-005 & 2020-003) PERSONNEL FILES

Financial Assistance Number(s): N/A

Repeat Finding    Financial Statements    Federal Awards    Section 12-6-5 NMSA 1978

Material Weakness    Material Non-Compliance    Significant Deficiency

Other Noncompliance    Finding that does not rise to the level of significant deficiency

**Description of Finding:** Fifty-two personnel files were reviewed for the background check required for employment. There was an employee that worked during the fiscal year ended June 30, 2022 but the background check on file was not completed until August 2022.

During the review of employee files, there was one of the fifty-two employee files selected for testing that had the Form I-9 was incomplete and another one that was missing.

Status from prior year: The District has made improvements over the previous year which had two missing background checks.

The District has not made improvements from the prior year in regards to this area. The prior year had one of the forty-eight files tested that had Form I-9s completed late.

**Did you, as the Recipient agree with this finding?**  Yes    No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

The Human Resources Department has completed a full second internal audit of all background checks. Anyone found to have no background check or questionable background documents has been sent for a new updated check.

The Human Resources Department will be conducting a full internal audit of the I-9 forms. We hope to have this completed by May of 2023.

**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** Human Resources Staff

**Due Date for the Complete the Implementation of the Corrective Action Plan:** May 31, 2022

5. Finding Number and Title: 2022 – 005 MISUSE OF RESOURCES

Financial Assistance Number(s): N/A

Repeat Finding    Financial Statements    Federal Awards    Section 12-6-5 NMSA 1978

- Material Weakness   
  Material Non-Compliance   
  Significant Deficiency  
 Other Noncompliance   
  Finding that does not rise to the level of significant deficiency

**Description of Finding:** A department director received a personal benefit by having repairs performed on a personal vehicle. The repairs were performed by district employees during regular working hours and using district facilities. District resources that were utilized for personal benefit included employee time (approximately 25.5 hours with an approximate value of less than \$1,000), facility use (undetermined cost), and engine coolant (subsequently replaced by an employee).

**Did you, as the Recipient agree with this finding?**  Yes     No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

Reprimands were issued to the Director of Special Services and the Maintenance Supervisor stipulating that they are to comply with all State and District policies effective immediately. Additionally, the Director of Special Services is required to reimburse the District for the expenses incurred by the incident; the maintenance Supervisor is required to reimburse the District for the antifreeze that was purchased and is receiving three (3) days of administrative leave without pay and the three (3) mechanics received a Letter of Expectations stating that they are to comply with all State and District policies, effective immediately. Activities in the maintenance area will be closely monitored by the Executive Director of Transportation and written policies put in place for the Transportation department.

**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** Executive Director of Transportation

**Due Date for the Complete the Implementation of the Corrective Action Plan:** November 7, 2022

6. Finding Number and Title: 2022 – 006 INTERNAL CONTROLS OVER BUDGETARY EXPENDITURES

Financial Assistance Number(s): N/A

- Repeat Finding   
  Financial Statements   
  Federal Awards   
  Section 12-6-5 NMSA 1978  
 Material Weakness   
  Material Non-Compliance   
  Significant Deficiency  
 Other Noncompliance   
  Finding that does not rise to the level of significant deficiency

**Description of Finding:** There were unfavorable variances between actual and budgeted expenditures at the function level. The District had three over expenditures at the function level for the year ended June 30, 2022. The following is a list of the unfavorable function level variances:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Expenditure</u>	<u>Over Spent</u>
Student Support and Academic Achievement	Direct Instruction	\$ 149,561	\$ 153,240	\$ (3,679)
Capital Improvements SB-9 (Local)	Support Services	46,390	49,410	(3,020)
Debt Service	Support Services	215,474	228,029	(12,555)

Did you, as the Recipient agree with this finding?  Yes  No

If No, provide an explanation and specific reasons for the non-concurrence.

**Planned Corrective Action** (Segregate the proposed plan by milestones, assigning a completion date for each milestone):

Management agrees with this finding and will address it in the following way: In these instances, budget reports reviews did not detect these negative variances. Specifically, the PED requires the district to budget a 1% County Tax Collection Fee. This amount is based on a estimate of tax collections that take place throughout the year. During the year, the county collected property taxes in excess of the budgeted amount. The Executive Director of Finance will work with the Director of Finance and Budget Manager to verify the taxes collected in each quarter and adjust the 1% collection fee if needed. Properly prepared budget adjustment requests (BARs) will be submitted to the School Board and PED. These approved BARs will ensure that the proper budget authority is obtained. The Director of Finance will verify each quarter, all budget to actual variances at the Function level for all Funds on the PED quarterly expenditure report prior to submission to PED.

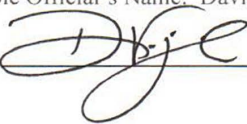
**Position of Individual Responsible for the Implementation of the Corrective Action Plan:** Executive Director of Finance and Director of Finance

**Due Date for the Complete the Implementation of the Corrective Action Plan:** July 1, 2023

**SECTION 3 – Signature of Accountable Official**

Accountable Official's Name: David M. Vigil, MBA, Ed.

Signature: \_\_\_\_\_



Date Signed: \_\_\_\_\_

11/7/22