



***State of New Mexico  
Grants-Cibola County Schools  
Annual Financial Report  
June 30, 2017***

***Grants-Cibola County Schools***

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
TABLE OF CONTENTS**

	<u>Exhibit Schedule/ Statement</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents.....		I
Directory of Officials.....		1
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report.....		3
Management’s Discussion and Analysis.....		6
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Position.....	A-1	17
Statement of Activities.....	A-2	19
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	B-1	21
Reconciliation of the Balance Sheet to Statement of Net Position	B-1	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	B-2	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	B-2	27
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):		
General Fund/Operational.....		29
Statement of Fiduciary Assets and Liabilities - Agency Fund	D-1	31
Notes to the Financial Statements.....		32
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of Proportionate Share of the Net Pension Liability – Educational Retirement Board (ERB) Pension Plan	I	64
Schedule of Contributions – Educational Retirement Board (ERB) Pension Plan	II	65
Notes to Required Supplementary Information		66

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
TABLE OF CONTENTS**

<b>SUPPLEMENTARY INFORMATION</b>	<b><u>Exhibit Schedule/ Statement</u></b>	<b><u>Page</u></b>
Nonmajor Governmental Funds description.....		68
Combining and Individual Fund Statements and Schedules.....		
Combining Balance Sheet – Nonmajor Governmental Funds .....	A-1	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	A-2	106
General Fund Individual Fund Statements and Schedules		
Combining Balance Sheet – General Fund .....	C-1	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund .....	C-2	135
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Operational Fund .....		136
Teacherage Fund .....		137
Pupil Transportation Fund .....		138
Instructional Materials Fund .....		139
<b>SUPPORTING SCHEDULES</b>		
Schedule of Changes in Fiduciary Assets and Liabilities .....	III	141
Schedule of Collateral Pledged by Depository for Public Funds .....	IV	142
Schedule of Deposits .....	V	144
Cash Reconciliation .....	VI	145
<b>COMPLIANCE SECTION</b>		
Independent Auditors' 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...		150
<b>FEDERAL FINANCIAL ASSISTANCE</b>		
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance by the Uniform Guidance .....		153
Schedule of Expenditures of Federal Awards .....	VIII	155
Schedule of Findings and Questioned Costs.....	IX	159
<b>OTHER DISCLOSURES.....</b>		<b>169</b>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
DIRECTORY OF OFFICIALS  
JUNE 30, 2017**

**BOARD OF EDUCATION**

Joel Stewart	President
Emily Hunt-Dailey	Vice President
Richard Jones	Secretary
Dion Sandoval	Member
Dr. Guy Archambeau	Member

**DISTRICT OFFICIALS**

Dr. Marc Space	Superintendent
German Martinez	Director of Finance

**AUDIT COMMITTEE**

Dr. Marc Space  
Ron Ortiz  
Dr. Guy Archambeau  
German Martinez  
Eileen Chavez Yarborough

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Mr. Timothy Keller  
State Auditor of the State of New Mexico  
The Office of Management and Budget  
Board Members of the Grants-Cibola County Schools  
Grants, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Grants-Cibola County Schools (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We did not audit the 2016 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Educational Retirement Board (ERB), the administrator of the cost sharing pension plan for the District. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grants-Cibola County Schools, as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 6 - 15, the Schedule of the Proportionate Share of the Net Pension Liability on page 64, the Schedule of Contributions on page 65 and the notes to the required supplementary information on page 66 be presented to supplement the basic financial statements. Such 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. 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 inquires 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.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the District's financial statements, that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Supporting Schedules III through VI required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual fund financial statements, the Schedule of Expenditures of federal awards and Supporting Schedules III through VI required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VI required by Section 2.2.2 NMAC are fairly stated, in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Albuquerque, New Mexico**  
**November 13, 2017**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

This Management Discussion and Analysis of the fiscal performance of the Grants-Cibola County Schools District for the period ending June 30, 2017 is an objective and simplified general discussion of the District's financial activities. This information aligns with requirements of the Governmental Accounting Standards Board (GASB) that establishes accounting and reporting standards for governmental entities. With the issuance of GASB's Statement 34, a written narrative discussion and analysis of the financial performance of the District is included.

The discussion and analysis, as well as the Statement of Net Position and Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2017. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other resource information. Changes in reporting requirements according to GASB 67 & 68 are discussed briefly in regards to Pension and the related New Mexico Education Retirement Board. Other additional reporting requirements according to the NM Office of the State Auditor may be discussed briefly.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with *Uniform Guidance*, and a Schedule of Findings and Questioned Costs.

**About Grants-Cibola County Schools**

To completely understand the financial discussion of Grants-Cibola County Schools District, it is important to understand the nature of the County and District. Cibola County covers over 4,539 square miles in northwestern New Mexico and has a population density of 6.0 people per square mile. Cibola County is the youngest county in New Mexico formed on June 19, 1981. This vastness creates much travel time for residents traveling to work, school, medical services, and recreation. Cibola County includes Indian pueblos and reservation communities and Hispanic land grant villages. The County population was 29,213 people in 2010, with 54.8% White, 41.0% Native American, 1.3% Black, 0.6% Asian, and 0.1% Native Hawaiian or Other Pacific Islander, 37.6% are of Hispanic or Latino origin and 21.5% identify as White not Hispanic, and 2.1% identify as two or more races. The 2010 Census Data indicates 24.0% of total population in Cibola County (18.4% average in NM) lived below poverty level for the period 2006-2010. Annual estimates of the resident population are still reasonably the same according to a recent American Community Survey 2014

The City of Grants is the county seat and is the most densely populated city or municipality in the county with a population of 9,051 in the 2010 US Census. The second largest concentrated population is in the Village of Milan (3,245 per 2010 US Census). The 2010 population for Laguna Pueblo and Off-Reservation Trust Land is 4,043 and the population is 3,011 for Acoma Pueblo and Off-Reservation Trust Land. Cibola County Experienced a 6.32% increase in population between the 2000 and 2010 Census from 25,595 to 27,213. The County experienced a decrease in the population under 20 years and for ages 35-44 years. Conversely, there was an increase in all other adult age brackets.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

The City of Grants experienced a 4.27% increase in total population between the 2000 and 2010 Census from 8,806 to 9,182 and the Village of Milan experienced a 71.33% increase in total population from 1,894 to 3,245. The District has two high schools, one middle school, one junior high school, and seven elementary schools.

The District has two major tribal lands within our boundaries, the Pueblo of Laguna, and the Pueblo of Acoma. Our District is spread out from the City of Grants east to Seboyeta, and west to Bluewater. The District has approximately 3518 students and 550 employees.

The District has a MISSION STATEMENT of "Every Student, Every Day, Building a Person for Life. To accomplish the mission, the district has developed and implemented an Educational Plan for Student Success that utilizes curriculum, instruction, and assessments that enable all students to demonstrate: 1) Literacy--clear and accurate reading, writing, speaking, and interpersonal communication. 2) Math Skills--clear and accurate use of mathematics in communications, reasoning, making connections, and problem solving. 3) Technology Skills—clear and accurate use of computers and other technology in cross curricular applications. Grants-Cibola County Schools offer a wide variety of quality educational programs to ensure a comprehensive K-12 educational experience. Current offerings are K-12 common core state standards, quarterly assessments to inform instruction, star math and reading, star early literacy, accelerated reading and math, read 180, inclusion, interventions in ELA and math, compass ELA and math, honors courses, AP courses, dual enrollment courses, Achieve 3000, scholastic reading inventory, bilingual, Keres language, ESL English program, art, and PE.

### **Introduction**

The financial performance of the Grants-Cibola County Schools for the fiscal year ended June 30, 2017 will be the subject of this discussion and analysis. The purpose is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

### **Financial Highlights**

Key events for the fiscal year 2017 are:

- Total Assets of Governmental Activities was \$86,634,534.
- Total Liabilities of Governmental Activities was \$77,277,899.
- Net Position of Governmental Activities was \$14,963,862.
- During the 2017 fiscal year the District's total net position decreased by \$4,652,345.
- Total Governmental Fund Expenditures exceeded Revenues by \$3,433,893 resulting in a year-end fund balance of \$15,102,106 .
- The District implemented the State mandate of a minimum salary increase for level I teachers from \$40,000 to \$42,000; in addition a salary increase for level III teachers from \$50,000 to \$52,000; according to Laws 2017, Ch 135.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Basic Financial Statements**

This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

**District Wide Financial Statements**

**Statement of Net Position:**

The Statement of Net Position is prepared using the accrual method of accounting. This is a District-wide statement including all assets and liabilities. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets plus deferred outflows and liabilities plus deferred inflows are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or weakening. All categories of the District (deferred outflows, deferred inflows, net position) have been modified according to GASB 68.

	<b>Statement of Net Position</b>					
<b>Assets</b>	<b>06/30/2012</b>	<b>06/30/2013</b>	<b>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2017</b>
Current Assets	\$ 15,122,381	\$ 15,971,397	\$ 15,472,366	\$ 14,828,638	\$ 15,047,132	\$ 20,262,753
Capital Assets	\$ 87,858,540	\$ 93,449,442	\$ 99,908,222	\$ 103,012,492	\$ 104,677,114	\$ 106,110,849
Less Accumulated Depreciation	\$ (29,607,256)	\$ (31,971,854)	\$ (34,343,864)	\$ (35,985,084)	\$ (39,884,931)	\$ (42,393,322)
Other Noncurrent Assets	\$ 2,104,485	\$ 1,783,690	\$ 1,643,225	\$ 2,783,242	\$ 1,654,382	\$ 2,654,254
<b>Total Assets</b>	<b>\$ 75,478,150</b>	<b>\$ 79,232,675</b>	<b>\$ 82,679,949</b>	<b>\$ 84,639,288</b>	<b>\$ 81,493,697</b>	<b>\$ 86,634,534</b>
Deferred Outflows of Resources					\$ 4,480,170	\$ 7,220,418
<b>Total Assets and Deferred Outflows of Resources</b>					<b>\$ 85,973,867</b>	<b>\$ 93,854,952</b>
<b>Liabilities</b>						
Account Payable	\$ 471,045	\$ 106,409	\$ 390,090	\$ 126,473	\$ 574,132	\$ 5,724,331
Accrued Interest	\$ 123,321	\$ 74,242	\$ 65,590	\$ 65,518	\$ 62,644	\$ 70,692
Other Current Liabilities	\$ 2,704,071	\$ 2,881,275	\$ 3,481,474	\$ 4,506,962	\$ 2,675,863	\$ 3,803,175
Net pension Liabilities	\$	\$	\$	\$ 42,559,608	\$ 47,000,340	\$ 51,915,072
Other Long Term Liabilities	\$ 14,980,283	\$ 15,067,636	\$ 15,769,330	\$ 12,472,076	\$ 13,364,174	\$ 15,764,629
Total Liabilities	\$ 18,278,720	\$ 18,129,562	\$ 19,706,484	\$ 59,730,637	\$ 63,677,153	\$ 77,277,899
<b>Deferred Inflows</b>						
<b>Total Deferred Inflows of Resources</b>					\$ 2,680,507	\$ 1,613,191
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 41,586,284	\$ 44,342,588	\$ 50,101,096	\$ 52,832,409	\$ 50,432,183	\$ 45,512,527
Restricted	\$ 8,124,572	\$ 10,349,932	\$ 8,957,863	\$ 9,674,522	\$ 6,344,709	\$ 5,390,766
Unrestricted	\$ 7,488,574	\$ 6,110,593	\$ 3,914,506	\$ (40,194,536)	\$ (37,160,685)	\$ (35,939,431)
Total Net Position	\$ 57,199,430	\$ 60,803,113	\$ 62,973,465	\$ 22,312,395	\$ 19,616,207	\$ 14,963,862
<b>Total Liabilities, Deferred Inflows, and Net Position</b>					<b>\$ 85,973,867</b>	<b>\$ 93,854,952</b>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

As a result of GASB 68 a few new sections have been added to the statement of Net position. A brief description of the new sections and categories are as follows:

- *Deferred Outflows of Resources*: a consumption of net assets by the district that is applicable to a future reporting period. For example, NMERB contributions made during the 2016-17 fiscal year.
- *Net Pension Liability*: an actuarial of the liability required for funding the full pension at fiscal year-end based on fair market value. For example, if the pension funds were required to cover all liabilities for current employees.
- *Deferred Inflows of Resources*: an acquisition of net assets by the government that is applicable to a future reporting period. For example, deferred revenue that may be generated based on the maturity of investments.

A change in the net position for fiscal year 2017 the district is based mainly on the reporting requirements as defined by GASB 68.

**Statement of Activities**

The Statement of (Governmental) Activities is prepared using the accrual method of accounting. This is a Districtwide statement that reports how the District's net position changed during the fiscal year. This report compliments the Statement of Net Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2017. A change in the reporting requirements for the net pension liability required a significant change to the overall net position in the Statement of Activities. Although the school district had experienced a gradual decline from the statement of activities the anticipated net position for fiscal year 2017 would have resulted in a slight increase. However, the Net Pension liability created a significant decline in the overall net position of the school district. Since the actuarial expenditures relating to the net pension liability are purely restatements of the actual expenditures the actual impact is on a conjectural application. Without the conjectural application the school district would anticipate a slight increase in the net position-ending according to the statement of activities.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Statement of Activities</b>					
	06/30/2012	06/30/2013	06/30/2014	06/30/2015	06/30/2016	06/30/2017
Revenues for Governmental Activities						
Charges for Services	\$ 778,406	\$ 792,376	\$ 711,156	\$ 625,564	\$ 555,135	\$ 842,653
Operating Grants and Contributions	\$ 14,740,985	\$13,910,891	\$10,396,917	\$ 13,420,889	\$ 12,849,151	\$13,532,274
Capital Grants and Contributions	\$ 7,001,821	\$ 2,727,625	\$ 1,055,777	\$ 2,197,699	\$ 3,764	\$ 289,985
General Revenues						
Property taxes	\$ 3,322,625	\$ 2,739,424	\$ 4,552,040	\$ 3,827,792	\$ 3,363,988	\$ 3,730,204
Federal and state aid	\$ 21,193,985	\$23,961,387	\$26,559,642	\$ 26,408,422	\$ 27,177,730	\$25,801,322
Other revenues/losses	\$ 164,154	\$ (19,662)	\$ 272,955	\$ 245,512	\$ 334,065	\$ 357,394
<b>Total revenues</b>	<b>\$ 47,201,976</b>	<b>\$44,112,041</b>	<b>\$43,548,487</b>	<b>\$ 46,725,878</b>	<b>\$ 44,283,833</b>	<b>\$44,553,832</b>
Expenses						
Instruction	\$ 22,544,096	\$23,183,659	\$21,452,643	\$ 21,237,507	\$ 22,511,673	\$22,592,122
Support services	\$ 14,235,720	\$14,431,856	\$17,196,214	\$ 17,984,568	\$ 21,970,371	\$23,963,274
Food service	\$ 1,970,545	\$ 2,069,595	\$ 2,182,465	\$ 2,227,933	\$ 2,073,445	\$ 2,262,246
Depreciation	\$	\$	\$	\$	\$	\$
Interest on long term debt	\$ 644,018	\$ 523,250	\$ 531,844	\$ 413,655	\$ 424,532	\$ 388,535
<b>Total expenses</b>	<b>\$ 39,394,379</b>	<b>\$40,208,360</b>	<b>\$41,363,166</b>	<b>\$ 41,863,663</b>	<b>\$ 46,980,021</b>	<b>\$49,206,177</b>
Prior Period Adjustment	\$	\$	\$	\$	\$	\$
Changes in net position	\$ 7,807,597	\$ 3,903,683	\$ 2,185,321	\$ 4,862,215	\$ (2,696,188)	\$ (4,652,345)
Net Position - Restatement	\$ (17,288)	\$	\$ (314,969)	\$ (45,411,567)	\$	\$
Changes in net position – ending	\$ 7,790,309	\$ 3,903,683	\$ 1,870,352	\$ (40,549,352)	\$ (2,696,188)	\$ (4,652,345)

During fiscal year 2017, the District's total net position decreased by \$4,652,345. A large portion of this amount is related to conditioning and abatement work completed to decommission teacher housing. Lease of the land on which the teacher housing was located expired as of June 30, 2017. In addition repairs on the district utilized a large portion of Federal Grant funds to implement a new professional development plan. The district intends to continue the professional development plan by cycling the training with new educational staff throughout the subsequent fiscal years.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Fund Financial Statements**

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Fund Financial Statements are based on a modified accrual basis of accounting. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, Bond Building, Capital Improvements SB-9 capital project funds, and Debt Service. The Statement of Revenues and Expenditures and Changes in Fund Balances gives the reader a meaningful overall view of the District's revenues, expenditures and changes to the fund balance. Total revenues from State, Local and Federal sources were \$44,765,365. Total expenditures for the District were \$48,199,258. The total ending fund balance was \$15,102,106; a decrease of \$1,566,107 from the previous year (Ex. B-2).

**Governmental Funds**

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported on the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

**Governmental Activities**

This statement of activity reports the cost of program services and the charges of services, and the revenues that are received to perform these services. The Statement of Activities (Exhibit A-2) for governmental activities, reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico legislature and the operation of the Equalization Guarantee Formula for operational funding by the New Mexico Public Education Department have minimized local tax support for public education.

**General Fund Budgeting Highlights**

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined therein. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, as defined in GASB 34 are the Bond Building, Capital Improvements SB-9 Capital Project funds, and Debt Service Fund.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

During the course of the fiscal year, the school district amended its General fund budget as needed according to the NM Public Education Departments regulations and the Operating Budget Management System. The school district uses a site-based budget, which is tightly controlled, but provides flexibility for site management. The significant change in the general fund was the decrease in unit value from \$4,037.75 to \$3,979.63 and decrease of 1.44%. The General Fund revenues represent \$30,274,530 of the total \$44,765,365 in Total Governmental District revenues: which is approximately 68% (Exhibit B-2). In addition the NM PED required the district to take a cash balance credit of \$566,298 pursuant to Laws 2017 chapter 3, SB 114.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. Because of the student growth experienced by the School District, an emphasis on schools salaries by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund experiences increases and decreases according to the change in student membership.

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$33,390,748 was expended in the year ending June 30, 2017. The most significant inter-fund expenditure was for the function noted as "Instruction". This expenditure was \$17,227,001 and represents 52% of all general expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Instructional "Support Services" represents 20% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 2% of the total General Fund. Operation of the Plant accounts for 23% of the General Fund expenditures. Included in the operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Total expenditures for Student transportation accounted for 3% of the General Fund expenditures. This includes regular and non-regular staff, fuel, inspections, and maintenance to existing bus fleet. Additional support for maintenance equipment and capital projects comes from the voter approved SB9 (2 Mill) Fund as well as Bond appropriated funds. In February 2016 the county elected to reauthorize the SB9 fund. The school district redeveloped a 5-year Facility Master Plan to capture the capital outlay needs of our facilities.

**Budget**

The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop the District's budget. District priorities are well defined through this process. GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

Major budgetary funds in these reports are; The General Fund (Operational Fund), Bond Building, Capital Improvements SB-9, and Debt Service. In addition, eighty two (82) non-major Special Revenue Funds and three (3) non-major Capital Projects Funds are also reported for their budgetary performance. Lastly there are one (1) debt service funds that are utilized for covering principal and interest payments for bonds issued by the district. A majority of the non-major Special Revenue and Capital Projects funds are not actively utilized by the district, but rather have been carried over fund balances from prior fiscal year. The school district is currently working with the NM Public Education Department and our independent auditors to identify fund balances that can be cleared from the general ledger through inter-fund transfers or recapture to and from the state.

**Capital Assets**

Because of aging facilities, the District is reviewing the current approach to maintaining existing facilities, improving through capital renovations, or construction of new facilities. In the previous couple of fiscal years the school district has been able to replace the Los Alamitos Middle school, and add classrooms to Cubero Elementary. Currently the school district has a project underway for a replacement of a track and turf facility. In addition the district has been evaluating the new approach directed by the NM Public School Facility Authority to focus on the life cycle of facility systems. Some of the systemic areas of focus are life-health-security, technology, HVAC, and Roofing. Concurrently the district is implementing new infrastructure for technology relating to fiber optics, cable upgrades, and wireless access points to support the wide area network. This is a result of the NM Public Education Departments roll out of the Public for Assessment of Readiness for College and Careers (PARCC) online assessments.

<b>Grant-Cibola County Schools</b>	<b>Statement of Capital Assets</b>						
	<b>06/30/2011</b>	<b>06/30/2012</b>	<b>06/30/2013</b>	<b>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2017</b>
<b>Asset Type</b>							
Land, Buildings & Improvements	\$3,051,980	\$,933,194	\$6,169,325	\$ 91,903,881	\$ 94,010,313	\$ 94,497,910	\$ 95,931,645
Furniture, Fixtures & Equipment	\$6,258,538	\$5,925,346	\$7,280,117	\$ 8,004,341	\$ 9,002,179	\$ 10,179,204	\$ 10,179,204
Total Capital Assets	\$9,310,518	\$7,858,540	\$3,449,442	\$ 99,908,222	\$ 103,012,492	\$ 104,677,114	\$ 106,110,849
Less Accumulated Depreciation	\$7,442,125)	\$2,607,256)	\$1,971,854)	\$(34,343,864)	\$( 35,985,084)	\$( 39,884,931)	\$( 42,393,322)
Capital Assets-Net	<u>\$1,868,393</u>	<u>\$3,251,284</u>	<u>\$1,477,588</u>	<u>\$ 65,564,358</u>	<u>\$ 67,027,408</u>	<u>\$ 64,792,183</u>	<u>\$ 63,717,527</u>

**General Long Term Debt**

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's payment schedule for total general obligation and Education Technology Note debt as of June 30, 2017.

<b>General Obligation Bond Debt Service</b>			
<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Outstanding Debt Service Due</b>
2018	\$ 2,250,000	\$ 390,447	\$ 2,640,447
2019	\$ 3,435,000	\$ 301,021	\$ 3,736,021
2020	\$ 2,445,000	\$ 230,851	\$ 2,675,851
2021	\$ 1,360,000	\$ 184,202	\$ 1,544,202
2022	\$ 1,215,000	\$ 161,564	\$ 1,376,564
2023-2027	\$ 5,950,000	\$ 445,370	\$ 6,395,370
2028-2029	\$ 1,115,000	\$ 20,450	\$ 1,135,450
	\$ 17,770,000	\$ 1,733,905	\$ 19,503,905
<b>Ed. Tech. Note Debt Service</b>			
<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Outstanding Debt Service Due</b>
2018	\$ 295,000	\$ 5,750	\$ 300,750
2019	\$ 70,000	\$ 2,100	\$ 72,100
2020	\$ 70,000	\$ 700	\$ 70,700
	\$ 435,000	\$ 8,550	\$ 443,550

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Bonds and General Obligations Issuance**

The district maintains an Aa1 bond rating, and currently is at bonding capacity according to the assessed valuation. In 2013 bond authorization of \$9,000,000 was supported and voted on by the local district voters. Of that bond authorization the remaining \$5,000,000 was sold in parcel of \$3,000,000 in a 2016 series and another parcel of \$2,000,000 in a 2017 series. These funds were designated for completion of the Los Alamos Middle School project and replacement of the Laguna-Acoma High School Track and Turf. Completion of the track and turf replacement is estimated to be by March 2018. The board of education is evaluating the identified needs of the district through the facility master plan and plans to allocate funds accordingly.

In addition to the General Obligation bond the local voters approved and supported a \$1,000,000 Education Technology Note. This note provides the school district with funds necessary to meet the needs of the new Partnership for Assessment of Readiness for College and Careers (PARCC) online testing standards. Funds for the Ed Tech note are being used to purchase equipment and technology infrastructure needed to support these standards.

**Agency Funds**

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy.

**Future Trends and General Information**

The Grants-Cibola County Schools District's capital assets, particularly the buildings and grounds are currently serving the needs of the district. In general our financial condition remains stable. The Director of Finance has reviewed all accounting principles and practices pertaining to the fiscal year ending 6/30/2017 to the best of his ability. The School District contacts are Dr. Marc Space, Superintendent at 505-285-2603, and Mr. German Martinez, Director of Budget and Finance at 505-285-2611 or at 413 Roosevelt Ave., Grants, N. M. 87020.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit A-1

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 17,091,422
Property taxes receivables	1,054,025
Due from other governments	2,012,614
Inventory	93,243
Other receivables	11,449
Total current assets	20,262,753
Noncurrent assets:	
Restricted cash and cash equivalents	2,592,518
Capital Assets	106,110,849
Less: Accumulated depreciation	(42,393,322)
Bond discounts, net of accumulated amortization of \$11,544	61,736
Total noncurrent assets	66,371,781
Total assets	86,634,534
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of assumptions	1,056,783
Net difference between projected and actual earnings on pension plan investments	3,098,898
Differences between expected and actual experience	225,227
Employer contributions subsequent to the measurement date	2,839,510
Total Deferred Outflows of Resources	7,220,418
Total assets and deferred outflows of resources	\$ 93,854,952
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 5,724,331
Accrued payroll	1,078,049
Accrued compensated absences	171,477
Current portion of bonds and notes payable	2,545,000
Unearned revenue	8,649
Accrued interest payable	70,692
Total current liabilities	9,598,198
Noncurrent liabilities:	
Accrued compensated absences	64,357
Bond underwriter premiums (net of accumulated amortization of \$122,795)	40,272
Bonds and notes payable	15,660,000
Net pension liability	51,915,072
Total noncurrent liabilities	67,679,701
Total liabilities	77,277,899

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit A-1

	<u>Governmental Activities</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Differences between expected and actual experience	493,778
Changes in proportion	<u>1,119,413</u>
Total deferred inflows of resources	<u>1,613,191</u>
Total liabilities, deferred inflows of resources	<u>78,891,090</u>
<b>NET POSITION</b>	
Net investment in capital assets	45,512,527
Restricted for:	
Capital projects	379,585
Debt service	3,171,727
Other purposes	1,839,454
Unrestricted	<u>(35,939,431)</u>
Total net position	<u>14,963,862</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 93,854,952</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (expenses) revenues and changes in net position</u>
		<u>Charges for service</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	
<b>Governmental activities:</b>					
Instruction	\$22,592,122	\$	\$ 8,980,142	\$	\$ (13,611,980)
Support services					
Students	5,045,832		556,687		(4,489,145)
Instruction	394,385	585,031	28,257		218,903
General administration	2,597,136				(2,597,136)
School administration	1,308,902				(1,308,902)
Central services	2,879,148				(2,879,148)
Operation & Maintenance of plant	10,395,950	5,736		289,985	(10,100,229)
Food services operation	2,262,246	155,902	3,007,355		901,011
Student transportation	1,340,484	95,984	959,833		(284,667)
Other support services	1,437				(1,437)
Interest on long-term debt	<u>388,535</u>				<u>(388,535)</u>
Total governmental activities	<u>\$49,206,177</u>	<u>\$ 842,653</u>	<u>\$ 13,532,274</u>	<u>\$ 289,985</u>	<u>(34,541,265)</u>

**General revenues**

Property taxes:	
Levied for operating purposes	144,650
Levied for debt service	2,938,046
Levied for capital projects	647,508
State equalization guarantee	25,801,322
Interest and investment earnings	337,409
Miscellaneous	<u>19,985</u>
Subtotal, general revenues	<u>29,888,920</u>
Change in net position	(4,652,345)
Net position - beginning of year	<u>19,616,207</u>
Net position - end of year	<u>\$ 14,963,862</u>

The accompanying notes are an integral part of these financial statements

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-1

	General Fund 11000-14000	31100-Bond Building	31700-Capital Improvement SB-9(State)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,869,849	\$ 3,735,021	\$
Property taxes receivable	39,640		179,359
Due from other governments			
Inventory	52,791		
Due from other funds	1,350,939	834,768	2,540,428
Other receivables	5,513		
Total assets	\$ 7,318,732	\$ 4,569,789	\$ 2,719,787
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,787,764	\$ 1,436,019	\$ 1,402,256
Accrued payroll liabilities	810,396		
Unearned revenue			
Due to other funds	316	412,499	309,422
Total liabilities	3,598,476	1,848,518	1,711,678
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows- property taxes	35,678		160,932
Total deferred inflows of resources	35,678	0	160,932
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories	52,791		
Restricted for:			
Education			
Teacher housing	7,200		
Instructional materials	78,655		
Food service program			
Extracurricular activities			
Debt service			
Capital acquisition and improvements		2,721,271	847,177
Committed for:			
Subsequent year's expenditures	3,351,757		
Emergency reserves	300,000		
Unassigned	(105,825)		
Total fund balance	3,684,578	2,721,271	847,177
Total liabilities, deferred inflows of resources and fund balance	\$ 7,318,732	\$ 4,569,789	\$ 2,719,787

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-1

	<u>31701-Capital Improvement SB-9(Local)</u>	<u>41000-Debt Service Fund</u>	<u>Other Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,922,199	\$ 2,260,432	\$ 4,896,439
Property taxes receivable		774,031	60,995
Due from other governments			2,012,614
Inventory			40,452
Due from other funds		831,162	64,495
Other receivables			5,936
	<u>2,922,199</u>	<u>3,865,625</u>	<u>7,080,931</u>
Total assets	<u>\$ 2,922,199</u>	<u>\$ 3,865,625</u>	<u>\$ 7,080,931</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 8,300	\$	\$ 89,992
Accrued payroll liabilities			267,653
Unearned revenue			8,649
Due to other funds	<u>2,534,314</u>	<u>                    </u>	<u>2,365,241</u>
Total liabilities	<u>2,542,614</u>	<u>0</u>	<u>2,731,535</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows- property taxes	<u>                    </u>	<u>693,898</u>	<u>51,628</u>
Total deferred inflows of resources	<u>0</u>	<u>693,898</u>	<u>51,628</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			40,452
Restricted for:			
Education			1,660,356
Teacher housing			
Instructional materials			
Food service program			2,137,774
Extracurricular activities			137,595
Debt service		3,171,727	344,340
Capital acquisition and improvements	379,585		13,981
Committed for:			
Subsequent year's expenditures			
Emergency reserves			
Unassigned	<u>                    </u>	<u>                    </u>	<u>(36,730)</u>
Total fund balance	<u>379,585</u>	<u>3,171,727</u>	<u>4,297,768</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,922,199</u>	<u>\$ 3,865,625</u>	<u>\$ 7,080,931</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-1

	<u>Total Governmental Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 19,683,940
Property taxes receivable	1,054,025
Due from other governments	2,012,614
Inventory	93,243
Due from other funds	5,621,792
Other receivables	<u>11,449</u>
Total assets	<u>\$ 28,477,063</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 5,724,331
Accrued payroll liabilities	1,078,049
Unearned revenue	8,649
Due to other funds	<u>5,621,792</u>
Total liabilities	<u>12,432,821</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows- property taxes	<u>942,136</u>
Total deferred inflows of resources	<u>942,136</u>
<b>FUND BALANCES</b>	
Non-spendable:	
Inventories	93,243
Restricted for:	
Education	1,660,356
Teacher housing	7,200
Instructional materials	78,655
Food service program	2,137,774
Extracurricular activities	137,595
Debt service	3,516,067
Capital acquisition and improvements	3,962,014
Committed for:	
Subsequent year's expenditures	3,351,757
Emergency reserves	300,000
Unassigned	<u>(142,555)</u>
Total fund balance	<u>15,102,106</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 28,477,063</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-1

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

Fund balances - total governmental funds -	\$ 15,102,106
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	63,717,527
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the fund financial statements, but are considered revenues in the Statement of Activities .	942,136
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:	
Deferred outflows of resources related to pension	7,220,418
Deferred inflows of resources related to pension	(1,613,191)
The District has unamortized bond discounts. Bond discounts are not current financial resources and, therefore, are not reported in the funds:	
Bond Discount	61,736
Liabilities are not due and payable with current financial resources and, therefore are not reported in the funds:	
Accrued interest	(70,692)
Current portion of accrued compensated absences .	(171,477)
Current portion of general obligation bonds	(2,545,000)
Accrued compensated absences	(64,357)
Bonds underwriter premiums	(40,272)
General obligation bonds	(15,660,000)
Net pension liability	<u>(51,915,072)</u>
Net Position-Total Governmental Activities	<u>\$ 14,963,862</u>

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-2

	General Fund 11000-14000	31100-Bond Building	31700-Capital Improvement SB-9(State)	31701-Capital Improvement SB-9(Local)
<b>REVENUES:</b>				
Property taxes	\$ 144,650	\$	\$ 4,450	\$ 643,057
Intergovernmental revenue:				
Federal flowthrough	15,122			
Federal direct	2,733,209			
State flowthrough	468,713	289,985		
State direct	25,801,322			
Transportation distribution	959,833			
Charges for services	114,827			
Investment income	16,869	8,040		
Insurance				
Miscellaneous	<u>19,985</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>30,274,530</u>	<u>298,025</u>	<u>4,450</u>	<u>643,057</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	17,227,001			
Support services				
Students	4,183,352			
Instruction	366,128			
General administration	963,009		988	5,312
School administration	1,278,758			
Central services	693,983			
Operation and maintenance of plant	7,622,728	687,263	1,679,082	258,160
Student transportation	1,054,352			
Other support services	1,437			
Food services operations				
Capital outlay		1,402,256	31,479	
Debt service:				
Principal				
Interest				
Total expenditures	<u>33,390,748</u>	<u>2,089,519</u>	<u>1,711,549</u>	<u>263,472</u>
Excess (deficiency) of revenues over expenditures	<u>(3,116,218)</u>	<u>(1,791,494)</u>	<u>(1,707,099)</u>	<u>379,585</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond proceeds		<u>5,000,000</u>		
Total other financing sources (uses)	<u>0</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	(3,116,218)	3,208,506	(1,707,099)	379,585
Fund balances - beginning of year	<u>6,800,796</u>	<u>(487,235)</u>	<u>2,554,276</u>	<u>                    </u>
Fund balances- end of year	<u>\$ 3,684,578</u>	<u>\$ 2,721,271</u>	<u>\$ 847,177</u>	<u>\$ 379,585</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	41000-Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Property taxes	\$ 2,792,232	\$ 357,347	\$ 3,941,736
Intergovernmental revenue:			
Federal flowthrough		6,557,127	6,572,249
Federal direct		1,631,005	4,364,214
State flowthrough		1,167,266	1,925,964
State direct			25,801,322
Transportation distribution			959,833
Charges for services		727,826	842,653
Investment income		312,500	337,409
Insurance			
Miscellaneous			19,985
Total revenues	<u>2,792,232</u>	<u>10,753,071</u>	<u>44,765,365</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction		5,297,032	22,524,033
Support services			
Students		834,904	5,018,256
Instruction		28,257	394,385
General administration	27,152	482,997	1,479,458
School administration		30,144	1,308,902
Central services			693,983
Operation and maintenance of plant		1,909	10,249,142
Student transportation		263,512	1,317,864
Other support services			1,437
Food services operations		2,242,576	2,242,576
Capital outlay			1,433,735
Debt service:			
Principal	865,000	290,000	1,155,000
Interest	<u>369,612</u>	<u>10,875</u>	<u>380,487</u>
Total expenditures	<u>1,261,764</u>	<u>9,482,206</u>	<u>48,199,258</u>
Excess (deficiency) of revenues over expenditures	<u>1,530,468</u>	<u>1,270,865</u>	<u>(3,433,893)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bond proceeds			<u>5,000,000</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>5,000,000</u>
Net changes in fund balances	1,530,468	1,270,865	1,566,107
Fund balances - beginning of year	<u>1,641,259</u>	<u>3,026,903</u>	<u>13,535,999</u>
Fund balances- end of year	<u>\$ 3,171,727</u>	<u>\$ 4,297,768</u>	<u>\$ 15,102,106</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-2

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

Net change in fund balances - total governmental funds	\$ 1,566,107
<p>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 as depreciation expense:</p>	
Capital expenditures recorded in Capital outlay	1,433,735
Depreciation expense	(2,508,391)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Change in deferred inflows related to property taxes receivable	(211,533)
<p>Expenses in the Statements of Activities that do not consume current financial resources are not reported as expenditures in the funds:</p>	
Decrease in accrued compensated absences	18,257
Increase in accrued interest payable	(8,048)
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:.</p>	
Amortization of bond discounts	(6,022)
Amortization of bond premium	15,719
Bond proceeds	(5,000,000)
Principal payments on bonds	<u>1,155,000</u>
<p>Governmental funds report District's pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:</p>	
Pension contributions	<u>2,839,510</u>
Pension expense as per actuarial report	(3,963,245)
Add: Difference between prior year deferred outflows associated with 2016 actual employer contributions and the schedule of employer allocations 2016 actual employer contributions	-
Less: Rounding off difference	16,566
Net adjusted pension expenditure	<u>(3,946,679)</u>
Change in Net Position-total Governmental Activities	<u><u>\$ (4,652,345)</u></u>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
CASH BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS)  
AND ACTUAL**



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
GENERAL FUND (11000-14000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u> <u>Final to Actual</u>
<b>REVENUES:</b>				
Property taxes	\$ 136,863	\$ 136,863	\$ 143,845	\$ 6,982
Intergovernmental revenue				
Federal direct			15,122	15,122
Federal direct	1,724,201	1,724,201	2,733,209	1,009,008
State flowthrough	374,809	225,096	468,713	243,617
State direct	27,557,701	26,563,020	25,801,322	(761,698)
Transportation distribution	1,055,817	1,055,817	1,055,817	
Charges for services	11,800	11,800	18,843	7,043
Investment income	14,000	14,000	16,869	2,869
Miscellaneous	5,000	5,000	19,985	14,985
	<u>30,880,191</u>	<u>29,735,797</u>	<u>30,273,725</u>	<u>537,928</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	17,849,986	17,700,273	16,881,721	818,552
Support services				
Students	4,017,000	3,999,500	3,734,985	264,515
Instruction	298,440	298,440	366,448	(68,008)
General administration	995,175	995,175	236,541	758,634
School administration	1,401,075	1,401,075	1,278,758	122,317
Central services	658,831	658,831	701,058	(42,227)
Operation and maintenance of plant	5,051,933	5,051,933	4,957,737	94,196
Student transportation	1,055,817	1,055,817	1,054,353	1,464
Facilities acquisition and construction	1,896,860	902,179	297,309	604,870
Nursing	4,000	4,000	18,108	(14,108)
Personnel			201,442	(201,442)
School nutrition warehouse			21,146	(21,146)
Staff	3,000	3,000	13,822	(10,822)
Superintendent office			236,451	(236,451)
Technology	35,000	52,500	354,510	(302,010)
Technology admin			107,381	(107,381)
Testing			94,166	(94,166)
Other support service	317,989	317,989	1,437	316,552
Capital outlay				
	<u>33,585,106</u>	<u>32,440,712</u>	<u>30,557,373</u>	<u>1,883,339</u>
Excess (deficiency) of revenues over expenditures	(2,704,915)	(2,704,915)	(283,648)	2,421,267

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
GENERAL FUND (11000-14000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

**OTHER FINANCING SOURCES (USES)**

Designated cash (budgeted increase in cash)	<u>2,704,915</u>	<u>2,704,915</u>	<u>                    </u>	<u>(2,704,915)</u>
Total other sources (uses)	<u>2,704,915</u>	<u>2,704,915</u>	<u>                    </u>	<u>(2,704,915)</u>
Net Changes in fund balances	<u>                    </u>	<u>                    </u>	<u>(283,648)</u>	<u>(283,648)</u>
Fund balances - beginning of year	<u>                    </u>	<u>                    </u>	<u>6,486,270</u>	<u>6,486,270</u>
Fund balances - end of year	<u>\$                  0</u>	<u>\$                  0</u>	<u>\$  6,202,622</u>	<u>\$  6,202,622</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (283,648)
Adjustment to revenue for accruals and other deferrals				805
Adjustments to expenditures for salary, general supplies and materials, and other charges.				<u>(2,833,375)</u>
Net change in fund balance, GAAP budgetary basis				<u>\$ (3,116,218)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit D-1

**ASSETS**

Cash and cash equivalents	\$ <u>354,984</u>
Total assets	<u><u>354,984</u></u>

**LIABILITIES**

Due to student organizations	<u>354,984</u>
Total Liabilities	<u><u>\$ 354,984</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates eleven schools within the District with a total enrollment of approximately 3,500 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the District provides transportation and school food services for the students.

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

**A. Financial Reporting Entity**

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based on the application of these criteria, the District has no component unit, and is not a component unit of another governmental agency.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 like the sale of lunch tickets and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function like state and federal grants. Taxes, state equalization, and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

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

The District reports the following major governmental funds:

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. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the Pupil Transportation Fund, which is used to account for the transportation distribution received from the New Mexico Public Education Department. It also includes the Instructional Materials Fund, which is used to account for the monies received from the New Mexico Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Bond Building Fund* is used to account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Capital Improvements SB-9 Capital Projects Funds* (31700-31701) are used to provide 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.

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 District reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

***D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity***

**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.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost as provided in paragraph 9 of GASB No. 72.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2017, the District does not have any investments.

**Restricted Assets:** The Debt Service Fund and Ed Tech Debt Service Fund are used to report resources set aside for the payment of long-term debt principal and interest.

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy from Cibola County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2017 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2017. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

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

Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and nonfood supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Cont'd)**

**Capital Assets:** Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District was a Phase II government for the purposes of implementing GASB 34, however the District does not have any infrastructure assets to report.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital outlay Council are included in the District's capital assets. During fiscal year 2017, no amount of PSFA awards is received, which was recorded as revenue and capital outlay in the Public School Capital Outlay Fund.

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

<u>Assets</u>	<u>Years</u>
Land improvements	7-20
Buildings and improvements	20-50
Furniture, fixtures, and equipment	3-20

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has pension related to deferred outflows of resource items that qualify for reporting in this category.

**Compensated Absences:** Qualified employees are entitled to accumulate annual leave of ten to fifteen days per year, depending on the length of service. Upon termination, employees will be paid for up to thirty days of accrued annual leave. 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. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.



STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

***D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Cont'd)***

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight line method if the difference is inconsequential.

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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

***D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Cont'd)***

**Fund Balance Classification Policies and Procedures:** For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

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

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

**Nonspendable Fund Balance:** At June 30, 2017, the nonspendable fund balance in the general fund and food service fund is made up of inventory in the amounts of \$52,791 and \$40,452 respectively. Inventory fund balance is not in spendable form.

**Restricted and Committed Fund Balance:** At June 30, 2017 the restricted fund balance on the governmental funds balance sheet is made up of \$1,660,356 for providing education to the students of the District, \$7,200 for teacher housing, \$78,655 for instructional materials, \$2,137,774 for food service program, \$3,962,014 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and 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, \$3,516,067 for the payment of principal and interest of the future debt service requirements, and \$137,595 for athletics administered within the District. The District has committed fund balance in the amount of \$3,351,757 for an anticipated budget deficit for the fiscal year 2017 and will budget beginning cash for this deficit.

**Minimum Fund Balance Policy:** The District does not have a policy for maintaining a minimum amount of fund balance for operations to help minimize any sudden and unplanned discontinuity to programs, operations or for unforeseen contingencies. However, at a minimum, the District's budget shall ensure that the District holds restricted cash reserves of \$300,000 for these unexpected contingencies.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

***D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Cont'd)***

**Net Position:** Equity is classified as net position and displayed in three components:

- (a) Net Investment in Capital Assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (b) Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 34 and 68 - 77. The government-wide statement of net position reports \$5,390,766 of restricted net position, all of which is restricted by enabling legislation.
- (c) Unrestricted Net Position: All other net position that does not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

**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.

***E. Revenues***

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

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 \$25,801,322 in state equalization guarantee distributions during the year ended June 30, 2017.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various schools for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department “State Adopted Instructional Material” list, while thirty percent of each allocation is available for purchases directly from vendors. The District’s are allowed to carry forward unused allocations from year to year. The District received \$86,825 in instructional materials revenue from the State for the year ended June 30, 2017.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

**E. Revenue (Cont'd)**

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and Capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$3,941,736 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2017. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive Student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$959,833 in transportation distributions during the year ended June 30, 2017.

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

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

During the year ended June 30, 2017, the District received no state special Capital outlay funds.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)**

***E. Revenue (Cont'd)***

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department).

The various budgets are approved by the Local School Board and the New Mexico Public Education Department. For this purpose, the government considers reimbursement grant revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The District also receives reimbursement under the National School Lunch and Breakfast for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as intergovernmental income.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***A. Budgetary Information***

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

These budgets are prepared on the Non-GAAP cash 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.

Actual expenditures may not exceed the budget at the function (or “series”) level per New Mexico Administrative Code 6.20.2.9. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a ‘series’ this may be accomplished with only local Board of Education approval. If a transfer between ‘series’ or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and is submitted for approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board must certify the budget. The school board meeting is open to the general public unless a closed meeting has been called.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**

**A. Budgetary Information**

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 Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget expenditures exclude encumbrances.

The appropriated budget for the year ended June 30, 2017, was properly amended by the District's Board of Education throughout the year.

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (2,704,915)	\$ (2,704,915)
Capital Improvements (SB-9) State	\$ (1,986,048)	\$ (1,986,048)
Debt Service	\$ (2,473,360)	\$ (2,473,360)
Non major Governmental Funds	\$ (1,592,388)	\$ (1,592,388)

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

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual budgetary comparison.

**NOTE 3. DEPOSITS AND INVESTMENTS**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2017.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS(CONT'D)**

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.

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

*Custodial Credit Risk – Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2017, \$20,029,084 of the District's bank balance of \$20,779,084 was exposed to custodial credit risk. \$11,626,267 was uninsured and collateralized by collateral held by the bank's trust department, not in the District's name, and \$8,402,817 was uninsured and uncollateralized at June 30, 2017.

	<u>Grants State Bank</u>	<u>Wells Fargo Bank</u>	<u>US Bank</u>	<u>Total</u>
Amount of deposits	\$ 11,929,479	\$ 8,584,134	\$ 265,471	\$20,779,084
FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>750,000</u>
Total uninsured public funds	<u>11,679,479</u>	<u>8,334,134</u>	<u>15,471</u>	<u>20,029,084</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>7,033,813</u>	<u>4,544,126</u>	<u>48,328</u>	<u>11,626,267</u>
Uninsured and uncollateralized	<u>\$ 4,645,666</u>	<u>\$ 3,790,008</u>	<u>\$ (32,857)</u>	<u>\$ 8,402,817</u>
Collateral requirement (50% of uninsured funds)	\$ 5,839,740	\$ 4,167,067	\$ 7,736	\$10,014,543
Pledged collateral	<u>7,033,813</u>	<u>4,544,126</u>	<u>48,328</u>	<u>11,626,267</u>
Over (under) collateralized	<u>\$ 1,194,073</u>	<u>\$ 377,059</u>	<u>\$ 40,592</u>	<u>\$ 1,611,724</u>

The collateral pledged is listed on Schedule IV on 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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)**

The District utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2017. Funds 24000 through 25000 are federal funds and 26000 through 31700 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2017:

<b>Fund</b>	<b>Amount</b>
Title I IASA (24101)	\$ 527,673
Entitlement IDEA-B (24106)	482,083
Competitive IDEA-B Title I IASA (24108)	486
Preschool IDEA-B (24109)	18,678
Title II IASA (Math/Science) (24115)	6,880
Fresh Fruits & Vegetables USDA (24118)	7,912
Reading Excellence (24147)	178
Title V Innovative Education Programs (24150)	1,476
English Language Acquisition (24153)	29,917
Teacher/ Principal Training & Recruiting (24154)	151,059
Safe & Drug Free Schools & Communities (24157)	105,619
Rural & Low Income Schools (24160)	50,634
Title I School Improvement (24162)	104,713
Reading First (24167)	37,106
Carl D. Perkins Secondary Current (24174)	29,868
Carl D. Perkins Redistribution Career & Tech (24176)	2,016
Carl Perkins HSTW Current (24180)	114
SIG School Improvement (24224)	3,137
Title I School Improvement Stimulus (24262)	264
GEAR UP NM State Initiative (25147)	22,954
GEAR UP NM State Initiative (25205)	85,607
Arts in Education (25221)	161,004
Dual Credit Instruction (27103)	9,022
2012 GO Bond Student Library (27107)	30,961
Technology for Education PED (27117)	1,372
TANF - Full Day Kindergarten(27136)	20,674
Pre- K Initiative (27149)	12,733
Indian Education Act (27150)	56,820
Beginning Teacher Mentoring Program (27154)	8,611
Breakfast in the Classroom (27155)	5,337
School Improvement Framework (27164)	1,391
Saturday School (27165)	6,909



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

Kindergarten- Three Plus (27166)	50,805
Science Instruction Materials K-12 (27176)	1,221
Center for Teaching Excellence (28156)	2,750
GEAR UP CHE (28178)	70,130
Capital Improvement SB-9 (31700)	<u>309,422</u>
<b>Total</b>	<b><u>\$ 2,417,536</u></b>

**Reconciliation to the Statement of Net Position**

The carrying amount of deposits shown above are included in the District's Statement of Net Position as follows:

Cash and cash equivalents- Governmental Activities Exhibit A-1	\$17,091,422
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	2,592,518
Fiduciary Funds - Exhibit D-1	<u>354,984</u>
Total cash and cash equivalents	20,038,924
Add: outstanding checks	1,038,929
Add: Other reconciling items	<u>(298,769)</u>
Bank balance of deposits	<u><u>\$20,779,084</u></u>

**NOTE 4. ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2017 are as follows:

	General Fund	Capital Improvement SB-9- State	Capital Improvement SB-9- Local	Debt service	Other Governmental Funds	Total
Property taxes receivable	\$ 39,640	\$ 179,359	\$	\$ 774,031	\$ 60,995	\$ 1,054,025
Due from other governments						
Federal sources					2,012,614	2,012,614
Other receivables	<u>5,513</u>				<u>5,936</u>	<u>11,449</u>
	<u><u>\$ 45,153</u></u>	<u><u>\$ 179,359</u></u>	<u><u>\$</u></u>	<u><u>\$ 774,031</u></u>	<u><u>\$ 2,079,545</u></u>	<u><u>\$ 3,078,088</u></u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$942,136, that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 5. INTERFUND RECEIVABLES AND PAYABLES**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. The composition of interfund balances during the year ended June 30, 2017 is as follows:

<b><u>Due from other funds</u></b>	<b><u>Amount</u></b>	<b><u>Due to other funds</u></b>	<b><u>Amount</u></b>
Major governmental funds		Major governmental funds	
11000-14000 - General Fund	\$1,350,939	11000-14000 - General Fund	\$ 316
31100 - Bond Building	834,768	31100 - Bond Building	412,499
31700-Capital Improvement SB-9 (State)	2,540,428	31700 - Capital Improvement SB-9 (State)	309,422
41000 - Debt Service Fund	<u>831,162</u>	31701-Capital Improvement SB-9 (Local)	<u>2,534,314</u>
Total major governmental funds	<u>5,557,297</u>	Total major governmental funds	<u>3,256,551</u>
Total non major governmental funds	<u>64,495</u>	Total non major governmental funds	<u>2,365,241</u>
Grand Total	<u><u>\$5,621,792</u></u>	Grand Total	<u><u>\$ 5,621,792</u></u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2017. Land and construction in progress are not subject to depreciation.

	Balance July 1, 2016	Additions	Balance June 30, 2017
Capital assets not being depreciated:			
Land	\$ 64,700	\$	\$ 64,700
Construction in progress	<u>9,750,580</u>	<u>1,409,219</u>	<u>11,159,799</u>
Total capital assets not being depreciated	<u>9,815,280</u>	<u>1,409,219</u>	<u>11,224,499</u>
Capital assets being depreciated:			
Land improvements	3,337,308		3,337,308
Building & improvements	81,345,322	24,516	81,369,838
Furniture, fixtures and equipment	<u>10,179,204</u>	<u></u>	<u>10,179,204</u>
Total capital assets being depreciated	<u>94,861,834</u>	<u>24,516</u>	<u>94,886,350</u>
Less accumulated depreciation for:			
Land improvements	(1,510,660)	(141,598)	(1,652,258)
Building & improvements	(31,069,541)	(1,750,671)	(32,820,212)
Furniture, fixtures and equipment	<u>(7,304,730)</u>	<u>(616,122)</u>	<u>(7,920,852)</u>
Total accumulated depreciation	<u>(39,884,931)</u>	<u>(2,508,391)</u>	<u>(42,393,322)</u>
Total capital assets, net of depreciation	<u>\$ 64,792,183</u>	<u>\$ (1,074,656)</u>	<u>\$ 63,717,527</u>

Depreciation expense was charged to Governmental activities as follows:

Government Activities	
Instruction	\$ 77,786
Support services-student	27,576
Support services- general administration	28,766
Food services operation	19,670
Central services	2,185,165
Operation and maintenance of plant	146,808
Student transportation	<u>22,620</u>
Total depreciation expenses	<u>\$ 2,508,391</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 7. LONG-TERM DEBT**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2017, are for governmental activities.

	<b>Series 5/15/2004</b>	<b>Series 11/15/2007</b>	<b>Series 11/15/2008</b>	<b>Series 11/15/2009</b>
Original Issue:	\$ 1,050,000	\$ 1,400,000	\$ 1,750,000	\$ 1,450,000
Maturity Date	10/1/2017	11/15/2017	11/15/2018	11/15/2018
Principal	October 1	November 1	November 1	November 1
Interest Rate	3.375-4.05%	3.55-6.00%	4.25-4.60%	2.00-3.60%
Interest	April 1 October 1	November 15 May 15	November 15 May 15	November 15 May 15

	<b>Series 10/15/2010</b>	<b>Series 4/15/2012</b>	<b>Series A 10/23/2012</b>	<b>Series 6/25/2014</b>
Original Issue	\$ 2,500,000	\$ 2,600,000	\$ 1,900,000	\$ 2,000,000
Maturity Date	10/15/2019	4/15/2020	11/15/2020	10/1/2026
Principal	October 15	April 15	November 15	October 1
Interest Rate	2.00-2.75%	1.30-200%	0.35-2.00%	2.00-2.35%
Interest	October 15 April 15	April 15 October 15	November 15 May 15	April 1 October 1

	<b>Series 10/01/2015</b>	<b>Series 10/01/2016</b>	<b>Series 10/01/2017</b>
Original Issue:	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000
Maturity Date	10/1/2027	10/1/2028	10/1/2027
Principal	October 1	October 1	October 1
Interest Rate	2.00-3.00%	2.00-3.00%	2.00-3.00%
Interest	April 1 October 1	April 1 October 1	April 1 October 1

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 7. LONG-TERM DEBT (CONT'D)**

Educational Technology Notes outstanding at June 30, 2017, are comprised of the following:

	<b>Series A 6/25/2014</b>
Original Issue:	\$ 1,000,000
Maturity Date	10/01/2019
Principal	October 1
Interest Rate	1.50-2.00%
Interest	April 1 October 1

**Governmental Activities:**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Due within one year</u>
General Obligation Bonds	\$13,635,000	\$ 5,000,000	\$ 865,000	\$ 17,770,000	\$ 2,250,000
Educational Technology Notes	725,000		290,000	435,000	295,000
Compensated Absences	<u>254,091</u>	<u>153,220</u>	<u>171,477</u>	<u>235,834</u>	<u>171,477</u>
Total Long-Term Debt	<u>\$14,614,091</u>	<u>\$ 5,153,220</u>	<u>\$ 1,326,477</u>	<u>\$ 18,440,834</u>	<u>\$ 2,716,477</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2017 including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 2,250,000	\$ 390,447	\$ 2,640,447
2019	3,435,000	301,021	3,736,021
2020	2,445,000	230,851	2,675,851
2021	1,360,000	184,202	1,544,202
2022	1,215,000	161,564	1,376,564
2023-2027	5,950,000	445,370	6,395,370
2028-2029	<u>1,115,000</u>	<u>20,450</u>	<u>1,135,450</u>
	<u>\$ 17,770,000</u>	<u>\$ 1,733,905</u>	<u>\$ 19,503,905</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 7. LONG-TERM DEBT (CONT'D)**

The annual requirements to amortize the Educational Technology Notes as of June 30, 2017 including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2018	\$ 295,000	\$ 5,750	\$ 300,750
2019	70,000	2,100	72,100
2020	70,000	700	70,700
	<u>\$ 435,000</u>	<u>\$ 8,550</u>	<u>\$ 443,550</u>

**Compensated Absences** – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences decreased \$18,257 from the prior year accrual.

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Therefore, the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery, and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$1,794,843 for each property damage claim with a \$15,000 deductible per each occurrence and a building contents limit of \$1,020,814 with a \$750 deductible per occurrence. General liability coverage is afforded to all employees, volunteers, and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance, Depositor’s Forgery, Credit Card Forgery, Money Order, and Money and Securities, which include a \$750 deductible.

In case the NMPSIA’s assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. No settlements exceeded insurance coverage for 2017.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 9. DEFICIT FUND BALANCES AND BUDGET NONCOMPLIANCE**

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

- A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2017:

**Nonmajor Fund:**

Gear up NM State Initiatives 25205	21
Pre K Initiative 27149	1,489
Indian Education Act 27150	26,571
STEM & Hard to Staff Fund 27195	8,649
<b>Total all funds</b>	<b>\$ 36,730</b>

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2017

**Major Funds**

<u>Operational Fund</u>	
Personnel	\$ 201,442
Central Services	42,227
School Nutrition Warehouse	21,146
Staff	10,822
Superintendent Office	236,451
Nursing	14,108
Technology	302,010
Technology Admin	107,381
Testing	94,166
<u>Techerage Fund</u>	
Operation And Maintenance Of Plant	1,518
<u>Debt Service Fund</u>	
Support Services-General Administration	15,660
<b>Total Major Funds</b>	<b>\$ 1,046,931</b>

**Non-Major Funds**

<u>Title I - IASA Special Revenue Fund</u>	
Federal Programs	108,605
Technology	9,657
Testing	8,261
<u>New Instructional Support Special Revenue Fund</u>	
Student Transportation	\$ 415
<u>Indian Ed- Title VII Special Revenue Fund</u>	
Support Services-General Administration	362
<u>New Mexico Autism Project Special Revenue Fund</u>	
Support Services-General Administration	77
<u>Title XIX Medicaid 3/21 Years Special Revenue Fund</u>	
Support Services-General Administration	54,687

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 9. DEFICIT FUND BALANCES AND BUDGET NONCOMPLIANCE (CONT'D)**

Support Services-Students	82,977
<u>Gear Up NM State Initiatives Special Revenue Fund</u>	
Instruction	7,212
<u>Indian Education Act Special Revenue Fund</u>	
Support Services-General Administration	125
<u>Ed Tech Debt Service Fund</u>	
Support Services-General Administration	3,142
Total Nonmajor Funds	<u>\$ 275,520</u>
Total All Funds	<u>\$ 1,322,451</u>

C. Designated cash appropriations. The following fund had designated cash appropriations in excess of available balances for the year ended June 30, 2017:

**Major Funds**

Debt Service Fund	\$ 1,169,068
Total Major Funds	<u>\$ 1,169,068</u>

**Nonmajor Funds**

Kindergarten-Three Plus Special Revenue Fund	\$ 390,167
Public School Capital Outlay Fund	6
Education Technology Equipment Act Fund	43,274
Total Nonmajor Funds	<u>433,447</u>

**Total all funds** \$ 1,602,515



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

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

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

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

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-112, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

**Benefits provided.** A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

**Summary of Plan Provisions for Retirement.** 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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 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.

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

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

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

**Benefit Options.** The Plan has three benefit options available.

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

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

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

**Cost of Living Adjustment (COLA)** – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013

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 1.8%. 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 1.9%. 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.

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

**Contributions.** For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

<b>Fiscal Year</b>	<b>Date Range</b>	<b>Wage Category</b>	<b>Member Rate</b>	<b>Employer Rate</b>	<b>Combined Rate</b>	<b>Increase Over Prior Year</b>
2017	7-1-16 to 6-30-17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7-1-16 to 6-30-17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7-1-15 to 6-30-16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7-1-15 to 6-30-16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, the District paid employee and employer contributions of \$1,998,915 and \$2,839,510, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2017, the District reported a liability of \$51,915,072 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The District’s proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined.

At June 30, 2016, the District’s proportion was 0.72140 percent, which was a decrease of 0.00422% from its proportion measured as of June 30, 2015. For the year ended June 30, 2017, the District recognized pension expense of \$3,963,245. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 225,227	\$ 493,778
Changes of assumptions	1,056,783	-
Net difference between projected and actual earnings on pension plan investments	3,098,898	-
Changes in proportion and differences between District contributions and proportionate share of contribution	-	1,119,413
District's contributions subsequent to the measurement date	<u>2,839,510</u>	<u>-</u>
Total	<u>7,220,418</u>	<u>1,613,191</u>

\$2,839,510 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2018	\$ 61,932
2019	537,984
2020	1,412,104
2021	<u>755,697</u>
Total	<u>\$ 2,767,717</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service.
Average of Expected Remaining Service Lives	3.77 years.
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.
Investment Rate of Return	7.75% compounded annually, net of expenses. This is made up of a 3.00% inflation rate and a 4.75 real 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.) developed for each major asset class.
Cost-of-living increases	2% per year, compounded annually.
Payroll growth	3.5% per year (with no allowance for membership growth).
Contribution accumulation	5% increase per year for all years prior to the valuation date. (Contributions are credited with 4.0% interest, compounded annually, applicable to the account balance in the past as well as the future).
Disability Incidence	Approved rates applied to eligible members with at least 10 years of service.
Mortality	<p><b>Healthy males:</b> Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB.</p> <p><b>Healthy females:</b> Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p> <p><b>Disabled males:</b> RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB. Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p><b>Active members:</b> RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

The actuarial assumptions and methods are set by the Plan’s Board of Trustees, based upon recommendations made by the Plan’s actuary. The Board adopted new assumptions on June 12, 2015 in conjunction with the six-year actuarial experience study period ending June 30, 2014. At that time, the Board adopted several assumption changes, which included a decrease in the annual wage inflation rate from 4.25% to 3.75%, and changes to the mortality rates, disability rates, and retirement rates for members who joined the plan after June 30, 2010. In addition, the board lowered the population growth rate assumption to zero.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	35 %	
Fixed Income	28	
Alternatives	36	
Cash	<u>1</u>	
Total	<u>100 %</u>	<u>7.75 %</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONT'D)**

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2016. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

ERB Fund Division (A)	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	<u>\$ 68,760,307</u>	<u>\$ 51,915,072</u>	<u>\$ 37,938,286</u>

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

**Payables to the pension plan.** The District doesn't have any amount due to the plan as on June 30, 2017.

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

**Plan Description.**

The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, 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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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 event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**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 if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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 RHCA 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 plans 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, 2017, 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, 2017, the statute required each participating employer to contribute 2.0% 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 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.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

The District's contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$408,765, \$412,107 and \$412,946 respectively, which equal the required contributions for each year.

**NOTE 12. CONTINGENT LIABILITIES**

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

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

**NOTE 13. SUBSEQUENT EVENT**

The District has evaluated subsequent events through November 13, 2017, the date which the financial statements were available to be issued.

**NOTE 14. CONCENTRATIONS**

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

**NOTE 15. COMMITMENTS**

The District has issued a construction notice of award and notice to proceed for the Laguna Acoma High School Track and Turf Replacement as well as Drainage Improvement that are committed to complete totaling approximately \$1,299,890 as of June 30, 2017. The funding to cover these commitments is through unspent bond proceeds, capital grants, and cash reserves.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 16. GASB 77 DISCLOSURES**

**Tax Abatement Disclosures:** The District has implemented the Governmental Accounting Standards Board (GASB) Statement number 77, Tax Abatement Disclosures, which became effective for reporting periods beginning after December 15, 2015. 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.

The District is not a taxing authority and does not create, or enter into, any tax abatement agreements. However, the School District's tax revenue can be directly impacted by tax abatement agreements entered into by taxing authorities, such as the Cibola County government. The County did not provide the tax abatement disclosure to the school district. The following table outlines the available information regarding the tax abatement agreement during the year ending June 30, 2017.

Agency number for Agency making the disclosure (Abating Agency)	5033
Abating Agency Name	Cibola County
Abating Agency Type	Counties
Tax Abatement Agreement Name	Wind Power generation project and facilities
Name of agency affected by abatement agreement (Affected Agency)	Grants/ Cibola County Schools
Agency number of Affected Agency	7038
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Red Mesa Wind, LLC
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA 7-37-6
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	Unknown
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	312,500
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

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS**

Schedule I

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.7214%	0.72562%	0.7459%
District's proportionate share of the net pension liability (asset)	\$ 51,915,072	\$ 47,000,340	\$ 42,559,608
District's covered-employee payroll	20,428,900	19,811,750	20,560,036
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.13%	237.23%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	63.97%	66.54%

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

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS**

Schedule II

SCHEDULE OF CONTRIBUTIONS  
EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN  
FOR THE YEAR ENDED JUNE 30, 2017

Educational Retirement Board (ERB) Pension Plan

	2017	2016	2015
Contractually required contribution	2,839,510	2,863,578	2,868,248
Contributions in relation to the contractually required contribution	2,839,510	2,863,578	2,868,248
Contribution deficiency (excess)	-	-	-

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

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017

***Changes of benefit terms and assumptions.*** There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than the expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS**

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

**Food Service (21000)**- This fund is used to account for income from lunch sales and provide for the operating expenses of the school lunch and breakfast program. Funding is provided by user charges and reimbursements under the National School Breakfast Programs.

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

**Non-Instructional Support (23000)**- To account for budgeted revenues and expenditures which relate to student activities other than athletics.

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

**Title I Capital Expense IASA (24104)**- To account for grant funds provided to the District for the purpose of meeting the educational needs of the handicapped. Funding authority is the US Department of Education. (P.L. 94-142).

**Title I Program Improvement IASA (24105)**- To account for resources provided to the District for the purpose of meeting the educational needs of the handicapped. Funding authority is the US Department of Education (P.L. 94-142).

**Entitlement IDEA-B (24106 and 24206)**- To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420.

**Discretionary IDEA-B (24107)**- The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**IDEA-B Competitive (24108)**– The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

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

**Title II IASA (Math/Science) (24115)**– The objective of this act is to provide federal funds for the purpose of strengthening the skills of teachers in the areas of mathematics and science. Program resources are utilized for the development of instructional materials and training of teachers in the secondary schools for utilizing these materials. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965, Title II, Part A, Public Law 100-208, as amended, Public Law 01-589.

**Fresh Fruits & Vegetables USDA (24118)**- To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

**IDEA-B “Risk Pool” (24120)**– Funding for students with disabilities who are parentally placed in private elementary and secondary schools (equitable participation services) located in the school district. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420.

**Title I 1003g Grant (24124)**- To fund research-based core academic programs, results-based interventions, or professional development aimed at improving instructional practices and programs with the intent to help schools demonstrate improvement greater than chance in academic achievement by one or more subgroups in math or reading or both.

**Learn & Services (CNCS) (24126)**– To account for a program funded by project grants. The program encourages elementary and secondary schools and community-based agencies to create, develop and offer service-learning opportunities for school-age youth: educate teachers about service-learning and incorporate service-learning opportunities into classrooms to enhance academic learning; coordinate adult volunteers in schools; and introduce young people to a board range of careers and encourage them to pursue further education and training. The National and Community Service Trust Act of 1993 and the Higher Education Act of 1965 authorize this program.

**Title IV Drug Free Schools & Comm/Ed (24128)**– To account for the operations to promote drug use prevention education, intervention and rehabilitation referral in public schools. Funding authority is the U.S. Department of Education (P.L. 103-382).

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**Enhancing Education Through Technology (24133)**– To account for a federal grant designed to strengthen teacher learning in the field of technology.

**Comprehensive School Reform (24135)**– To stimulate school wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the New Mexico Public Education Department.

**Class Size Reduction Act (24137)**– This is a flow-through grant that provides federal funding for the purpose of hiring additional classroom teachers for grades K-3 in order to reduce the pupil-teacher ratio in early childhood classrooms. Funding is through the New Mexico Public Education Department. (P.L. 105-227).

**Reading Excellence (24147)**– To purchase technology hardware to implement the Star Online Professional Development Project (NM Public Education Department, PSAB Supp.3).

**Title V Innovative Education Program (24150)**– To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. The authority for creation of this fund is Elementary and Secondary Education Act of 1965, Title V, Part A, as amended, 20 U.S.C. 7301-7373.

**English Language Acquisition (24153)**– To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. (P.L. 100-77).

**Teacher/Principal Training & Recruiting (24154)**– To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. Funding authority is the Public Education Department.

**Indian Education Title VII (24155)**– The purpose of the Indian Education Formula Grants program is to assist LEA Indian tribes and others to provide Indian students with the opportunity to meet the same challenging state standards as all other students and meet the special educational and culturally related academic need of the American Indian. Authority for the creation of this fund is the New Mexico Public Education Department.

**Safe & Drug Free Schools & Communities (24157)**– To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. The authority for creation of this fund is the Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

**Rural & Low Income Schools (24160)**– To account for funds used to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**Title I School Improvement (24162)**– To improve educational opportunities for educationally deprived children in the Middle Schools under the same provisions as Title I. Authority is Public Law 100-297.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**Reading First (24167)**– The objective of this program is to enhance reading proficiency for K-3 students. Authority for creation is Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

**Carl D. Perkins Tech Prep. – PY Unliq. Obligations (24169)**– The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricular that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Public Education Department. Authority for creation of fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Carl D. Perkins Secondary–Current (24174)**- To provide federal funds to expand and improve vocational education programs and to provide equal access in vocational education to special needs populations. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1998, as amended, Public Law 105-332.

**Carl D. Perkins Redistribution Career and Technical Ed. (24176)**– The purpose of this program is to provide professional development in the non traditional career paths chosen by students. Monies are from carry over of prior year program.

**Carl D Perkins HSTW-Current (24180)** - The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Carl D. Perkins HSTW – PY Unliq. Obligations (24181)**– To provide support for teacher preparation and effectiveness for student achievement. Monies are for carryover of the prior year program.

**Title I - IASA - Federal Stimulus (24201)**- Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for atrisk students and close the achievement gaps while also stimulating the economy.

**Entitlement IDEA-B - Federal Stimulus (24206)**– To account for the American Recovery Reinvestment Act of 2009 (ARRA) funding for Entitlement IDEA-B to meet the educational needs of the District. American Recovery and Reinvestment Act of 2009.

**SIG School Improvement (24224)**– Funded through the American Recovery and Reinvestment Act (ARRA) of 2009. This funding is to be used in conjunction with school improvement strategies and activities consistent. The funds must be expended in accordance with the American Recovery Act of 2009 language.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**Title I School Improvement Stimulus (24262)**– To provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Title IX Indian Ed (25115)**– To account for resources provided for improvement of education of Native Americans.(ESEA, Indian Education).

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

**Impact Aid Indian Education (25147)**- To account for resources provided to the Schools which are to be used for supplemental special education for students in federally impacted areas. Funding is provided by PL 81-874.

**GRADS Child Care CYFD (25149)**– To account for an agreement between Eastern New Mexico University and the District to provide child care services in conjunction with the Graduation, Reality and Dual Role Skills Program. Funding is provided by State of New Mexico Children, Youth and Families Department.

**Title XIX Medicaid 3/21 Years (25153)**– To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

**Bilingual Ed Dev & Implementation Grant (25161)**– To account for bilingual education programs of the District. Funding authority is the U.S. Department of Education (Improving America's Schools Act of 1994, P.L. 103-382).

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**TANF/GRADS HSD (25162)**– To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

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

**ROTC Fund (25200)** This fund is used to provide financial assistance to School Districts to reimburse a portion of the salaries paid to R.O.T.C. instructors. The funding is provided by the U.S. Marine Corps.

**GEAR UP NM State Initiatives (25205)**– To provide students from middle school to high school to gain early awareness and readiness for college undergraduate programs. This is a long-term project for improving the college-and career-readiness of our students. Authority for the creation of this fund is the Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 2.

**Arts in Education (25221)**– The fine arts education program includes programs of education through which students participate in activities relative to visual arts, music, theater and dance. Authority for creation of this fund is the New Mexico Public Education Department.

**US West Foundation (26133)** – To account for private grants.

**Save the Children (26143)**- The purpose is to provide improved reading intervention through in-school and after school activities, improve the academic performance of students at risk of failure due to poor reading skills. Authority for creation of this fund is the New Mexico Public Education Department.

**Dual Credit Instruction (27103)**– The purpose of this program is to provide reimbursement for approved dual credit course materials. Authority for the creation of this fund is the New Mexico Public Education Department.

**2012 G.O. Bond Student Library Fund (27107)** – This award allows schools to acquire library books, equipment and library resources for public school libraries statewide. The funding was made available through Senate Bill 66, Laws of 2012, 2nd Session, 2012 Senate and House Bill.

**New Mexico Reads to Lead K-3 (27114)**– Funding received through the State of New Mexico Public Education Department to provide reading initiatives for K-3 grades. Funding will provide intervention, specific materials, and data analysis targeted for improving reading for K-3 students.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**TANF PED School-aged Child Care (27115)**– For material and support for the before-school program, breakfast club, afterschool tutoring, home tutoring, and summer programs that include 5-8 year old children of needy families on temporary assistance. Funding is provided by the University of New Mexico Educational Foundations Student Services Center.

**Technology for Education PED (27117)** - The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-ISA-1 to 22-ISA-10.

**TANF - Full Day Kindergarten (27136)**– The purpose of this grant is to provide educational instruction for full-day kindergarten. Authority for the creation of this fund is the New Mexico Public Education Department.

**Incentives for School Improvement Act PED (27138)**– To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

**Libraries - G. O. Bonds – Laws of NM 2005 (27145)**– In the November 2006 election, New Mexico voters approved GO Bond to fund public school and juvenile detention libraries statewide. Statute specifies that the funds are available to acquire library books, equipment and library resources for public school and juvenile detention libraries.

**Federal Relief (27147)**– To account for monies received from the State of New Mexico for Support Services for Urban American Indian Students. Used to implement an effective tutoring program to increase academic achievement and provide culturally relevant learning experiences for Urban American Indian students.

**Pre - K Initiative (27149)**– To account for monies received from the State of New Mexico to be used to provide direct services to children in Pre-Kindergarten programs. Authority for the creation of this fund is the New Mexico Public Education Department.

**Indian Education Act (27150)**– To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

**Mid-School Tutoring & Student Enhancement (27153)**– To account for funds used for tutoring students (NM Public Education Department, PSAB Supp. 3).

**Beginning Teacher Mentoring Program (27154)**- To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**Breakfast in the Classroom (27155)**– To account for Legislative Appropriation to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation. Authority for the creation of this fund is the New Mexico Public Education Department.

**School Improvement Framework (27164)**– Funds will enable the District to act as one of three Regional Quality Centers to provide program development, implementation, training, oversight and funding distribution services to the three Regional Quality Centers. Authority for the creation of this fund is the New Mexico Public Education Department.

**Saturday Schools (27165)**- To provide funds for college readiness and high school redesign initiative.

**Kindergarten - Three Plus (27166)**– Funds allow for an extended school year for Kindergarten through third grade students. The program focuses on acclimating young students to the structure of a classroom environment and spending additional time to prepare them for the next grade. Authorized by the New Mexico Public Education Department.

**Science Instruction Materials K-12 (27176)**– These state appropriated funds are for the purchase of science instructional material for grades 6-8. Authority for the creation of this fund is the New Mexico Public Education Department.

**2013 School Bus (27178)**– To account for an award to purchase or replace school busses. The authority for creation of this fund is the New Mexico Public Education Department.

**Early Warning System/Dropout Prevention (27191)**– Funds awarded to the District by the New Mexico Public Education Department's College and Career Readiness Bureau for the purpose of project oversight and support as an early adopter school for the Early Warning System (EWS) at the District. Authority for creation of this fund is provided by the New Mexico Public Education Department (NMPED).

**STEM & Hard to Staff Fund (27195)**- To provide a stipend per year to qualified STEM (grades 7-12), Special Education (K-12), Bilingual (K-12), or other hard-to-staff teaching positions to serve in low performing (D/F), urban or rural schools and to provide funding to recruit hard-to-staff experts to teach in hard-to-staff schools or to attract and retain the teachers in low-performing schools.

**Library Books (27549)**– Funds awarded to the District by the Instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books.

**Health Dept - Child Care Center (28117)**– To provide before and after school child care services for teens in the District. The grant supplements GRADS and is provided from the New Mexico Department of Public Health and Human Services. (P.L. 104- 193).

**Coordinated Approach to Child Health (28140)**- To account for a program used to enhance science and math education (NM Dept. of Ed., PSAB. Supp. 3).

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**SPECIAL REVENUE FUNDS - (Cont'd)**

**Center for Teaching Excellence (28156)**– The objective of this program is to provide state funds provided by the Center for Teaching Excellence to specific teachers in the Schools. The expenditure of the funds is restricted to items in the grant application. Authority for creation for this fund is in the New Mexico Public Education Department School District Policies and Procedures Manual.

**AP New Mexico Incentive Funding (28168)**- To provide textbooks and materials for advanced placement at various schools. Funding by the New Mexico Public Education Department.

**GEAR-UP CHE (28178)**– The purpose of this grant is to increase the number of low-income students who, upon graduation from high school, have the skills and knowledge to succeed in college.

**GRADS Child Care (28189)**– This fund provides the District through a direct appropriation to provide licensed Child Care Services for Parenting Teens in conjunction with HS Graduation, Reality and Dual Role Skills program. Special Revenue fund established by the local school board.

**GRADS - Instruction (28190)**– To assist in the cost for caps and gowns for students who are graduating. Special Revenue fund established by the local school board.

**Private Dir Grants (29102)**– To account for local grants awarded to provide additional funding for specific projects. Authority for the creation of this fund is the New Mexico Public Education Department.

**RE: Learning New Mexico (29112)**– To account for resources used in the program called RE: Learning New Mexico. (NM Public Education Department, PSAB Supp. 3).

**Industrial Revenue Bonds Payments in Lieu of Taxes (29135)** – Funds received from a Solar Facility located in the District. Funds are for student instruction support. Authority for creation of this fund is the New Mexico Public Education Department.

**CAPITAL PROJECT FUNDS**

Capital projects funds are used to account for acquisition and construction of major facilities other than those financed by proprietary funds and trust funds.

**Public School Capital outlay (31200)**– To account for Critical Capital outlay funds and other special Capital outlay funds received from the State of New Mexico.

**Energy Efficiency Act (31800)**– To account for school projects designed to increase the efficiency of the District's buildings. The legislation allows the District to incur long-term contracts to complete these projects. Savings from the modifications made are used to fund the projects. This was approved by the Public Building Energy Efficiency Act (6-21-1 to 6-23-10, NMSA 1978).

**Educational Technology Equipment Act (31900)**– To account for funding which is to be used by the District to promote the comprehensive integration of advances technologies in education setting, through the conduct of technical assistance, professional development, information and resource dissemination and collaboration activities. Authorization is NMSA 22- 15A-1.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2017**

**DEBT SERVICE FUNDS**

Debt service funds are used to account for the payment of the District's long-term debt principal and interest, and to account for the revenues which are dedicated to pay that debt.

**Ed Tech Debt Service (43000)** – To account for the accumulation of designated financial resources for, and the payment of, debt principal and interest related to the District's Educational Technology notes. Authority for the creation of this fund is the Educational Technology Equipment Act, NMSA 1978; Sections 6-15-1 to 6-15A-16.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds			
	21000-Food Services	22000- Athletics	23000-Non- Instructional Support	24101-Title I - IASA
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 2,218,357	\$ 137,714	\$ 352,796	\$ 78,851
Property taxes receivable				
Due from other governments				513,940
Inventory	40,452			
Due from other funds		245	13,072	15,831
Other receivables				
Total assets	<u>2,258,809</u>	<u>137,959</u>	<u>365,868</u>	<u>608,622</u>
<b>LIABILITIES</b>				
Accounts payable	30,000	360	44,000	2,099
Accrued payroll	40,232	4	1,799	78,850
Unearned revenue				
Due to other funds	<u>10,351</u>	<u></u>	<u></u>	<u>527,673</u>
Total liabilities	<u>80,583</u>	<u>364</u>	<u>45,799</u>	<u>608,622</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes				
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>				
Non-spendable:				
Inventories	40,452			
Spendable:				
Restricted for:				
Education			320,069	
Food service program	2,137,774			
Extra-curricular activities		137,595		
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	<u>2,178,226</u>	<u>137,595</u>	<u>320,069</u>	<u>0</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,258,809</u>	<u>\$ 137,959</u>	<u>\$ 365,868</u>	<u>\$ 608,622</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds			
	24104-Title I Capital Expense IASA	24105-Title I Program Improvement IASA	24106- Entitlement IDEA-B	24107- Discretionary IDEA-B
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 1,531	\$ 15,000	\$ 28,847	\$ 5,000
Property taxes receivable				
Due from other governments			493,670	
Inventory				
Due from other funds				
Other receivables				
	<u>1,531</u>	<u>15,000</u>	<u>522,517</u>	<u>5,000</u>
<b>LIABILITIES</b>				
Accounts payable				
Accrued payroll			28,848	
Unearned revenue				
Due to other funds	<u>1,531</u>	<u>15,000</u>	<u>493,669</u>	
Total liabilities	<u>1,531</u>	<u>15,000</u>	<u>522,517</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes				
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>				
Non-spendable:				
Inventories				
Spendable:				
Restricted for:				
Education				5,000
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,531</u>	<u>\$ 15,000</u>	<u>\$ 522,517</u>	<u>\$ 5,000</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24108-IDEA-B Competitive	24109- Preschool IDEA-B	24115-Title II IASA (Math/Science)
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	1 \$
Property taxes receivable			
Due from other governments	2,095	33,009	6,880
Inventory			
Due from other funds			
Other receivables			
Total assets	2,095	33,010	6,880
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	2,095	33,010	6,880
Total liabilities	2,095	33,010	6,880
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,095	\$ 33,010	\$ 6,880

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24118-Fresh Fruits & Vegetables USDA	24120-IDEA - B "Risk Pool"	24124-Title I 1003g Grant
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$ 264
Property taxes receivable			
Due from other governments	8,205		
Inventory			
Due from other funds			
Other receivables			
Total assets	8,205	0	264
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	8,205		264
Total liabilities	8,205	0	264
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 8,205	\$ 0	\$ 264

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24126-Learn & Services (CNCS)	24128-Title IV Drug Free Schools & Comm/Ed	24133- Enhancing Education Through Technology
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 55	\$ 7,100	\$ 14,057
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	55	7,100	14,057
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	55	7,100	14,057
Total liabilities	55	7,100	14,057
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 55	\$ 7,100	\$ 14,057

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24135- Comprehensive School Reform	24137-Class Size Reduction Act	24147-Reading Excellence
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 2,309	\$ 48,732	\$
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	2,309	48,732	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	2,309	48,732	
Total liabilities	2,309	48,732	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,309	\$ 48,732	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24150-Title V Innovative Education Program	24153- English language Acquisition	24154- Teacher/Principal Training & Recruiting
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$ 37	\$ 3,611
Property taxes receivable			
Due from other governments	125	10,887	126,617
Inventory			
Due from other funds			
Other receivables			5,936
Total assets	125	10,924	136,164
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll		37	3,610
Unearned revenue			
Due to other funds	125	10,887	132,554
Total liabilities	125	10,924	136,164
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 125	\$ 10,924	\$ 136,164

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24155-Indian Education Title VII	24157-Safe & Drug Free Schools & Communities	24160-Rural & Low Income Schools
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 65,666	\$	\$ 201
Property taxes receivable			
Due from other governments	29,668		41,346
Inventory			
Due from other funds			
Other receivables			
Total assets	95,334	0	41,547
<b>LIABILITIES</b>			
Accounts payable	13		
Accrued payroll	4,235		200
Unearned revenue			
Due to other funds	91,086		41,347
Total liabilities	95,334	0	41,547
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 95,334	\$ 0	\$ 41,547

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24162-Title I School Improvement	24167- Reading First	24169-Carl D. Perkins Tech Prep. - PY Unliq. Obligations
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$ 5,379
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	0	0	5,379
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds			5,379
Total liabilities	0	0	5,379
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 0	\$ 5,379

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24174-Carl D. Perkins Secondary - Current	24176-Carl D. Perkins Redistribution Career and Technical Ed.	24180-Carl Perkins HSTW Current
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$
Property taxes receivable			
Due from other governments	30,739	10,276	
Inventory			
Due from other funds			114
Other receivables			
Total assets	30,739	10,276	114
<b>LIABILITIES</b>			
Accounts payable	500	8,820	
Accrued payroll			
Unearned revenue			
Due to other funds	30,239	1,456	114
Total liabilities	30,739	10,276	114
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 30,739	\$ 10,276	\$ 114

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24181-Carl D. Perkins HSTW - PY Unliq. Obligations 24181	24201-Title I - IASA - Federal Stimulus	24206- Entitlement IDEA-B - Federal Stimulus
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 22,297	\$ 2,250	\$ 70
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	22,297	2,250	70
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	22,297	2,250	70
Total liabilities	22,297	2,250	70
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 22,297	\$ 2,250	\$ 70

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	24224-SIG School Improvement	24262-Title I School Improvement Stimulus	25115-Title IX Indian Ed
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$ 1,135
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>          0</u>	<u>          0</u>	<u>      1,135</u>
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	<u>          </u>	<u>          </u>	<u>      1,135</u>
Total liabilities	<u>          0</u>	<u>          0</u>	<u>      1,135</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>          0</u>	<u>          0</u>	<u>          0</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>          0</u>	<u>          0</u>	<u>          0</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>      \$      0</u>	<u>      \$      0</u>	<u>      \$   1,135</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	25145-Impact Aid Special Education	25147-Impact Aid Indian Education	25149-Grads Child Care CYFD
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 23,027	\$ 27,631	\$ 5,468
Property taxes receivable			
Due from other governments	172,186	177,190	
Inventory			
Due from other funds		32,346	
Other receivables			
Total assets	195,213	237,167	5,468
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll	5,879	27,631	
Unearned revenue			
Due to other funds	3,698	22,954	5,468
Total liabilities	9,577	50,585	5,468
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education	185,636	186,582	
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	185,636	186,582	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 195,213	\$ 237,167	\$ 5,468

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	25153-Title XIX Medicaid 3/21 Years	25161- Bilingual Ed Dev & Implementation Grant	25162- TANF/GRAD S HSD
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 483,246	\$ 36,647	\$ 1,423
Property taxes receivable			
Due from other governments	71,417		
Inventory			
Due from other funds			
Other receivables			
Total assets	554,663	36,647	1,423
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll	21,402		
Unearned revenue			
Due to other funds		36,647	1,423
Total liabilities	21,402	36,647	1,423
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education	533,261		
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	533,261	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 554,663	\$ 36,647	\$ 1,423

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	25184-Indian Education Formula Grant	25200-ROTC	25205-Gear up NM State Initiatives
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 162,161	\$ 139,324	\$ 9,092
Property taxes receivable			
Due from other governments		848	90,816
Inventory			
Due from other funds			
Other receivables			
	<u>162,161</u>	<u>140,172</u>	<u>99,908</u>
<b>Total assets</b>			
	<u>162,161</u>	<u>140,172</u>	<u>99,908</u>
<b>LIABILITIES</b>			
Accounts payable			4,200
Accrued payroll		3,241	9,092
Unearned revenue			
Due to other funds	162,161	134,450	86,637
	<u>162,161</u>	<u>137,691</u>	<u>99,929</u>
<b>Total liabilities</b>			
	<u>162,161</u>	<u>137,691</u>	<u>99,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total deferred inflows of resources</b>			
	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education		2,481	
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			(21)
	<u>0</u>	<u>2,481</u>	<u>(21)</u>
<b>Total fund balance</b>			
	<u>0</u>	<u>2,481</u>	<u>(21)</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>			
	<u>\$ 162,161</u>	<u>\$ 140,172</u>	<u>\$ 99,908</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	25221-Arts in Education	26133-US West Foundation	26143-Save the Children
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$ 75	\$ 11,414
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	0	75	11,414
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds		75	11,414
Total liabilities	0	75	11,414
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 75	\$ 11,414

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27103-Dual Credit Instruction	27107-2012 G.O. Bond Student Library Fund	27114-New Mexico Reads to Lead K-3
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$
Property taxes receivable			
Due from other governments	15,224	30,961	
Inventory			
Due from other funds			
Other receivables			
Total assets	15,224	30,961	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	9,022	30,961	
Total liabilities	9,022	30,961	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education	6,202		
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	6,202	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 15,224	\$ 30,961	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27115-TANF PED School- aged Child Care	27117- Technology for Education PED	27136-TANF - Full Day Kindergarten
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 61,844	\$	\$
Property taxes receivable			
Due from other governments	46,781		
Inventory			
Due from other funds			
Other receivables			
Total assets	108,625	0	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds			
Total liabilities	0	0	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education	108,625		
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	108,625	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 108,625	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
		27145- Libraries - G. O. Bonds – Laws of NM 2005	27147- Federal Relief
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 75,452	\$ 135	\$ 6,000
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	75,452	135	6,000
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	75,452	135	6,000
Total liabilities	75,452	135	6,000
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 75,452	\$ 135	\$ 6,000

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27149-Pre - K Initiative	27150-Indian Education Act	27153-Mid- School Tutoring & Student Enhancement
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 22,057	\$	\$ 20,040
Property taxes receivable			
Due from other governments	12,122	30,249	
Inventory			
Due from other funds			
Other receivables			
Total assets	34,179	30,249	20,040
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll	22,057		
Unearned revenue			
Due to other funds	13,611	56,820	20,040
Total liabilities	35,668	56,820	20,040
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	(1,489)	(26,571)	
Total fund balance	(1,489)	(26,571)	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 34,179	\$ 30,249	\$ 20,040

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27154- Beginning Teacher Mentoring Program	27155- Breakfast in the Classroom	27164- School Improvement Framework
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$
Property taxes receivable			
Due from other governments		5,337	
Inventory			
Due from other funds			
Other receivables			
Total assets	0	5,337	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds		5,337	
Total liabilities	0	5,337	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 5,337	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27165- Saturday School	27166- Kindergarten - Three Plus	27176- Science Instruction Materials K- 12
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$ 20,536	\$
Property taxes receivable			
Due from other governments		50,805	1,221
Inventory			
Due from other funds			
Other receivables			
Total assets	0	71,341	1,221
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll		20,536	
Unearned revenue			
Due to other funds		50,805	1,221
Total liabilities	0	71,341	1,221
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 71,341	\$ 1,221

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27178-2013 School Bus	27191-Early Warning Systems/Dro pout Preventi on	27195-STEM & Hard to Staff Fund
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	0	0	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			8,649
Due to other funds			
Total liabilities	0	0	8,649
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			(8,649)
Total fund balance	0	0	(8,649)
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	27549- Library Books	28117-Health Dept - Child Care Center	28140- Coordinated Approach to Child Health
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 10,828	\$ 98,716	\$ 4,500
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	10,828	98,716	4,500
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds	10,828	98,716	4,500
Total liabilities	10,828	98,716	4,500
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 10,828	\$ 98,716	\$ 4,500

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds		
	28156-Center for Teaching Excellence	28168-AP New Mexico Incentive Funding	28178-Gear- up CHE
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$ 176	\$
Property taxes receivable			
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	0	176	0
<b>LIABILITIES</b>			
Accounts payable			
Accrued payroll			
Unearned revenue			
Due to other funds		176	
Total liabilities	0	176	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes			
Total deferred inflows of resources	0	0	0
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Spendable:			
Restricted for:			
Education			
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 176	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds			Special Revenue Funds
	28189-Grads Child Care	28190-Grads - Instruction	29102- Private Dir Grants	29112-RE: Learning New Mexico
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 2,159	\$ 1,672	\$ 58	\$ 1,025
Property taxes receivable				
Due from other governments				
Inventory				
Due from other funds				
Other receivables				
Total assets	2,159	1,672	58	1,025
<b>LIABILITIES</b>				
Accounts payable				
Accrued payroll				
Unearned revenue				
Due to other funds	2,159	1,672	58	1,025
Total liabilities	2,159	1,672	58	1,025
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes				
Total deferred inflows of resources	0	0	0	0
<b>FUND BALANCES</b>				
Non-spendable:				
Inventories				
Spendable:				
Restricted for:				
Education				
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	0	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,159	\$ 1,672	\$ 58	\$ 1,025

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	Special Revenue Funds	Capital Project Funds	Capital Project Funds	
	29135- Industrial Revenue Bonds Payments in Lieu of Taxes	31200-Public School Capital Outlay	31800- Energy Efficiency Act	31900- Educational Technology Equipment Act
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 312,500	\$ 13,981	\$ 1,906	\$
Property taxes receivable				
Due from other governments				
Inventory				
Due from other funds				
Other receivables				
Total assets	312,500	13,981	1,906	0
<b>LIABILITIES</b>				
Accounts payable				
Accrued payroll				
Unearned revenue				
Due to other funds			1,906	
Total liabilities	0	0	1,906	0
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes				
Total deferred inflows of resources	0	0	0	0
<b>FUND BALANCES</b>				
Non-spendable:				
Inventories				
Spendable:				
Restricted for:				
Education	312,500			
Food service program				
Extra-curricular activities				
Capital acquisition and improvements		13,981		
Debt service				
Unassigned				
Total fund balance	312,500	13,981	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 312,500	\$ 13,981	\$ 1,906	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-1

	<u>Debt Service Fund</u>	
	<u>43000-Ed Tech Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash & cash equivalents	\$ 332,086	\$ 4,896,439
Property taxes receivable	60,995	60,995
Due from other governments		2,012,614
Inventory		40,452
Due from other funds	2,887	64,495
Other receivables		5,936
	<u>395,968</u>	<u>7,080,931</u>
<b>Total assets</b>		
<b>LIABILITIES</b>		
Accounts payable		89,992
Accrued payroll		267,653
Unearned revenue		8,649
Due to other funds		2,365,241
		<u>2,731,535</u>
<b>Total liabilities</b>	<u>0</u>	<u>2,731,535</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflow- property taxes	<u>51,628</u>	<u>51,628</u>
<b>Total deferred inflows of resources</b>	<u>51,628</u>	<u>51,628</u>
<b>FUND BALANCES</b>		
Non-spendable:		
Inventories		40,452
Spendable:		
Restricted for:		
Education		1,660,356
Food service program		2,137,774
Extra-curricular activities		137,595
Capital acquisition and improvements		13,981
Debt service	344,340	344,340
Unassigned		(36,730)
	<u>344,340</u>	<u>4,297,768</u>
<b>Total fund balance</b>		
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 395,968</u>	<u>\$ 7,080,931</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds			
	21000-Food Services	22000- Athletics	23000-Non- Instructional Support	24101-Title I - IASA
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough	2,854,888			1,883,515
Federal direct				
State flowthrough				
Charges for services	155,902	87,278	219,862	264,784
Investment income	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue	<u>3,010,790</u>	<u>87,278</u>	<u>219,862</u>	<u>2,148,299</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction		107,779	214,248	1,875,232
Support services				
Students				52,831
Instruction				
General administration				217,804
School administration				523
Operation and maintenance of plant				1,909
Student transportation			415	
Food services operations	2,090,109			
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	<u>2,090,109</u>	<u>107,779</u>	<u>214,663</u>	<u>2,148,299</u>
Net changes in fund balance	920,681	(20,501)	5,199	0
Fund balances - beginning of the year	<u>1,257,545</u>	<u>158,096</u>	<u>314,870</u>	<u>0</u>
Fund balances - end of the year	<u>\$ 2,178,226</u>	<u>\$ 137,595</u>	<u>\$ 320,069</u>	<u>\$ 0</u>

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**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24104-Title I Capital Expense IASA	24105-Title I Program Improvement IASA	24106- Entitlement IDEA-B
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			949,016
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	0	949,016
<b>EXPENDITURES:</b>			
Current:			
Instruction			668,155
Support services			
Students			250,350
Instruction			
General administration			30,511
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	949,016
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24107- Discretionar y IDEA-B	24108- IDEA-B Competitive	24109- Preschool IDEA-B
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough		2,095	32,579
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	2,095	32,579
<b>EXPENDITURES:</b>			
Current:			
Instruction		2,018	31,563
Support services			
Students			
Instruction			
General administration		77	1,016
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	2,095	32,579
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	5,000	0	0
Fund balances - end of the year	\$ 5,000	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements



Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24115-Title II IASA (Math/Science)	24118-Fresh Fruits & Vegetables USDA	24120- IDEA - B "Risk Pool"
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough	6,880	96,820	
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	6,880	96,820	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	6,880		
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations		96,820	
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	6,880	96,820	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24124-Title I 1003g Grant	24126-Learn & Services (CNCS)	24128-Title IV Drug Free Schools & Comm/Ed
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24133-Enhancing Education Through Technology	24135- Comprehensive School Reform	24137-Class Size Reduction Act
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24147-Reading Excellence	24150-Title V Innovative Education Program	24153-English language Acquisition
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			33,614
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	0	33,614
<b>EXPENDITURES:</b>			
Current:			
Instruction			32,947
Support services			
Students			
Instruction			
General administration			667
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	33,614
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24154- Teacher/Principal Training & Recruiting	24155- Indian Education Title VII	24157-Safe & Drug Free Schools & Communities
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough	324,333	235,117	
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	324,333	235,117	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	308,279	227,338	
Support services			
Students			
Instruction			
General administration	11,295	7,779	
School administration	4,759		
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	324,333	235,117	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24160-Rural & Low Income Schools	24162-Title I School Improvement	24167-Reading First
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough	73,077		
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	73,077	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	66,734		
Support services			
Students	4,032		
Instruction			
General administration	2,311		
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	73,077	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	24169-Carl D. Perkins Tech Prep. - PY Unliq. Obligations	24174-Carl D. Perkins Secondary - Current	24176-Carl D. Perkins Redistribution Career and Technical Ed.
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough		47,334	17,859
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	47,334	17,859
<b>EXPENDITURES:</b>			
Current:			
Instruction		47,334	17,859
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	47,334	17,859
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24180-Carl Perkins HSTW Current	24181-Carl D. Perkins HSTW - PY Unliq. Obligations	24201-Title I - IASA - Federal Stimulus
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0



**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	24206- Entitlement IDEA-B - Federal Stimulus	24224-SIG School Improvement	24262-Title I School Improvement Stimulus
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds			
	25115-Title IX Indian Ed	25145-Impact Aid Special Education	25147-Impact Aid Indian Education	25149- Grads Child Care CYFD
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct		75,925	702,069	
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	75,925	702,069	0
<b>EXPENDITURES:</b>				
Current:				
Instruction		39,955	520,084	
Support services				
Students		35,970	86,799	
Instruction				
General administration			95,186	
School administration				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	75,925	702,069	0
Net changes in fund balance	0	0	0	0
Fund balances - beginning of the year	0	185,636	186,582	0
Fund balances - end of the year	\$ 0	\$ 185,636	\$ 186,582	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	25153-Title XIX Medicaid 3/21 Years	25161-Bilingual Ed Dev & Implementation Grant	25162- TANF/GRADS HSD
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct	483,610		
State flowthrough			
Charges for services			
Investment income			
Total revenue	483,610	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	109,846		
Support services			
Students	300,977		
Instruction			
General administration	72,787		
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	483,610	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	533,261	0	0
Fund balances - end of the year	\$ 533,261	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds			
	25184-Indian Education Formula Grant	25200-ROTC	25205-Gear up NM State Initiatives	25221-Arts in Education
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct		84,483	284,918	
State flowthrough			49,605	
Charges for services				
Investment income				
Total revenue	0	84,483	334,523	0
<b>EXPENDITURES:</b>				
Current:				
Instruction		84,483	222,312	
Support services				
Students			101,746	
Instruction				
General administration			10,465	
School administration				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	84,483	334,523	0
Net changes in fund balance	0	0	0	0
Fund balances - beginning of the year	0	2,481	(21)	0
Fund balances - end of the year	\$ 0	\$ 2,481	\$ (21)	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	26133-US West Foundation	26143-Save the Children	27103-Dual Credit Instruction
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			12,266
Charges for services			
Investment income			
Total revenue	0	0	12,266
<b>EXPENDITURES:</b>			
Current:			
Instruction			12,266
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	12,266
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	6,202
Fund balances - end of the year	\$ 0	\$ 0	\$ 6,202

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	27107-2012 G.O. Bond Student Library Fund	27114-New Mexico Reads to Lead K-3	27115-TANF PED School-aged Child Care
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough	28,257		
Charges for services			
Investment income			
Total revenue	28,257	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction	28,257		
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	28,257	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	108,625
Fund balances - end of the year	\$ 0	\$ 0	\$ 108,625

The accompanying notes are an integral part of these financial statements

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	27117-Technology for Education PED	27136- TANF - Full Day Kindergarte n	27138-Incentives for School Improvement Act PED
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	27145-Libraries - G. O. Bonds – <u>Laws of NM 2005</u>	27147-Federal <u>Relief</u>	27149-Pre - K <u>Initiative</u>
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			494,472
Charges for services			
Investment income			
Total revenue	<u>0</u>	<u>0</u>	<u>494,472</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction			465,596
Support services			
Students			
Instruction			
General administration			28,876
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	<u>0</u>	<u>0</u>	<u>494,472</u>
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	<u>0</u>	<u>0</u>	<u>(1,489)</u>
Fund balances - end of the year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,489)</u></u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds			
	27150-Indian Education Act	27153-Mid-School Tutoring & Student Enhancement	27154- Beginning Teacher Mentoring Program	27155- Breakfast in the Classroom
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough	21,804			55,647
Charges for services				
Investment income				
Total revenue	21,804	0	0	55,647
<b>EXPENDITURES:</b>				
Current:				
Instruction	21,067			
Support services				
Students				
Instruction				
General administration	737			
School administration				
Operation and maintenance of plant				
Student transportation				
Food services operations				55,647
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	21,804	0	0	55,647
Net changes in fund balance	0	0	0	0
Fund balances - beginning of the year	(26,571)	0	0	0
Fund balances - end of the year	\$ (26,571)	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	27164-School Improvement Framework	27165- Saturday School	27166- Kindergarten - Three Plus
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			242,118
Charges for services			
Investment income			
Total revenue	0	0	242,118
<b>EXPENDITURES:</b>			
Current:			
Instruction			215,057
Support services			
Students			2,199
Instruction			
General administration			
School administration			24,862
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	242,118
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	27176-Science Instruction Materials K-12	27178-2013 School Bus	27191-Early Warning Systems/Dropout Prevention
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough		263,097	
Charges for services			
Investment income			
Total revenue	0	263,097	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation		263,097	
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	263,097	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	27195-STEM & Hard to Staff Fund	27549-Library Books	28117-Health Dept - Child Care Center
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	(8,649)	0	0
Fund balances - end of the year	\$ (8,649)	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

Statement A-2

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	28140-Coordinated Approach to Child Health	28156-Center for Teaching Excellence	28168-AP New Mexico Incentive Funding
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
	0	0	0
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
	0	0	0
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Special Revenue Funds		
	28178-Gear- up CHE	28189-Grads Child Care	28190-Grads - Instruction
<b>REVENUES:</b>			
Property taxes	\$	\$	\$
Intergovernmental revenue			
Federal flowthrough			
Federal direct			
State flowthrough			
Charges for services			
Investment income			
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Operation and maintenance of plant			
Student transportation			
Food services operations			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	0
Net changes in fund balance	0	0	0
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			Capital Project Fund
	29102-Private Dir Grants	29112-RE: Learning New Mexico	29135- Industrial Revenue Bonds Payments in Lieu of Taxes	31200-Public School Capital Outlay
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough				
Charges for services				
Investment income			312,500	
Total revenue	0	0	312,500	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	0
Net changes in fund balance	0	0	312,500	0
Fund balances - beginning of the year	0	0	0	13,981
Fund balances - end of the year	\$ 0	\$ 0	\$ 312,500	\$ 13,981

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	Capital Project Fund		Debt Service Fund	
	31800-Energy Efficiency Act	31900- Educational Technology Equipment Act	43000-Ed Tech Debt Service	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$	\$	\$ 357,347	\$ 357,347
Intergovernmental revenue				
Federal flowthrough				6,557,127
Federal direct				1,631,005
State flowthrough				1,167,266
Charges for services				727,826
Investment income				312,500
Total revenue	0	0	357,347	10,753,071
<b>EXPENDITURES:</b>				
Current:				
Instruction				5,297,032
Support services				
Students				834,904
Instruction				28,257
General administration			3,486	482,997
School administration				30,144
Operation and maintenance of plant				1,909
Student transportation				263,512
Food services operations				2,242,576
Debt Service:				
Debt service - principal			290,000	290,000
Debt service - interest			10,875	10,875
Total expenditures	0	0	304,361	9,482,206
Net changes in fund balance	0	0	52,986	1,270,865
Fund balances - beginning of the year	0	0	291,354	3,026,903
Fund balances - end of the year	\$ 0	\$ 0	\$ 344,340	\$ 4,297,768

The accompanying notes are an integral part of these financial statements



**GENERAL FUND**

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement C-1

	<u>11000- Operational</u>	<u>12000- Teacherege</u>	<u>13000- Pupil Transportation</u>	<u>14000- Instructional Materials</u>	<u>General Fund Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,755,381	\$ 7,200	\$ 29,762	\$ 77,506	\$ 5,869,849
Property taxes receivable	39,640				39,640
Inventory	52,791				52,791
Due from other funds	1,350,939				1,350,939
Other Receivables	<u>5,513</u>				<u>5,513</u>
Total assets	<u>\$ 7,204,264</u>	<u>\$ 7,200</u>	<u>\$ 29,762</u>	<u>\$ 77,506</u>	<u>\$ 7,318,732</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	2,787,764				2,787,764
Accrued payroll liabilities	782,099		28,297		810,396
Due to other funds			<u>316</u>		<u>316</u>
Total liabilities	<u>3,569,863</u>		<u>28,613</u>		<u>3,598,476</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows- property taxes	<u>35,678</u>				<u>35,678</u>
Total deferred inflows of resources	<u>35,678</u>				<u>35,678</u>
<b>FUND BALANCES</b>					
Fund balances					
Nonspendable					
Inventory	52,791				52,791
Restricted for :					
Teacher housing		7,200			7,200
Instructional materials			1149	77,506	78,655
Committed for:					
Subsequent year's expenditures	3,351,757				3,351,757
Emergency reserve	300,000				300,000
Unassigned	<u>(105,825)</u>				<u>(105,825)</u>
Total fund balances	<u>3,598,723</u>	<u>7,200</u>	<u>1,149</u>	<u>77,506</u>	<u>3,684,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,204,264</u>	<u>\$ 7,200</u>	<u>\$ 29,762</u>	<u>\$ 77,506</u>	<u>\$ 7,318,732</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**GENERAL FUND**

Statement C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	11000- Operational	12000- Teachereage	13000-Pupil Transportation	14000- Instructional Materials	General Fund Total
<b>REVENUES:</b>					
Property taxes	\$ 144,650	\$	\$	\$	\$ 144,650
Intergovernmental revenue					
Federal direct	2,733,209				2,733,209
Federal flowthrough	15,122				15,122
State flowthrough	381,888			86,825	468,713
State direct	25,801,322				25,801,322
Charges for services	13,107	5,736	95,984		114,827
Transportation distributions			959,833		959,833
Investments interest	16,869				16,869
Miscellaneous	19,985				19,985
	<u>29,126,152</u>	<u>5,736</u>	<u>1,055,817</u>	<u>86,825</u>	<u>30,274,530</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	16,676,412	297,309		253,280	17,227,001
Support services-students	4,183,352				4,183,352
Support services-instruction	366,128				366,128
Support services-general administration	963,009				963,009
Support services-school administration	1,278,758				1,278,758
Central services	693,983				693,983
Operation and maintenance of plant	7,594,810	27,918			7,622,728
Student transportation			1,054,352		1,054,352
Other support services	1,437				1,437
Capital outlay					
	<u>31,757,889</u>	<u>325,227</u>	<u>1,054,352</u>	<u>253,280</u>	<u>33,390,748</u>
Net change in fund balances	(2,631,737)	(319,491)	1,465	(166,455)	(3,116,218)
Fund balances - beginning of year	<u>6,230,460</u>	<u>326,691</u>	<u>(316)</u>	<u>243,961</u>	<u>6,800,796</u>
Fund balances - end of year	<u>\$ 3,598,723</u>	<u>\$ 7,200</u>	<u>\$ 1,149</u>	<u>\$ 77,506</u>	<u>\$ 3,684,578</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
OPERATIONAL FUND (11000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) <u>Final to Actual</u>
REVENUES:				
Property taxes	\$ 136,863	\$ 136,863	\$ 143,845	\$ 6,982
Intergovernmental revenue				
Federal flowthrough			15,122	15,122
Federal direct	1,724,201	1,724,201	2,733,209	1,009,008
State flowthrough	170,000	170,000	381,888	211,888
State direct	27,557,701	26,563,020	25,801,322	(761,698)
Charges for services	5,800	5,800	13,107	7,307
Investment income	14,000	14,000	16,869	2,869
Miscellaneous	5,000	5,000	19,985	14,985
Total revenues	<u>29,613,565</u>	<u>28,618,884</u>	<u>29,125,347</u>	<u>506,463</u>
EXPENDITURES:				
Current:				
Instruction	17,432,200	17,432,200	16,628,441	803,759
Support services				
Students	4,017,000	3,999,500	3,734,985	264,515
Instruction	298,440	298,440	366,448	(68,008)
General administration	995,175	995,175	236,541	758,634
School administration	1,401,075	1,401,075	1,278,758	122,317
Central services	658,831	658,831	701,058	(42,227)
Operation and maintenance of plant	5,025,533	5,025,533	4,929,819	95,714
Facilities acquisition and construction	1,594,432	599,751		599,751
Nursing	4,000	4,000	18,108	(14,108)
Personnel			201,442	(201,442)
School nutrition warehouse			21,146	(21,146)
Staff	3,000	3,000	13,822	(10,822)
Superintendent office			236,451	(236,451)
Technology	35,000	52,500	354,510	(302,010)
Technology admin			107,381	(107,381)
Testing			94,166	(94,166)
Other support services	317,989	317,989	1,437	316,552
Capital outlay				
Total expenditures	<u>31,782,675</u>	<u>30,787,994</u>	<u>28,924,513</u>	<u>1,863,481</u>
Excess (deficiency) of revenues over expenditures	<u>(2,169,110)</u>	<u>(2,169,110)</u>	<u>200,834</u>	<u>2,369,944</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	<u>2,169,110</u>	<u>2,169,110</u>		<u>(2,169,110)</u>
Total other financing sources (uses)	<u>2,169,110</u>	<u>2,169,110</u>		<u>(2,169,110)</u>
Net Change in fund balances			200,834	200,834
Fund balances - beginning of year			<u>6,792,685</u>	<u>6,792,685</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,993,519</u>	<u>\$ 6,993,519</u>
Net change in fund balance (Budget Basis)				\$ 200,834
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.				805
Adjustments to expenditures for salaries, general supplies and material, and other contract services.				<u>(2,833,376)</u>
Net change in fund balance,GAAP budgetary basis				<u>\$ (2,631,737)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
TEACHERAGE FUND (12000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES:				
Charges for services	\$ 6,000	\$ 6,000	\$ 5,736	\$ (264)
Miscellaneous				
Total revenues	6,000	6,000	5,736	(264)
EXPENDITURES:				
Current:				
Operation and maintenance of plant	26,400	26,400	27,918	(1,518)
Facilities, Acquisition and construction	302,428	302,428	297,309	5,119
Total expenditures	328,828	328,828	325,227	3,601
Excess (deficiency) of revenues over expenditures	(322,828)	(322,828)	(319,491)	3,337
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	322,828	322,828		(322,828)
Total other financing sources (uses)	322,828	322,828		(322,828)
Net Change in fund balances			(319,491)	(319,491)
Fund balances - beginning of year			326,692	326,692
Fund balances - end of year	\$ 0	\$ 0	\$ 7,201	\$ 7,201
Net change in fund balance (Budget Basis)			\$ (319,491)	
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.			0	
Adjustments to expenditures for salaries, general supplies and material, and other contract services.			0	
Net change in fund balance,GAAP budgetary basis			\$ (319,491)	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
PUPIL TRANSPORTATION FUND (13000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES:				
Transportation distribution	\$ 1,055,817	\$ 1,055,817	\$ 1,055,817	\$
Miscellaneous	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>1,055,817</u>	<u>1,055,817</u>	<u>1,055,817</u>	<u>0</u>
EXPENDITURES:				
Current:				
Student transportation	1,055,817	1,055,817	1,054,353	1,464
Capital outlay	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>1,055,817</u>	<u>1,055,817</u>	<u>1,054,353</u>	<u>1,464</u>
Excess (deficiency) of revenues over expenditures	<u>                    </u>	<u>                    </u>	<u>1,464</u>	<u>1,464</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)				
Total other financing sources (uses)	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Change in fund balances			1,464	1,464
Fund balances - beginning of year	<u>                    </u>	<u>                    </u>	<u>23,137</u>	<u>23,137</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,601</u>	<u>\$ 24,601</u>
Net change in fund balance (Budget Basis)			\$ 1,464	
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.			0	
Adjustments to expenditures for salaries, general supplies and material, and other contract services.			<u>1</u>	
Net change in fund balance,GAAP budgetary basis			<u>\$ 1,465</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
INSTRUCTIONAL MATERIALS FUND (14000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES:				
Intergovernmental revenue				
State flowthrough	\$ 204,809	\$ 55,096	\$ 86,825	\$ 31,729
Miscellaneous				
Total revenues	204,809	55,096	86,825	31,729
EXPENDITURES:				
Current:				
Instruction	417,786	268,073	253,280	14,793
Capital outlay				
Total expenditures	417,786	268,073	253,280	14,793
Excess (deficiency) of revenues over expenditures	(212,977)	(212,977)	(166,455)	46,522
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	212,977	212,977		(212,977)
Total other financing sources (uses)	212,977	212,977		(212,977)
Net Change in fund balances			(166,455)	(166,455)
Fund balances - beginning of year			243,961	243,961
Fund balances - end of year	\$ 0	\$ 0	\$ 77,506	\$ 77,506
Net change in fund balance (Budget Basis)			\$ (166,455)	
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.			0	
Adjustments to expenditures for salaries, general supplies and material, and other contract services.			0	
Net change in fund balance, GAAP budgetary basis			\$ (166,455)	

The accompanying notes are an integral part of these financial statements

## **SUPPORTING SCHEDULES**



**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule III

	<u>Balance June</u> <u>30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June</u> <u>30, 2017</u>
Administration Activity	\$ 46,853	\$ 36,262	\$ 32,255	\$ 50,860
Bluewater Elementary	10,871	21,947	20,497	12,321
Cubero Elementary	5,109	17,976	10,973	12,112
Grants High School	187,665	186,839	234,306	140,198
Mesa View Elementary	30,956	77,837	70,794	37,999
Milan Elementary	24,565	11,727	25,633	10,659
Mt. Taylor Elementary	5,010	50,577	50,618	4,969
San Rafael Elementary	10,359	12,615	10,377	12,597
Seboyeta Elementary	8,900	14,161	9,385	13,676
Los Alamitos Mid School	21,008	33,179	36,554	17,633
Laguna/Acoma Junior/Senior High	<u>51,997</u>	<u>41,659</u>	<u>51,696</u>	<u>41,960</u>
Total	<u>\$ 403,293</u>	<u>\$ 504,779</u>	<u>\$ 553,088</u>	<u>\$ 354,984</u>

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IV

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2017</u>	<u>Location of Safekeeper</u>
<b>Grant State Bank</b>					
	FNMA 910243 5.00%	03/01/2022	31411KHU0	63,332	The Independent Bankers Bank
	GNMA II 3544 FR 5.50%	04/20/2034	36202D5D9	75,449	The Independent Bankers Bank
	GNMA II 3556 FR 5.50%	05/20/2034	36202D5R8	79,266	The Independent Bankers Bank
	GNMA 782555 6.00%	02/15/2024	36241KZU5	43,643	The Independent Bankers Bank
	GNMA 678246 6.00%	12/15/2023	36295RP77	48,339	The Independent Bankers Bank
	GNMA 695480 5.00%	09/15/2023	36296MUD8	13,032	The Independent Bankers Bank
	ALAMOGORDO NM MUNI SD #1 2.00%	08/01/2021	011464GW8	771,368	The Independent Bankers Bank
	ALBUQUERQUE NM MUNI SD #12 5.00%	08/01/2021	013595LL5	757,281	The Independent Bankers Bank
	ALBUQUERQUE N MEX MUN SCH DIST GO BDS 4.50%	08/01/2027	013595QA4	382,205	The Independent Bankers Bank
	FARMINGTON NM MUD CALL 4.00%	09/01/2019	311441JA8	250,565	The Independent Bankers Bank
	HOBBS NM ISD 16 CALL 4.00%	07/15/2019	433866CQ1	250,345	The Independent Bankers Bank
	LOS LUNAS NM SCH DIST 2.00%	07/15/2021	545562RH5	411,376	The Independent Bankers Bank
	WEST LAS VEGAS NM SCH BQ 3.00%	08/15/2017	953769JQ0	476,207	The Independent Bankers Bank
	ALBIA IA CMNTY SD BQ CALL 4.20%	07/01/2022	013261AM4	244,793	The Independent Bankers Bank
	ANKENY IA CMNTY SCH DIST BQ 4.00%	06/01/2020	035360BN5	514,295	The Independent Bankers Bank
	BRANSON MO TOURISM TAX BQ CALL 4.00%	01/01/2019	105454BW1	300,675	The Independent Bankers Bank
	BUTLER CNTY KS LP BQ CALL 4.00%	09/01/2020	12343LAK0	301,212	The Independent Bankers Bank
	CADDO CO OK EDU FACS AUTH BQ 2.00%	09/01/2019	127218CC7	508,040	The Independent Bankers Bank
	CEDAR FALLS IA CSD BQ CALL 2.50%	06/01/2020	150214BA1	505,695	The Independent Bankers Bank
	GRANT CO NM GROSS RECPTS TAX BQ REV 3.00%	07/01/2020	387770BL3	152,808	The Independent Bankers Bank
	HUNTINGDON CNTY PA BQ NONC 3.75%	05/01/2018	44586SAB4	496,441	The Independent Bankers Bank
	PLAQUEMINE LA BQ CALL REV 4.0%	12/01/2022	727510CW7	<u>387,446</u>	The Independent Bankers Bank
	Total Grants State Bank			<u>7,033,813</u>	

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IV

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2017	Location of Safekeeper
<b>US Bank</b>					
	FNMA POOL AE9299	11/01/2025	31419LKM4	<u>48,328</u>	US Bank
	Total US Bank			<u>48,328</u>	
<b>Wells Fargo Bank</b>					
	FNMA FNMS 3.00%	02/01/43	3138W26H3	3,564,413	BNY Mellon
	FNMA FNMS 3.00%	01/01/43	31417ES69	<u>979,713</u>	BNY Mellon
	Total Wells Fargo Bank			<u>4,544,126</u>	
	Total Pledge Collateral			<u>\$ 11,626,267</u>	

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF DEPOSITS  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule V

<u>Bank Name/ Account Name</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in transfers</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
Well Fargo Bank					
Activity Account	Checking	\$ 847,809	\$	\$	\$ 847,809
Gate Revenue Account	Checking	6,493,372			6,493,372
Payroll Account	Checking	<u>1,242,953</u>	<u>                    </u>	<u>340,490</u>	<u>902,463</u>
Total Wells Fargo Bank		8,584,134		340,490	8,243,644
Grants State Bank					
Account Payable Account	Checking	786,794		698,439	88,355
General Operations Accounts	Checking	<u>11,142,685</u>	<u>                    </u>	<u>                    </u>	<u>11,142,685</u>
Total Grants State Bank		11,929,479		698,439	11,231,040
US Bank					
Bond Issued Fund	Checking	<u>265,471</u>	<u>                    </u>	<u>                    </u>	<u>265,471</u>
Total US Bank		<u>265,471</u>	<u>                    </u>	<u>                    </u>	<u>265,471</u>
Total cash in bank		<u>\$20,779,084</u>	<u>\$</u>	<u>\$ 1,038,929</u>	19,740,155
Add: Other reconciling items					<u>298,769</u>
Total cash per book					<u>\$20,038,924</u>
Cash per financial statements					
Cash and cash equivalents- Governmental Activities Exhibit A-1					\$17,091,422
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1					2,592,518
Fiduciary funds - Exhibit D-1					354,984
					<u>                    </u>
Total cash and cash equivalents					<u>\$20,038,924</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VI

	11000- Operational	12000- Teacherage	13000-Pupil Transportation	14000- Instructional Materials	21000-Food Services	22000- Athletics
Cash, June 30, 2016	\$ 3,878,701	\$ 326,691	\$ 23,137	\$ 243,961	\$ 1,681,308	\$ 158,495
Add:						
2016-2017 revenues	<u>29,125,346</u>	<u>5,736</u>	<u>1,055,817</u>	<u>86,825</u>	<u>2,568,240</u>	<u>87,278</u>
Total cash available	33,004,047	332,427	1,078,954	330,786	4,249,548	245,773
Less:						
2016-2017 expenditures	(28,971,675)	(325,227)	(1,054,353)	(253,280)	(2,035,084)	(107,419)
Adjustments	5,502					
Permanent cash transfer						
Repayment of loans	<u>(583,109)</u>	<u>                    </u>	<u>(23,120)</u>	<u>                    </u>	<u>(41,891)</u>	<u>(1,035)</u>
Cash per PED report	<u>\$ 3,454,765</u>	<u>\$ 7,200</u>	<u>\$ 1,481</u>	<u>\$ 77,506</u>	<u>\$ 2,172,573</u>	<u>\$ 137,319</u>
Add/Less:						
Due to/(from) due to pooled cash	1,523,599		(16)		5,552	391
Held checks	<u>777,018</u>	<u>                    </u>	<u>28,297</u>	<u>                    </u>	<u>40,232</u>	<u>4</u>
Cash, June 30, 2017	<u>\$ 5,755,382</u>	<u>\$ 7,200</u>	<u>\$ 29,762</u>	<u>\$ 77,506</u>	<u>\$ 2,218,357</u>	<u>\$ 137,714</u>

See accompanying independent auditor's report

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VI

	<u>23000-Non- Instructional Support</u>	<u>24000-Federal Flowthrough</u>	<u>25000-Federal Direct</u>	<u>26000-Local Grants</u>	<u>27000-State Flowthrough</u>	<u>28000-State Direct</u>	<u>29000- Local/State</u>
Cash, June 30, 2016	\$ 318,422	\$	\$ 236,461	\$	\$	\$	\$
Add:							
2016-2017 revenues	<u>219,862</u>	<u>3,847,318</u>	<u>1,839,299</u>	<u></u>	<u>1,573,048</u>	<u></u>	<u>312,500</u>
Total cash available	538,284	3,847,318	2,075,760		1,573,048		312,500
Less:							
2016-2017 expenditures	(172,397)	(3,968,310)	(1,605,310)		(1,119,149)		
Adjustments							
Permanent cash transfer							
Repayment of loans	<u>(15,685)</u>	<u>120,992</u>	<u>472,019</u>	<u>11,489</u>	<u>66,188</u>	<u>107,223</u>	<u>1,083</u>
Cash per PED report	<u>\$ 350,202</u>	<u>\$</u>	<u>\$ 942,469</u>	<u>\$ 11,489</u>	<u>\$ 520,087</u>	<u>\$ 107,223</u>	<u>\$ 313,583</u>
Add/Less:							
Due to/(from) due to pooled cash	795	185,476	(120,559)		(345,788)		
Held checks	<u>1,799</u>	<u>115,780</u>	<u>67,245</u>	<u></u>	<u>42,593</u>	<u></u>	<u></u>
Cash, June 30, 2017	<u>\$ 352,796</u>	<u>\$ 301,256</u>	<u>\$ 889,155</u>	<u>\$ 11,489</u>	<u>\$ 216,892</u>	<u>\$ 107,223</u>	<u>\$ 313,583</u>

See accompanying independent auditor's report

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VI

	<u>31100-Bond Building</u>	<u>31200-Public School Capital Outlay</u>	<u>31400-Special Capital Outlay State</u>	<u>31700-Capital Improvement SB-9(State)</u>	<u>31701-Capital Improvement SB-9(Local)</u>	<u>31800-Energy Efficiency Act</u>
Cash, June 30, 2016	\$	\$ 13,981	\$	\$ 2,540,431	\$	\$
Add:						
2016-2017 revenues	<u>5,254,509</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>643,057</u>	<u>                    </u>
Total cash available	5,254,509	13,981		2,540,431	643,057	
Less:						
2016-2017 expenditures	(684,720)			(170,256)	(394,338)	
Adjustments						
Permanent cash transfer				(2,534,314)	2,534,314	
Repayment of loans	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>164,139</u>	<u>                    </u>	<u>1,906</u>
Cash per PED report	<u>\$ 4,569,789</u>	<u>\$ 13,981</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,783,033</u>	<u>\$ 1,906</u>
Add/Less:						
Due to/(from) due to pooled cash	(834,768)				139,166	
Held checks	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash, June 30, 2017	<u>\$ 3,735,021</u>	<u>\$ 13,981</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,922,199</u>	<u>\$ 1,906</u>

See accompanying independent auditor's report

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VI

	<u>31900-Educational Technology Equipment Act</u>	<u>32100-Public School Capital Outlay 20%</u>	<u>41000-Debt Service Fund</u>	<u>43000-Ed Tech Debt Service</u>	<u>Total</u>
Cash, June 30, 2016	\$	\$	\$ 1,581,605	\$ 285,219	\$ 11,288,412
Add:					
2016-2017 revenues	<u>                    </u>	<u>                    </u>	<u>2,772,322</u>	<u>354,171</u>	<u>49,745,328</u>
Total cash available			4,353,927	639,390	61,033,740
Less:					
2016-2017 expenditures			(1,262,335)	(304,417)	(42,428,270)
Adjustments					5,502
Permanent cash transfer					
Repayment of loans	<u>                    </u>	<u>                    </u>	<u>(277,312)</u>	<u>(2,887)</u>	<u>                    </u>
Cash per PED report	<u>\$</u>	<u>\$</u>	<u>\$ 2,814,280</u>	<u>\$ 332,086</u>	<u>\$ 18,610,972</u>
Add/Less:					
Due to/(from) due to pooled cash			(553,848)		
Held checks	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>1,072,968</u>
Cash, June 30, 2017	<u>\$</u>	<u>\$</u>	<u>\$ 2,260,432</u>	<u>\$ 332,086</u>	<u>\$ 19,683,940</u>

See accompanying independent auditor's report



## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR’S 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**

Timothy Keller  
State Auditor of the State of New Mexico  
The Office of Management and Budget  
Grants-Cibola County Schools  
Grants, 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, and the aggregate remaining fund information, and the budgetary comparison of the General Fund of the Grants-Cibola County Schools (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Grants-Cibola County Schools internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grants-Cibola County Schools internal control. Accordingly, we do not express an opinion on the effectiveness of Grants-Cibola County Schools internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item FS 2017-001 to be material weakness. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items FS 2011-002 and FS 2014-003 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grants-Cibola County Schools financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item FS 2009-003, FS 2014-001 and FS 2014-004.

### **District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Albuquerque, New Mexico**

**November 13, 2017**

**FEDERAL FINANCIAL ASSISTANCE**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Timothy Keller  
New Mexico State Auditor and  
Board of Education  
Office of Management and Budget  
Grants-Cibola County Schools  
Grants, New Mexico

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

We have audited the Grants-Cibola County Schools's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Grants-Cibola County Schools major federal programs for the year ended June 30, 2017. Grants-Cibola County Schools major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Grants-Cibola County Schools major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Grants-Cibola County Schools compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Grants-Cibola County Schools, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

**Report on Internal Control Over Compliance**

Management of the Grants-Cibola County Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Grants-Cibola County Schools internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Grants-Cibola County Schools internal control over compliance.

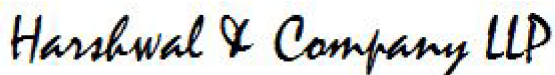
*A deficiency in internal control over compliance exists* when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

**Harshwal & Company LLP  
Certified Public Accountants**



**Albuquerque, New Mexico**

**November 13, 2017**

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VIII

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass-through Number</u>	<u>Federal C.F.D.A. Number</u>	<u>Expenditures</u>
<b>Child Nutrition Cluster-Cluster</b>			
<b>United States Department Agriculture</b>			
School Breakfast Program			
School Breakfast Program	21000	10.553	<u>542,620</u>
<b>Total School Breakfast Program</b>			<u>542,620</u>
National School Lunch Program			
National School Lunch Program	21000	10.555	<u>1,547,490</u>
<b>Total United States Department of Agriculture</b>			<u>2,090,110</u>
<b>Total Child Nutrition Cluster-Cluster</b>			<u>2,090,110</u>
<b>Special Education Cluster (IDEA)-Cluster</b>			
<b>Special Education Cluster (IDEA)-Cluster</b>			
Special Education_Grants to States			
Special Education_Grants to States	24106	84.027	949,016
Special Education_Grants to States	24108	84.027	2,095
Special Education_Grants to States	24115	84.027	<u>6,880</u>
<b>Total Special Education_Grants to States</b>			<u>957,991</u>
Special Education_Preschool Grants			
Special Education_Preschool Grants	24109	84.173	<u>32,579</u>
<b>Total Special Education_Preschool Grants</b>			<u>32,579</u>
<b>Total Department of Education</b>			<u>990,570</u>
<b>Total Special Education Cluster (IDEA)-Cluster</b>			<u>990,570</u>
<b>Other Programs</b>			
<b>Department of Defense</b>			
ROTC			
ROTC	25200	12.000	<u>84,483</u>
<b>Total ROTC</b>			<u>84,483</u>
<b>Total Department of Defense</b>			<u>84,483</u>
<b>Department of Education</b>			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	24101	84.010	<u>2,148,299</u>
<b>Total Title I Grants to Local Educational Agencies</b>			<u>2,148,299</u>

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

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VIII

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass-through Number</u>	<u>Federal C.F.D.A. Number</u>	<u>Expenditures</u>
<b>Impact Aid</b>			
Impact Aid	25145	84.041	75,925
Impact Aid	25147	84.041	<u>702,069</u>
<b>Total Impact Aid</b>			<u>777,994</u>
Career and Technical Education -- Basic Grants to States			
Career and Technical Education -- Basic Grants to States	24174	84.048	47,334
Career and Technical Education -- Basic Grants to States	24176	84.048	<u>17,859</u>
<b>Total Career and Technical Education -- Basic Grants to States</b>			<u>65,193</u>
Indian Education_ Grants to Local Educational Agencies			
Indian Education_ Grants to Local Educational Agencies	24155	84.060	<u>235,117</u>
<b>Total Indian Education_ Grants to Local Educational Agencies</b>			<u>235,117</u>
Gaining Early Awareness and Readiness for Undergraduate Programs			
Gaining Early Awareness and Readiness for Undergraduate Programs	25205	84.334	<u>334,523</u>
<b>Total Gaining Early Awareness and Readiness for Undergraduate Programs</b>			<u>334,523</u>
Rural Education			
Rural Education	24160	84.358	<u>73,077</u>
<b>Total Rural Education</b>			<u>73,077</u>
English Language Acquisition State Grants			
English Language Acquisition State Grants	24153	84.365	<u>33,614</u>
<b>Total English Language Acquisition State Grants</b>			<u>33,614</u>
Improving Teacher Quality State Grants			
Improving Teacher Quality State Grants	24154	84.367	<u>324,333</u>
<b>Total Improving Teacher Quality State Grants</b>			<u>324,333</u>
<b>Total Department of Education</b>			<u>3,992,150</u>

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



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VIII

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass- through Number</u>	<u>Federal C.F.D.A. Number</u>	<u>Expenditures</u>
<b>United States Department of Agriculture</b>			
Fresh Fruit and Vegetable Program			
Fresh Fruit and Vegetable Program	24118	10.582	<u>96,820</u>
<b>Total Fresh Fruit and Vegetable Program</b>			<u>96,820</u>
Schools and Roads - Grants to States			
Schools and Roads - Grants to States	11000	10.665	<u>18,557</u>
<b>Total Schools and Roads - Grants to States</b>			<u>18,557</u>
<b>Total United States Department of Agriculture</b>			<u>115,377</u>
<b>Total Other Programs</b>			<u>4,192,010</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>7,272,690</u></u>

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

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS**

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grant-Cibola School District and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2: FEDERAL FUNDED INSURANCE**

The District has no federally funded insurance.

**NOTE 3: INDIRECT COST RATE**

The District used the federal indirect cost rate which was mandated by the New Mexico Public Education Department for the year ended June 30, 2017.

**NOTE 4: SUB-RECIPIENTS**

The District did not provide any federal awards to sub recipients during the year.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 7,272,690
Total expenditures funded by other sources	<u>40,926,568</u>
Total expenditures	<u>\$ 48,199,258</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2017**

Schedule IX

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
• Material weakness(es) identified	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No

**Identification of major programs**

<u>CFDA Number(s)</u>	<u>Federal Program or Cluster</u>	
84.027 & 84.173	Special Education Cluster (IDEA)	
84.041	Impact Aid	
84.367	Improving Teacher Quality State Grants	
Dollar threshold used to distinguish between type A and type B programs		\$750,000
Auditee qualified as low-risk auditee		Yes

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**FS 2009-003 (FS 09-03) – Cash Appropriations in Excess of Available Cash Balances (Repeated/Modified) – Other Noncompliance**

**Condition:** The District’s re-budgeted cash balances in excess of available cash balances in the following funds:

**Major Funds**

Debt Service Fund	\$ 1,169,068
Total Major Funds	<u>\$ 1,169,068</u>

**Nonmajor Funds**

Kindergarten-Three Plus Special Revenue Fund	\$ 390,167
Public School Capital Outlay Fund	6
Education Technology Equipment Act Fund	<u>43,274</u>
Total Nonmajor Funds	<u>\$ 433,447</u>

**Total all funds** \$ 1,602,515

The District did make progress in implementing controls over budgeting in order to address this finding.

**Criteria:** Section 6.20.2.9, NMAC, requires all New Mexico School District funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the Public Education Department for approval. Section 2.2.2.10. (O)(1)(b), NMAC states that cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior period.

**Effect:** The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the District incurring debt to pay for current year budgeted expenditures, which would result in noncompliance with the Bateman Act.

**Cause:** The District had inadequate monitoring of budget transfers in order to update the budget in accordance with available cash.

**Auditors’ Recommendation:** Greater attention should be given to the cash balances actually available to absorb budget deficits.

**Agency’s Response:** The District did not adjust the budgeted cash balances for funds according to the fund balances. The District plans to review the fund balances and adjust budgeted cash balances upon final certification of the audit.

**Estimated Completion Date:** 12/28/2017

**Responsible party:** Director of Finance

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2011-002 (FS 11-02) — Activity Funds – Internal Control (Repeated/Modified) – Significant Deficiency**

**Condition:** During our audit procedures over activity funds of the District, we noted that there was a lack of segregation of duties over the cash receipts process.

As this has been a finding since fiscal year 2011, the District has not made progress in implementing controls over activity funds due to small staff sizes at decentralized school locations.

**Criteria:** NMAC 6.20.2 states that schools shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adhere to cash management

**Effect:** Because the internal control structure is not being followed adequately or documented, there was an increased possibility of the loss or theft of cash receipts. There was also an increased risk of misstatement due to fraud or error.

**Cause:** The established policies and procedures for review and approval of revenues were not consistently being followed.

**Auditors' Recommendation:** Management should follow and ensure that all staff follows the District's documented internal control procedures. We also recommend an additional review of the cash receipts process by a second employee.

**Agency's Response:** The District has implemented a best practices manual for school site staff to mitigate inaccurate handling of cash. During the year the business office will be conducting internal audits to evaluate the implementation of district policies and procedures.

**Estimated Completion Date:** 06/30/2018

**Responsible party:** Business Manager

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2017

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2014-001 – Actual Expenditures Exceed Adjusted Budgeted Expenditures (Repeated) – Other Noncompliance**

**Condition:** The District has overspent its budget in the following funds and functions:

**Major Funds**

<u>Operational Fund</u>		
Personnel		\$ 201,442
Central Services		42,227
School Nutrition Warehouse		21,146
Staff		10,822
Superintendent Office		236,451
Nursing		14,108
Technology		302,010
Technology Admin		107,381
Testing		94,166
<u>Techerage Fund</u>		
Operation And Maintenance Of Plant		1,518
<u>Debt Service Fund</u>		
Support Services-General Administration		<u>15,660</u>
Total Major Funds		<u>\$ 1,046,931</u>

**Non-Major Funds**

<u>Title I - IASA Special Revenue Fund</u>		
Federal Programs		108,605
Technology		9,657
Testing		8,261
<u>New Instructional Support Special Revenue Fund</u>		
Student Transportation		\$ 415
<u>Indian Ed- Title VII Special Revenue Fund</u>		
Support Services-General Administration		362
<u>New Mexico Autism Project Special Revenue Fund</u>		
Support Services-General Administration		77
<u>Title XIX Medicaid 3/21 Years Special Revenue Fund</u>		
Support Services-General Administration		54,687
Support Services-Students		82,977
<u>Gear Up NM State Initiatives Special Revenue Fund</u>		
Instruction		7,212
<u>Indian Education Act Special Revenue Fund</u>		
Support Services-General Administration		125
<u>Ed Tech Debt Service Fund</u>		
Support Services-General Administration		<u>3,142</u>
Total Nonmajor Funds		<u>\$ 275,520</u>
Total All Funds		<u>\$ 1,322,451</u>

The District did not make progress with this requirement.

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2014-001 – Actual Expenditures Exceed Adjusted Budgeted Expenditures (Repeated) – Other Noncompliance**

**Criteria:** Section 6.20.2.10 states that all District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Public Education Department for approval. Once adopted, any claims or warrants in excess of the budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation.

**Effect:** As a result, the District is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

**Cause:** The District did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to year-end.

**Auditors' Recommendations:** The District must establish a policy of budgetary review at year end, and make the necessary budget adjustment requests (BARs). All BARs and or adjusting journal entries should be requested through the proper process at the Public Education Department, and be approved prior to year end.

**Agency's Response:** It is the school district's intent to maintain budget authority at the function level and will propose budget adjustments to the Superintendent for Board of Education approval.

**Estimated Completion Date:** 06/30/2018

**Responsible party:** Director of Finance

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2014-003 – Internal Controls over Bank Reconciliations (Repeated) – Significant Deficiency**

**Condition:** During testwork over cash, we noted that all of the bank account reconciliations were not prepared and reviewed in a timely manner.

The District did not make any progress in resolving this finding.

**Criteria:** Section 6.20.2.14(K) NMAC states that bank reconciliations for bank accounts shall be completed on a monthly basis. NMAC 6.20.2.14(K) also states that reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent.

**Effect:** The lack of preparing bank reconciliations on a timely basis and lack of timely review could lead to mistakes and undetected fraud in these accounts.

**Cause:** Due to changes in business office staffing in key positions involving the bank reconciliation process, the District had not been up to date on preparing the bank reconciliations for these accounts.

**Auditors' Recommendation:** We recommend that the District ensure that all bank reconciliations are prepared within a reasonable time after the month ends. The District should also ensure that the bank reconciliations are reviewed by the business manager and or/assistant superintendent. The District should also ensure that reconciled amounts for each bank account reconcile to amounts reported to the New Mexico Public Education Department.

**Agency's Response:** District staff has been working to implement proper procedures for bank reconciliation based on adjustments needed for prior year fund balances. The business office management has restructured internal procedures to allow for timely completion and maintain segregation of duties.

**Estimated Completion Date:** 12/01/2017

**Responsible party:** Director of Finance



**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2014-004 Stale Dated Checks (Repeated) – Other Noncompliance**

**Condition:** The District had 117 outstanding checks written from the accounts payable clearing bank account that were over one-year-old, totaling \$25,329, and 120 outstanding checks written from the payroll clearing bank account that were over one-year-old, totaling \$20,464. The District has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

The District did not make progress on this finding. Both the number and total dollar amount of stale dated checks have increased from the prior year.

**Criteria:** New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation, requires local public bodies to cancel or void any checks that are unpaid for one year after it is written. The District has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

**Effect:** The District's cash balance may be misstated by the amount of the stale checks.

**Cause:** The District overlooked the stale-dated checks during the bank reconciliation process.

**Auditors' Recommendation:** We recommend that the outstanding checks be voided as soon as possible, and that a procedure to track and void stale dated checks be implemented. We also recommend that the District remit the stale-dated check funds to the New Mexico Taxation and Revenue Department. We also recommend the District review bank reconciliations in a timely manner to capture checks that are considered stale dated.

**Agency's Response:** A listing of stale dated checks has been formed and management has researched the nature of outstanding liabilities. The district will follow the NMSA 6-10-57 guidelines to clear the potential liabilities. In addition, the District will work to void and re-issue checks as needed.

**Estimated Completion Date:** 02/01/2018

**Responsible party:** Business Manager

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENT AUDIT - Continued**

**FS 2017-001 Bank reconciliation - Material Weakness**

**Condition:** During our audit procedures relating to cash and bank reconciliation, we noted that the following accounts have not been reconciled to the general ledger, and resulted in a difference of \$298,769:

<u>Bank Name</u>	<u>Account Description</u>	<u>Difference between Reconciled Balance &amp; Trial Balance</u>
Grants State Bank	Accounts Payable Clearing Account	\$ 73,657
Wells Fargo	Activity Account	(13,134)
Wells Fargo	Payroll Account	767,757
Grants State Bank	General Operations Account	(1,127,049)
	Total	<u>\$ (298,769)</u>

**Criteria:** Good accounting practices state that bank statements should be reconciled to the General Ledger monthly and on a timely basis. In addition, a cash reconciliation that reconciles from the bank to the general ledger balance should be prepared to determine that all transactions have been recorded properly and to discover any bank errors.

**Effect:** Reconciling the cash account is essential to operational and management decisions. Delays in reconciling accounts may result in unnecessary adjustments which are not properly supported. Also, fraudulent transactions can take place and not be detected.

**Cause:** The District did not ensure that all variances were captured and properly addressed in the month it happened.

**Auditors' Recommendation:** We recommend that the District's bank reconciliations be completed in a timely and accurate manner, and items which are identified as errors should be corrected in the month identified.

**Agency's Response:** Variances were related to pending items clearing in the subsequent month. Reconciling items related to the difference were resolved according to pending transfers for payroll, service charges, and voided transactions.

**Estimated Completion Date:** 11/16/2017

**Responsible party:** Director of Finance

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

**C. FINDINGS-FEDERAL AWARDS**

There are no findings and questioned costs related to federal awards.

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
Status of Prior Year's Findings And Questioned Costs  
For the Year Ended June 30, 2017

<b>SECTION I</b>	<b>PRIOR YEAR AUDIT FINDINGS</b>	<b>STATUS</b>
<b><u>Financial Statement Findings:</u></b>		
FS 2009-003 (FS 09-03)	Cash Appropriations in Excess of Available Cash Balances - Other Noncompliance	Repeated and Modified
FS 2011-002 (FS 11-02)	Activity Funds – Internal Control - Significant Deficiency	Repeated and Modified
FS 2014-001	Actual Expenditures Exceed Adjusted Budgeted Expenditures – Other Noncompliance	Repeated and Modified
FS 2014-002	Preparation of Accounts Payable - Significant Deficiency	Resolved
FS 2014-003	Internal Controls Over Bank Reconciliations – Significant Deficiency	Repeated and Modified
FS 2014-004	Stale Dated Checks – Other Noncompliance	Repeated and Modified
FS 2016-001	Internal Control over Cash Disbursement (Significant deficiency)	Resolved
FS 2016-002	Late IPA recommendation and Audit Contract-Compliance and Other Matter	Resolved
<b><u>Federal Compliance Findings:</u></b>		
		None

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
OTHER DISCLOSURES  
JUNE 30, 2017**

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

Management is responsible for the content of the report and financial statements. It would be preferable and desirable for the District to prepare its own GAAP-basis financial statements; although the District is capable, with guidance, of preparing, reviewing and approving the financial statements, it is felt that the District's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report. The responsibility for the financial statements remains with the District.

**B. EXIT CONFERENCE**

The contents of this report were discussed on 11/14/2017. The following individuals were in attendance.

**Grants-Cibola County Schools**

German Martinez - Director of Finance  
Dr Marc Space - Superintendent  
Ron Ortiz - Board Member

**Harshwal & Company, LLP**

Sanwar Harshwal, CPA - Managing Partner  
Mariem Tall - Audit Manager