



***State of New Mexico  
Grants-Cibola County Schools  
Annual Financial Report  
June 30, 2018***

***Grants-Cibola County Schools***

## **INTRODUCTORY SECTION**

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GRANTS-CIBOLA COUNTY SCHOOLS  
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**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
DIRECTORY OF OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2018**

**BOARD OF EDUCATION**

Richard Jones	President
Dion Sandoval	Vice President
Ron Ortiz	Secretary
Dr. Guy Archambeau	Member
Emily Hunt	Member

**DISTRICT OFFICIALS**

Alton Autrey Jr.	Interim Superintendent
German Martinez	Director of Budget and Finance

**AUDIT COMMITTEE**

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

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson,  
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 and major Special Revenue Fund of Grants-Cibola County Schools (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### **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, 2018, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and major Special Revenue 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, the Schedule of Contributions, the notes to the required supplementary information and the Schedule of the Proportionate Share of the Net OPEB Liability and Schedule of Contributions - OPEB on pages 70-73 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*, Supporting Schedules III through VI required by Section 2.2.2 NMAC and Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual on pages 139-142 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, Supporting Schedules III through VI required by Section 2.2.2 NMAC and Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual on pages 139-142 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, Supporting Schedules III through VI required by Section 2.2.2 NMAC, and Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual on pages 139-142 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 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 15, 2018**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

This Management Discussion and Analysis of the fiscal performance of the Grants-Cibola County Schools District for the period ending June 30, 2018 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, 2018. 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 recess. 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, 2018**

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 3607 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, 2018 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 2018 are:

- Total Assets and Deferred Outflows of Resources of Governmental Activities was \$113,981,508.
- Total Liabilities and Deferred Inflows of Resources of Governmental Activities was \$126,659,678.
- Net Position of Governmental Activities was \$(12,678,170).
- During the 2018 fiscal year the District's total net position decreased by \$27,642,032.
- Total Governmental Fund Revenues exceeded Expenditures by \$4,093,568 resulting in a year-end fund balance of \$19,195,674 .
- The District implemented the State mandate of a minimum salary increase for level I teachers from \$32,000 to \$34,000; in addition a salary increase for level II teachers from \$40,000 to \$42,000; according to Laws 2017, Ch 135; in addition a salary increase for level III teachers from \$50,000 to \$52,000.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 (Government-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>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2017</b>	<b>06/30/2018</b>
Current Assets	\$ 15,472,366	\$ 14,828,638	\$ 15,047,132	\$ 20,262,753	\$ 19,404,920
Capital Assets	\$ 99,908,222	\$ 103,012,492	\$ 104,677,114	\$ 106,110,849	\$ 106,303,313
Less Accumulated Depreciation	\$ (34,343,864)	\$ (35,985,084)	\$ (39,884,931)	\$ (42,393,322)	\$ (41,707,167)
Other Noncurrent Assets	\$ 1,643,225	\$ 2,783,242	\$ 1,654,382	\$ 2,654,254	\$ 3,396,387
<b>Total Assets</b>	<b>\$ 82,679,949</b>	<b>\$ 84,639,288</b>	<b>\$ 81,493,697</b>	<b>\$ 86,634,534</b>	<b>\$ 87,397,453</b>
Deferred Outflows of Resources			\$ 4,480,170	\$ 7,220,418	\$ 26,584,055
<b>Total Assets and Deferred Outflows of Resources</b>			<b>\$ 85,973,867</b>	<b>\$ 93,854,952</b>	<b>\$ 113,981,508</b>
<b>Liabilities</b>					
Account Payable	\$ 390,090	\$ 126,473	\$ 574,132	\$ 5,724,331	\$ 2,242,481
Accrued Interest	\$ 65,590	\$ 65,518	\$ 62,644	\$ 70,692	\$ 34,120
Other Current Liabilities	\$ 3,481,474	\$ 4,506,962	\$ 2,675,863	\$ 3,803,175	\$ 4,063,421
Net pension Liabilities	\$	\$ 42,559,608	\$ 47,000,340	\$ 51,915,072	\$ 79,733,578
Other Long Term Liabilities	\$ 15,769,330	\$ 12,472,076	\$ 13,364,174	\$ 15,764,629	\$ 33,818,439
Total Liabilities	\$ 19,706,484	\$ 59,730,637	\$ 63,677,153	\$ 77,277,899	\$ 119,892,039
<b>Deferred Inflows</b>					
<b>Total Deferred Inflows of Resources</b>			<b>\$ 2,680,507</b>	<b>\$ 1,613,191</b>	<b>\$ 6,767,639</b>
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 50,101,096	\$ 52,832,409	\$ 50,432,183	\$ 45,512,527	\$ 48,936,146
Restricted	\$ 8,957,863	\$ 9,674,522	\$ 6,344,709	\$ 5,390,766	\$ 14,318,881
Unrestricted	\$ 3,914,506	\$ (40,194,536)	\$ (37,160,685)	\$ (35,939,431)	\$ (75,933,197)
Total Net Position	\$ 62,973,465	\$ 22,312,395	\$ 19,616,207	\$ 14,963,862	\$ (12,678,170)
<b>Total Liabilities, Deferred Inflows, and Net Position</b>			<b>\$ 85,973,867</b>	<b>\$ 93,854,952</b>	<b>\$ 113,981,508</b>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

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 2017-18 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 2018 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 District-wide 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, 2018. 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 2018 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, 2018**

	Statement of Activities				
	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018
Revenues for Governmental Activities					
Charges for Services	\$ 711,156	\$ 625,564	\$ 555,135	\$ 842,653	\$ 666,049
Operating Grants and Contributions	\$ 10,396,917	\$ 13,420,889	\$ 12,849,151	\$ 13,532,274	\$ 13,354,172
Capital Grants and Contributions	\$ 1,055,777	\$ 2,197,699	\$ 3,764	\$ 289,985	\$
General Revenues					
Property taxes	\$ 4,552,040	\$ 3,827,792	\$ 3,363,988	\$ 3,730,204	\$ 3,894,075
Federal and state aid	\$ 26,559,642	\$ 26,408,422	\$ 27,177,730	\$ 25,801,322	\$ 26,010,203
Other revenues/losses	\$ 272,955	\$ 245,512	\$ 334,065	\$ 357,394	\$ 364,321
<b>Total revenues</b>	<b>\$ 43,548,487</b>	<b>\$ 46,725,878</b>	<b>\$ 44,283,833</b>	<b>\$ 44,553,832</b>	<b>\$ 44,288,820</b>
Expenses					
Instruction	\$ 21,452,643	\$ 21,237,507	\$ 22,511,673	\$ 22,592,122	\$ 21,265,198
Support services	\$ 17,196,214	\$ 17,984,568	\$ 21,970,371	\$ 23,963,274	\$ 21,786,332
Food service	\$ 2,182,465	\$ 2,227,933	\$ 2,073,445	\$ 2,262,246	\$ 2,255,438
Interest on long term debt	\$ 531,844	\$ 413,655	\$ 424,532	\$ 388,535	\$ 362,615
<b>Total expenses</b>	<b>\$ 41,363,166</b>	<b>\$ 41,863,663</b>	<b>\$ 46,980,021</b>	<b>\$ 49,206,177</b>	<b>\$ 45,669,583</b>
Prior Period Adjustment	\$	\$	\$	\$	\$
Changes in net position	\$ 2,185,321	\$ 4,862,215	\$ (2,696,188)	\$ (4,652,345)	\$ (1,380,763)
Net Position - Restatement	\$ (314,969)	\$ (45,411,567)	\$	\$	\$
Changes in net position – ending	\$ 1,870,352	\$ (40,549,352)	\$ (2,696,188)	\$ (4,652,345)	\$ (1,380,763)

During fiscal year 2018, the District's total net position decreased by \$27,642,032. 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, 2018. 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, 2018**

**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, Title I - IASA, Bond Building, Capital Improvement SB-9(Local), Educational Technology Equipment Act 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 and expenditures for the District were \$44,307,668 and \$40,214,100. The total ending fund balance was \$19,195,674; an increase of \$4,093,568 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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

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 increase in unit value from \$4,053.55 to \$4,084.26 in increase of approximately 0.76%. The General Fund revenues represent \$31,124,875 of the total \$44,307,668 in Total Governmental District revenues: which is approximately 70% (Exhibit B-2).

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, \$26,389,799 was expended in the year ending June 30, 2018. The most significant inter-fund expenditure was for the function noted as "Instruction". This expenditure was \$16,238,990 and represents 61.54% 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. "Support Services" represents 23.48% of General Fund expenditures and account for expenditures for school principals, program coordinators, counsellors, 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 2.85% of the total General Fund. Operation of the Plant accounts for 2.62% 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 4.05% 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. Budgetary comparison schedules are presented for general funds and major special revenue funds for the year end.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 Alamos Middle school, add classrooms to Cubero Elementary, and replace the track and turf at one of our high schools (Laguna-Acoma High). Currently the school district has a project underway for a replacement of a track and turf facility at our second high school (Grants High). 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>Asset Type</b>	<b>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2017</b>	<b>06/30/2018</b>
Land, Buildings & Improvements	\$ 91,903,881	\$ 94,010,313	\$ 94,497,910	\$ 95,931,645	\$ 96,127,870
Furniture, Fixtures & Equipment	\$ 8,004,341	\$ 9,002,179	\$ 10,179,204	\$ 10,179,204	\$ 10,175,443
Total Capital Assets	\$ 99,908,222	\$ 103,012,492	\$ 104,677,114	\$ 106,110,849	\$ 106,303,313
Less Accumulated Depreciation	\$ (34,343,864)	\$ (35,985,084)	\$ (39,884,931)	\$ (42,393,322)	\$ (41,707,167)
Capital Assets-Net	<u>\$ 65,564,358</u>	<u>\$ 67,027,408</u>	<u>\$ 64,792,183</u>	<u>\$ 63,717,527</u>	<u>\$ 64,596,146</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, 2018**

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, 2018.

<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>
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	1,235,000	139,220	1,374,220
2024-2028	5,450,000	322,800	5,772,800
2029	380,000	3,800	383,800
	\$ 15,520,000	\$ 1,343,458	\$ 16,863,458
<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>
2019	\$ 70,000	\$ 2,100	\$ 72,100
2020	70,000	700	70,700
	\$ 140,000	\$ 2,800	\$ 142,800

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE YEAR ENDED JUNE 30, 2018**

**Bonds and General Obligations Issuance**

In May 2018 the district was issued a downgrade to the general obligation unlimited tax debt from A2 to A3. This is a result of material declines in liquidity, lack of significant tax base contraction, additional enrollment declines beyond near term projections. 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 Alamitos Middle School project and replacement of the Laguna-Acoma High School Track and Turf. Completion of the track and turf replacement was completed in March 2018. The board of education is evaluating the identified needs of the district through the facility master plan and plans to present a general obligation bond election in November of 2019.

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 6/30/2018 to the best of his ability. The School District contacts are Alton Autrey, Interim 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**  
**JUNE 30, 2018**

Exhibit A-1

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 15,876,952
Property taxes receivables	1,074,139
Due from other governments	2,398,361
Inventory	50,547
Other receivables	<u>4,921</u>
Total current assets	<u>19,404,920</u>
Noncurrent assets:	
Restricted cash and cash equivalents	3,340,674
Capital Assets	106,303,313
Less: Accumulated depreciation	(41,707,167)
Bond discounts, net of accumulated amortization of \$17,566	<u>55,713</u>
Total noncurrent assets	<u>67,992,533</u>
Total assets	<u><u>87,397,453</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - Pension	26,185,837
Deferred outflows of resources - OPEB	<u>398,218</u>
Total Deferred Outflows of Resources	<u>26,584,055</u>
Total assets and deferred outflows of resources	<u><u>\$ 113,981,508</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 2,242,481
Accrued payroll	2,853
Accrued compensated absences	174,270
Current portion of bonds and notes payable	3,505,000
Unearned revenue	381,298
Accrued interest payable	<u>34,120</u>
Total current liabilities	<u>6,340,022</u>
Noncurrent liabilities:	
Accrued compensated absences	65,403
Bond underwriter premiums (net of accumulated amortization of \$138,514)	24,553
Bonds and notes payable	12,155,000
Net pension liability	79,733,578
Net OPEB Liability	<u>21,573,483</u>
Total noncurrent liabilities	<u>113,552,017</u>
Total liabilities	<u><u>119,892,039</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

Exhibit A-1

	<u>Governmental Activities</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - Pension	1,857,565
Deferred inflows of resources - OPEB	<u>4,910,074</u>
Total deferred inflows of resources	<u>6,767,639</u>
Total liabilities, deferred inflows of resources	<u>\$ 126,659,678</u>
<b>NET POSITION</b>	
Net investment in capital assets	48,936,146
Restricted for:	
Capital projects	5,426,273
Debt service	3,460,721
Other purposes	5,431,887
Unrestricted	<u>(75,933,197)</u>
Total net position	<u>(12,678,170)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 113,981,508</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, 2018**

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	\$21,265,198	\$	\$ 9,166,412	\$	\$ (12,098,786)
Support services:					
Students	4,721,662		599,201		(4,122,461)
Instruction	333,307	286,758	80,693		34,144
General administration	10,843,439				(10,843,439)
School administration	1,228,747				(1,228,747)
Central services	2,729,031				(2,729,031)
Operation & Maintenance of plant	838,085	177,156			(660,929)
Food services operation	2,255,438	105,241	2,538,931		388,734
Student transportation	1,087,878	96,894	968,935		(22,049)
Other support services	4,183				(4,183)
Interest on long-term debt	362,615				(362,615)
<b>Total governmental activities</b>	<u>\$45,669,583</u>	<u>\$ 666,049</u>	<u>\$ 13,354,172</u>	<u>\$ 0</u>	<u>(31,649,362)</u>

**General revenues**

Property taxes:	
Levied for operating purposes	140,531
Levied for debt service	3,181,368
Levied for capital projects	572,176
State equalization guarantee	26,010,203
Interest and investment earnings	<u>364,321</u>
Subtotal, general revenues	<u>30,268,599</u>
Change in net position	(1,380,763)
Net position - beginning of year	<u>14,963,862</u>
Net position - restatement (Note 15)	<u>(26,261,269)</u>
Net position - beginning, restated	<u>(11,297,407)</u>
Net position - end of year	<u>\$ (12,678,170)</u>

The accompanying notes are an integral part of these financial statements

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**



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

Exhibit B-1

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	General Fund 11000-14000	24101-Title I - IASA	31100-Bond Building
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,463,873	\$	\$ 2,751,756
Property taxes receivable	39,592		
Due from other governments		1,090,558	
Inventory	9,863		
Due from other funds	3,895,373		
Other receivables	<u>4,921</u>		
Total assets	<u>\$ 8,413,622</u>	<u>\$ 1,090,558</u>	<u>\$ 2,751,756</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 278,841	\$	\$ 446,495
Accrued payroll liabilities	2,853		
Unearned revenue			
Due to other funds	<u>180</u>	<u>1,106,389</u>	
Total liabilities	<u>281,874</u>	<u>1,106,389</u>	<u>446,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows- property taxes	<u>33,796</u>		
Total deferred inflows of resources	<u>33,796</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories	9,863		
Restricted for:			
Education			
Teacher housing	13,627		
Instructional materials	30,149		
Food service program			
Extracurricular activities			
Debt service			
Capital acquisition and improvements			2,305,261
Committed for:			
Subsequent year's expenditures	3,351,757		
Emergency reserves	300,000		
Unassigned	<u>4,392,556</u>	<u>(15,831)</u>	
Total fund balance	<u>8,097,952</u>	<u>(15,831)</u>	<u>2,305,261</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,413,622</u>	<u>\$ 1,090,558</u>	<u>\$ 2,751,756</u>

The accompanying notes are an integral part of these financial statements

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

Exhibit B-1

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<u>31701-Capital Improvement SB-9(Local)</u>	<u>31900- Educational Technology Equipment Act</u>	<u>41000-Debt Service Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,155,210	\$	\$ 2,921,019
Property taxes receivable			786,022
Due from other governments			
Inventory			
Due from other funds			
Other receivables			
Total assets	<u>\$ 3,155,210</u>	<u>\$ 0</u>	<u>\$ 3,707,041</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 50,085	\$	\$
Accrued payroll liabilities			
Unearned revenue			
Due to other funds		<u>952,362</u>	
Total liabilities	<u>50,085</u>	<u>952,362</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows- property taxes			<u>674,870</u>
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>674,870</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			
Restricted for:			
Education			
Teacher housing			
Instructional materials			
Food service program			
Extracurricular activities			
Debt service			3,032,171
Capital acquisition and improvements	3,105,125		
Committed for:			
Subsequent year's expenditures			
Emergency reserves			
Unassigned		<u>(952,362)</u>	
Total fund balance	<u>3,105,125</u>	<u>(952,362)</u>	<u>3,032,171</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,155,210</u>	<u>\$ 0</u>	<u>\$ 3,707,041</u>

The accompanying notes are an integral part of these financial statements

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

Exhibit B-1

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,925,768	\$ 19,217,626
Property taxes receivable	248,525	1,074,139
Due from other governments	1,307,803	2,398,361
Inventory	40,684	50,547
Due from other funds		3,895,373
Other receivables		<u>4,921</u>
Total assets	<u>\$ 7,522,780</u>	<u>\$ 26,640,967</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,467,060	\$ 2,242,481
Accrued payroll liabilities		2,853
Unearned revenue	381,298	381,298
Due to other funds	<u>1,836,442</u>	<u>3,895,373</u>
Total liabilities	<u>3,684,800</u>	<u>6,522,005</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows- property taxes	<u>214,622</u>	<u>923,288</u>
Total deferred inflows of resources	<u>214,622</u>	<u>923,288</u>
<b>FUND BALANCES</b>		
Non-spendable:		
Inventories	40,684	50,547
Restricted for:		
Education	2,690,965	2,690,965
Teacher housing		13,627
Instructional materials		30,149
Food service program	2,554,370	2,554,370
Extracurricular activities	142,776	142,776
Debt service	428,550	3,460,721
Capital acquisition and improvements	15,887	5,426,273
Committed for:		
Subsequent year's expenditures		3,351,757
Emergency reserves		300,000
Unassigned	<u>(2,249,874)</u>	<u>1,174,489</u>
Total fund balance	<u>3,623,358</u>	<u>19,195,674</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,522,780</u>	<u>\$ 26,640,967</u>

The accompanying notes are an integral part of these financial statements

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

Exhibit B-1

**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

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

Fund balances - total governmental funds -	\$ 19,195,674
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,596,146
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 .	923,288
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in funds:	
Deferred outflows of resources related to pension and OPEB	26,584,055
Deferred inflows of resources related to pension and OPEB	(6,767,639)
The District has unamortized bond discounts. Bond discounts are not current financial resources and, therefore, are not reported in the funds:	
Bond Discount	55,713
Liabilities are not due and payable with current financial resources and, therefore are not reported in the funds:	
Accrued interest	(34,120)
Current portion of accrued compensated absences .	(174,270)
Current portion of general obligation bonds	(3,505,000)
Accrued compensated absences	(65,403)
Bonds underwriter premiums	(24,553)
General obligation bonds	(12,155,000)
Net pension liability and OPEB Liability	<u>(101,307,061)</u>
Net Position-Total Governmental Activities	<u>\$ (12,678,170)</u>

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

Exhibit B-2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund 11000-14000	24101-Title I - IASA	31100-Bond Building	31701-Capital Improvement SB-9(Local)
<b>REVENUES:</b>				
Property taxes	\$ 140,531	\$	\$	\$ 565,593
Intergovernmental revenue:				
Federal flowthrough	17,339	1,879,460		
Federal direct	3,386,022			
State flowthrough	476,743			
State direct	26,010,203			
Transportation distribution	968,935			
Charges for services	106,916			
Investment income	18,186		11,635	
Total revenues	<u>31,124,875</u>	<u>1,879,460</u>	<u>11,635</u>	<u>565,593</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	16,238,990	1,660,009		
Support services:				
Students	3,917,609	18,645		
Instruction	318,866			
General administration	760,144	199,658		6,178
School administration	1,195,275			
Central services	751,446			
Operation and maintenance of plant	690,458	1,148	1	14,050
Student transportation	1,067,474			
Other support services	4,183			
Food services operations				
Capital outlay	1,445,354		840,143	354,139
Debt service:				
Principal				
Interest				
Total expenditures	<u>26,389,799</u>	<u>1,879,460</u>	<u>840,144</u>	<u>374,367</u>
Excess (deficiency) of revenues over expenditures	<u>4,735,076</u>	<u></u>	<u>(828,509)</u>	<u>191,226</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In	316		412,499	2,534,314
Transfer Out	(322,018)	(15,831)		
Total other financing sources (uses)	<u>(321,702)</u>	<u>(15,831)</u>	<u>412,499</u>	<u>2,534,314</u>
Net changes in fund balances	4,413,374	(15,831)	(416,010)	2,725,540
Fund balances - beginning of year	<u>3,684,578</u>	<u>0</u>	<u>2,721,271</u>	<u>379,585</u>
Fund balances- end of year	<u>\$ 8,097,952</u>	<u>\$ (15,831)</u>	<u>\$ 2,305,261</u>	<u>\$ 3,105,125</u>

The accompanying notes are an integral part of these financial statements

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

Exhibit B-2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	31900- Educational Technology Equipment Act	41000-Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$	\$ 2,805,953	\$ 400,845	\$ 3,912,922
Intergovernmental revenue:				
Federal flowthrough			3,888,276	5,785,075
Federal direct			1,920,842	5,306,864
State flowthrough			986,812	1,463,555
State direct				26,010,203
Transportation distribution				968,935
Charges for services			388,877	495,793
Investment income			334,500	364,321
Total revenues	952,362	2,805,953	7,920,152	44,307,668
<b>EXPENDITURES:</b>				
Current:				
Instruction			3,305,728	21,204,727
Support services:				
Students			760,533	4,696,787
Instruction			14,441	333,307
General administration		27,748	262,987	1,256,715
School administration			33,472	1,228,747
Central services			6,459	757,905
Operation and maintenance of plant				705,657
Student transportation				1,067,474
Other support services				4,183
Food services operations			2,237,695	2,237,695
Capital outlay	952,362		184,718	3,776,716
Debt service:				
Principal		2,250,000	295,000	2,545,000
Interest		390,446	8,741	399,187
Total expenditures	952,362	2,668,194	7,109,774	40,214,100
Excess (deficiency) of revenues over expenditures	(952,362)	137,759	810,378	4,093,568
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In			829,718	3,776,847
Transfer Out		(277,315)	(3,161,683)	(3,776,847)
Total other financing sources (uses)	0	(277,315)	(2,331,965)	0
Net changes in fund balances	(952,362)	(139,556)	(1,521,587)	4,093,568
Fund balances - beginning of year	0	3,171,727	5,144,945	15,102,106
Fund balances- end of year	\$ (952,362)	\$ 3,032,171	\$ 3,623,358	\$ 19,195,674

The accompanying notes are an integral part of these financial statements

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

Exhibit B-2

**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, 2018**

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

Net change in fund balances - total governmental funds	\$ 4,093,568
<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	3,776,716
Depreciation expense	(2,262,692)
<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	(18,848)
<p>Expenses in the Statements of Activities that do not consume current financial resources are not reported as expenditures in the funds:</p>	
Increase in accrued compensated absences	(3,839)
Decrease in accrued interest payable	36,572
<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
Principal payments on bonds	2,545,000
<p>Governmental funds report District's pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:</p>	
Net pension expenses	(9,097,461)
Net OPEB expenses	<u>(459,476)</u>
Change in Net Position-total Governmental Activities	<u>\$ (1,380,763)</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES:</b>				
Property taxes	\$ 142,227	\$ 142,227	\$ 138,697	\$ (3,530)
Intergovernmental revenue:				
Federal flowthrough	7,200	7,200	17,339	10,139
Federal direct	1,860,334	1,860,334	3,386,022	1,525,688
State flowthrough	460,882	460,882	476,743	15,861
State direct	26,889,707	26,889,707	26,010,203	(879,504)
Transportation distribution	1,065,829	1,065,829	968,935	(96,894)
Charges for services	14,800	14,800	106,916	92,116
Investment income	<u>16,000</u>	<u>16,000</u>	<u>18,186</u>	<u>2,186</u>
Total revenues	<u>30,456,979</u>	<u>30,456,979</u>	<u>31,123,041</u>	<u>666,062</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	17,848,059	17,925,565	16,161,622	1,763,943
Support services:				
Students	4,461,600	4,461,600	3,936,161	525,439
Instruction	341,590	341,590	318,866	22,724
General administration	878,900	878,900	824,488	54,412
School administration	1,267,800	1,267,800	1,194,825	72,975
Central services	742,950	742,950	684,122	58,828
Operation and maintenance of plant	5,102,870	5,102,870	4,657,239	445,631
Student transportation	1,066,561	1,066,561	1,066,740	(179)
Other support service	817,831	817,831	4,183	813,648
Capital outlay	<u>1,729,639</u>	<u>1,729,639</u>	<u>                    </u>	<u>1,729,639</u>
Total expenditures	<u>34,257,800</u>	<u>34,335,306</u>	<u>28,848,246</u>	<u>5,487,060</u>
Excess (deficiency) of revenues over expenditures	<u>(3,800,821)</u>	<u>(3,878,327)</u>	<u>2,274,795</u>	<u>6,153,122</u>

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, 2018**

**OTHER FINANCING SOURCES (USES)**

Designated cash (budgeted increase in cash)	<u>3,800,821</u>	<u>3,878,327</u>	<u>                    </u>	<u>(3,878,327)</u>
Total other sources (uses)	<u>3,800,821</u>	<u>3,878,327</u>	<u>                    </u>	<u>(3,878,327)</u>
Net Changes in fund balances	<u>                    </u>	<u>                    </u>	<u>2,274,795</u>	<u>2,274,795</u>
Fund balances - beginning of year	<u>                    </u>	<u>                    </u>	<u>6,202,622</u>	<u>6,202,622</u>
Fund balances - end of year	<u>\$                  0</u>	<u>\$                  0</u>	<u>\$  8,477,417</u>	<u>8,477,417</u>
Net change in fund balance - Budget Basis				\$  2,274,795
Adjustment to revenue for accruals and other deferrals				2,150
Adjustments to expenditures for salary, general supplies and materials, and other charges.				<u>2,136,429</u>
Net change in fund balance - GAAP basis				<u>\$  4,413,374</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
TITLE I IASA SPECIAL REVENUE FUND (24101)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL(NON - GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDING JUNE 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal direct				
Federal flowthrough	1,582,329	1,582,329	1,302,842	(279,487)
Local grants				
State flowthrough				
State direct				
Charges for services				
Investment income				
Total revenues	1,582,329	1,582,329	1,302,842	(279,487)
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,677,193	1,677,193	1,662,108	15,085
Support services				
Students	40,249	40,249	18,645	21,604
Instruction				
General administration	221,533	221,533	199,658	21,875
School administration				
Central services				
Operation and maintenance of plant	2,000	2,000	1,148	852
Food service operations				
Capital outlay				
Total expenditures	1,940,975	1,940,975	1,881,559	59,416
Excess (deficiency) of revenues over expenditures	(358,646)	(358,646)	(578,717)	(220,071)
<b>OTHER FINANCING SOURCES (USES)</b>				
Designated cash (budgeted increase in cash)	358,646	358,646		(358,646)
Total other financing sources (uses)	358,646	358,646		(358,646)
Net Changes in Fund Balances	0	0	(578,717)	(578,717)
Fund balances - beginning of year	0	0	0	0
Fund balances - end of year	\$ 0	\$ 0	\$ (578,717)	\$ (578,717)
Net change in fund balance -Budget Basis			\$ (578,717)	
Adjustment to revenue for accruals and other deferrals			576,618	
Adjustments to expenditures for salary, general supplies and materials, and other charges.			(13,732)	
Net change in fund balance, GAAP basis			\$ (15,831)	

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, 2018**

Exhibit D-1

**ASSETS**

Cash and cash equivalents	\$ <u>393,475</u>
Total assets	<u><u>393,475</u></u>

**LIABILITIES**

Due to student organizations	<u>393,475</u>
Total Liabilities	<u><u>\$ 393,475</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, 2018**

**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, 2018**

**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, 2018**

**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 *Title I Capital Expense IASA 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.

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 *Educational Technology Equipment Act fund* is 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.

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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

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.

**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, 2018, 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 2018 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2018. Period of availability is deemed to be sixty days subsequent to year end.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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)**

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.

**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 2018, no amount of PSFA awards is received, which was recorded as revenue and capital outlay in the Public School Capital Outlay Fund.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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)**

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 and OPEB 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.

**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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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)**

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

**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 and OPEB related deferred inflows of resources items that qualify for reporting in this category.

**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, 2018, the nonspendable fund balance in the general fund and food service fund is made up of inventory in the amounts of \$9,863 and \$40,684 respectively. Inventory fund balance is not in spendable form.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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)**

**Restricted and Committed Fund Balance:** At June 30, 2018 the restricted fund balance on the governmental funds balance sheet is made up of \$2,690,965 for providing education to the students of the District, \$13,627 for teacher housing, \$30,149 for instructional materials, \$2,554,370 for food service program, \$5,426,273 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, \$3,460,721 for the payment of principal and interest of the future debt service requirements, and \$142,776 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 2018 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.

**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 35 and 75 - 85. The government-wide statement of net position reports \$14,318,881 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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

***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 \$26,010,203 in state equalization guarantee distributions during the year ended June 30, 2018.

**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 \$111,914 in instructional materials revenue from the State for the year ended June 30, 2018.

**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 \$3,912,922 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2018. 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 \$968,935 in transportation distributions during the year ended June 30, 2018.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

**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, 2018, the District received no state special Capital outlay funds.

**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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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.
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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**A. Budgetary Information - Cont'd**

The appropriated budget for the year ended June 30, 2018, was properly amended by the District's Board of Education throughout the year.

	Deficiency of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (3,800,821)	\$ (3,878,327)
Bond Building	\$ (4,816,370)	\$ (4,816,370)
Debt Service	\$ (3,469,759)	\$ (3,469,759)
Title I - IASA	\$ (358,646)	\$ (358,646)
Non major Governmental Funds	\$ (4,193,401)	\$ (4,406,949)

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, 2018.

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, 2018**

**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, 2018, \$21,826,353 of the District's bank balance of \$22,576,353 was exposed to custodial credit risk. \$12,207,081 was uninsured and collateralized by collateral held by the bank's trust department, not in the District's name, and \$9,619,272 was uninsured and uncollateralized at June 30, 2018.

	<u>Grants State Bank</u>	<u>Wells Fargo Bank</u>	<u>US Bank</u>	<u>Total</u>
Amount of deposits	\$ 12,753,026	\$ 9,557,370	\$ 265,957	\$22,576,353
FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>750,000</u>
Total uninsured public funds	<u>12,503,026</u>	<u>9,307,370</u>	<u>15,957</u>	<u>21,826,353</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>6,820,957</u>	<u>5,352,457</u>	<u>33,667</u>	<u>12,207,081</u>
Uninsured and uncollateralized	<u>\$ 5,682,069</u>	<u>\$ 3,954,913</u>	<u>\$ (17,710)</u>	<u>\$ 9,619,272</u>
Collateral requirement (50% of uninsured funds)	\$ 6,251,513	\$ 4,653,685	\$ 7,979	\$10,913,177
Pledged collateral	<u>6,820,957</u>	<u>5,352,457</u>	<u>33,667</u>	<u>12,207,081</u>
Over (under) collateralized	<u>\$ 569,444</u>	<u>\$ 698,772</u>	<u>\$ 25,688</u>	<u>\$ 1,293,904</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, 2018**

**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, 2018. Funds 24000 through 25000 are federal funds and 13000, and 26000 through 31900 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2018:

<u>Fund</u>	<u>Amount</u>
13000-Pupil Transportation	\$ 180
24101-Title I - IASA	1,106,389
24106-Entitlement IDEA-B	315,115
24108-IDEA-B Competitive	5,072
24118-Fresh Fruits & Vegetables USDA	44,110
24132-IDEA B Results Plan RDA	49,611
24147-Reading Excellence	178
24150-Title V Innovative Education Program	1,476
24153-English language Acquisition	33,820
24154-Teacher/Principal Training & Recruiting	82,843
24157-Safe & Drug Free Schools & Communities	105,619
24160-Rural & Low Income Schools	43,391
24162-Title I School Improvement	104,713
24167-Reading First	37,106
24174-Carl D. Perkins Secondary - Current	8,214
24176-Carl D. Perkins Redistribution Career and Technical Ed.	11,646
24180-Carl Perkins HSTW Current	114
24224-SIG School Improvement	3,137
24262-Title I School Improvement Stimulus	264
25205-Gear up NM State Initiatives	47,835
25221-Arts in Education	161,004
27103-Dual Credit Instruction	9,306
27107-2012 G.O. Bond Student Library Fund	17,252
27117-Technology for Education PED	1,372
27128-Teacher Recruitment	6,459
27136-TANF - Full Day Kindergarten	20,674
27141-Truancy Initiative PED	20,750
27149-Pre - K Initiative	114,458
27150-Indian Education Act	50,852
27154-Beginning Teacher Mentoring Program	8,611
27155-Breakfast in the Classroom	11,603
27164-School Improvement Framework	1,391
27165-Saturday School	6,909
27166-Kindergarten - Three Plus	113,554
27176-Science Instruction Materials K-12	1,221
27177-2013 Pre-K Classroom Construction	59,793
28156-Center for Teaching Excellence	2,750
28178-Gear-up CHE	70,130
31700-Capital Improvement SB-9(State)	264,090
31900-Educational Technology Equipment Act	952,362
Total	<u>\$ 3,895,374</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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	\$15,876,952
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	3,340,674
Fiduciary Funds - Exhibit D-1	<u>393,475</u>
Total cash and cash equivalents	19,611,101
Add: outstanding checks	2,901,488
Add: Other reconciling items	<u>63,764</u>
Bank balance of deposits	<u><u>\$22,576,353</u></u>

**NOTE 4. ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2018 are as follows:

	General Fund	Title I-IASA	Debt service	Other Governmental Funds	Total
Property taxes receivable	\$ 39,592	\$	\$786,022	\$ 248,525	\$ 1,074,139
Due from other governments					
Federal sources		1,090,558		1,307,803	2,398,361
Other receivables	<u>4,921</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>4,921</u>
Total	<u>\$ 44,513</u>	<u>\$ 1,090,558</u>	<u>\$786,022</u>	<u>\$ 1,556,328</u>	<u>\$ 3,477,421</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$923,288, that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018 is as follows:

<u>Due from other funds</u>	<u>Amount</u>	<u>Due to other funds</u>	<u>Amount</u>
Major governmental funds:		Major governmental funds:	
11000-14000-General Fund	\$ 3,895,373	11000-14000-General Fund	\$ 180
24101-Title I - IASA	0	24101-Title I - IASA	1,106,389
31900-Educational Technology Equipment Act	<u>0</u>	31900-Educational Technology Equipment Act	<u>952,362</u>
Total major governmental funds	<u>3,895,373</u>	Total major governmental funds	<u>2,058,931</u>
Total non-major governmental funds	<u>0</u>	Total non-major governmental funds	<u>1,836,442</u>
Grand Total	<u>\$ 3,895,373</u>	Grand Total	<u>\$ 3,895,373</u>

**Interfund Operating Transfers:**

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

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
Major governmental funds:		Major governmental funds:	
11000-14000-General Fund	\$ 316	11000-14000-General Fund	\$ 322,018
31100-Bond Building	412,499	24101-Title I - IASA	15,831
31701-Capital Improvement SB- 9(Local)	<u>2,534,314</u>	41000-Debt Service Fund	<u>277,315</u>
Total major governmental funds	<u>2,947,129</u>	Total major governmental funds	<u>615,164</u>
Total non-major governmental funds	<u>829,718</u>	Total non-major governmental funds	<u>3,161,683</u>
Grand Total	<u>\$ 3,776,847</u>	Grand Total	<u>\$ 3,776,847</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2018. Land and construction in progress are not subject to depreciation.

	<u>Balance</u> <u>July 1, 2017</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ 64,700	\$	\$	\$ 64,700
Construction in progress	<u>11,159,799</u>	<u>                    </u>	<u>3,085,598</u>	<u>14,245,397</u>
Total capital assets not being depreciated	<u>11,224,499</u>	<u>0</u>	<u>3,085,598</u>	<u>14,310,097</u>
Capital assets being depreciated:				
Land improvements	3,337,308			3,337,308
Building & improvements	81,369,838	(3,578,252)	688,879	78,480,465
Furniture, fixtures and equipment	<u>10,179,204</u>	<u>(6,000)</u>	<u>2,239</u>	<u>10,175,443</u>
Total capital assets being depreciated	<u>94,886,350</u>	<u>(3,584,252)</u>	<u>691,118</u>	<u>91,993,216</u>
Less accumulated depreciation for:				
Land improvements	(1,652,258)		(132,141)	(1,784,399)
Building & improvements	(32,820,212)	2,948,847	(1,541,998)	(31,413,363)
Furniture, fixtures and equipment	<u>(7,920,852)</u>	<u>                    </u>	<u>(588,553)</u>	<u>(8,509,405)</u>
Total accumulated depreciation	<u>(42,393,322)</u>	<u>2,948,847</u>	<u>(2,262,692)</u>	<u>(41,707,167)</u>
Total capital assets, net of depreciation	<u>\$ 63,717,527</u>	<u>\$ (635,405)</u>	<u>\$ 1,514,024</u>	<u>\$ 64,596,146</u>

Depreciation expense was charged to Governmental activities as follows:

Government Activities:-	
Instruction	\$ 70,167
Support services-student	24,875
Support services- general administration	25,949
Food services operation	17,743
Central services	1,971,126
Operation and maintenance of plant	132,428
Student transportation	<u>20,404</u>
Total depreciation expenses	<u>\$ 2,262,692</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018, 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, 2018**

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

Educational Technology Notes outstanding at June 30, 2018, are comprised of the following:

	<b>Series A</b>
	<b>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</u> July 1, 2017	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> June 30, 2018	<u>Due within</u> <u>one year</u>
General Obligation Bonds	\$17,770,000	\$	\$ 2,250,000	\$ 15,520,000	\$ 3,435,000
Educational Technology Notes	435,000		295,000	140,000	70,000
Compensated Absences	<u>235,834</u>	<u>155,104</u>	<u>151,265</u>	<u>239,673</u>	<u>174,270</u>
Total Long-Term Debt	<u>\$18,440,834</u>	<u>\$ 155,104</u>	<u>\$ 2,696,265</u>	<u>\$ 15,899,673</u>	<u>\$ 3,679,270</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2018 including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	1,235,000	139,220	1,374,220
2024-2028	5,450,000	322,800	5,772,800
2029	380,000	3,800	383,800
	<u>\$ 15,520,000</u>	<u>\$ 1,343,458</u>	<u>\$ 16,863,458</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

The annual requirements to amortize the Educational Technology Notes as of June 30, 2018 including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	70,000	2,100	72,100
2020	70,000	700	70,700
	<u>\$ 140,000</u>	<u>\$ 2,800</u>	<u>\$ 142,800</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, 2018, compensated absences increased \$3,839 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 2018.



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**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, 2018:

**Major Fund:**

13000-Pupil Transportation	\$ 180
24101-Title I - IASA	15,831
31900-Educational Technology Equipment Act	952,362

**Nonmajor Fund:**

24147-Reading Excellence	178
24150-Title V Innovative Education Program	1,351
24153-English language Acquisition	19,030
24154-Teacher/Principal Training & Recruiting	18,505
24157-Safe & Drug Free Schools & Communities	105,619
24160-Rural & Low Income Schools	9,287
24162-Title I School Improvement	104,713
24167- Reading First	37,106
24176-Carl D Perkins Redistribution on Career & Tech Ed.	560
24180-Carl Perkins HSTW Current	114
24224-SIG School Improvement	3,137
24262-Title I School Improvement Stimulus	264
25221-Arts in Education	161,004
27117- Technology for Education PED	1,372
27136-TANF - Full Day Kindergarten	20,674
27149-Pre - K Initiative	611
27150-Indian Education Act	26,571
27154- Beginning Teacher Mentoring Program	8,611
27164-School Improvement Framework	1,391
27165- Saturday School	6,909
27195-STEM & Hard to Staff Fund	8,649
28156-Center for Teaching Excellence	2,750
28178-Gearup CHE	70,130
31700-Capital Improvement SB-9(State)	<u>1,641,338</u>

**Total all funds** **\$ 3,218,247**

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

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2018

**Major Funds**

<u>Pupil Transportation Fund</u>	
Student Transportation	\$ <u>179</u>
Total Major Funds	<u>179</u>

**Non-Major Funds**

<u>Title VII Indian Ed FY 17-18 Fund</u>	
Instruction	4,273
<u>Title XIX Medicaid 3/21 Years Fund</u>	
Support services - General administration	59
<u>Ed Tech Debt Service Fund</u>	
Support Services-General Administration	<u>425</u>
Total Nonmajor Funds	\$ <u>4,757</u>
Total All Funds	\$ <u><u>4,936</u></u>

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

C. Designated cash appropriations. The following fund had designated cash appropriations in excess of available balances for the year ended June 30, 2018:

**Major Funds**

Bond Building	\$ 246,581
Debt Service Fund	<u>655,480</u>
Total Major Funds	<u>\$ 902,061</u>

**Nonmajor Funds**

Non Instructional Support	\$ 34,753
Impact Aid Special Education	678,783
Title XIX Medicaid 3/21 Years	64,859
GEAR UP NM State Initiatives	148,215
Kindergarten- Three Plus	243,817
Ed Tech Debt Service	<u>52,067</u>
Total Nonmajor Funds	<u>1,222,494</u>

**Total all funds** \$ 2,124,555

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**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 Eligibility.** 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.

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**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.

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**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 1.5%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%. 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, 2018 and 2017 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>
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$20K or less	7.90%	13.90%	21.80%	0.00%
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%

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, 2018 and 2017, the District paid employee and employer contributions of \$2,010,693 and \$2,766,910 which equal the amount of the required contributions for each fiscal year.

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**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, 2018, the District reported a liability of \$79,733,578 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. 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, 2017, the District’s proportion was 0.71745 percent, which was an increase of 0.00395% from its proportion measured as of June 30, 2016. For the year ended June 30, 2018, the District recognized pension expense of \$11,864,371. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 143,129	\$ 1,228,371
Changes of assumptions	23,275,798	-
Net difference between projected and actual earnings on pension plan investments	-	10,938
Changes in proportion and differences between District contributions and proportionate share of contribution	-	618,256
District's contributions subsequent to the measurement date	<u>2,766,910</u>	<u>-</u>
Total	<u>26,185,837</u>	<u>1,857,565</u>

\$2,766,910 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	\$ 7,989,254
2019	8,860,322
2020	5,368,333
2021	<u>(656,547)</u>
Total	<u>\$ 21,561,362</u>

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**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	2.50%
Salary increases	3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.
Investment rate of return	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.
Average of Expected Remaining Service Lives	3.35 years
Mortality	<p><b>Healthy males:</b> Based on the RP-2000 Combined Healthy Mortality Table with White Collar adjustments, not set back. Generational mortality improvements with Scale BB from the table's base year of 2000.</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.</p> <p><b>Disabled females:</b> 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>
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.
Cost-of-living increases	1.90% per year, compounded annually.
Payroll growth	3.00% per year (with no allowance for membership growth).
Contribution accumulation	The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in the past as well as the future.
Disability incidence	Approved rates are applied to eligible members with at least 10 years of service.



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

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 April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted several economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

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

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	33%	
Fixed Income	26	
Alternatives	40	
Cash	1	
Total	100%	7.25%

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

**Discount rate:** A single discount rate of 5.9% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.56%, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 fiscal year, and the municipal bond rate was applied to all benefit payments after that date. The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.90 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 (4.90 percent) or 1-percentage-point higher (6.90 percent) than the current rate:

<u>ERB Fund Division (A)</u>	<u>1% Decrease (4.90%)</u>	<u>Current Discount Rate (5.9%)</u>	<u>1% Increase (6.9%)</u>
District's proportionate share of the net pension liability	<u>\$103,793,290</u>	<u>\$ 79,733,578</u>	<u>\$ 6,066,721</u>

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in separately issued NMERB’S financial reports. 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, 2018.

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

**General Information about the OPEB**

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

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

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

**Employees covered by benefit terms** – At June 30, 2017, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	<u>97,349</u>
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>97,349</u>

**Contributions** – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are nonrefundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the District were \$398,218 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$21,573,483 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the District's proportion was 0.47606 percent.

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For the year ended June 30, 2018, the District recognized OPEB expense of \$857,693. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 827,876
Change of assumptions		3,771,849
Difference between actual and projected earnings on OPEB plan investments		310,349
Contributions made after the measurement date	<u>398,218</u>	
Total	<u>\$ 398,218</u>	<u>\$ 4,910,074</u>

Deferred outflows of resources totaling \$398,218 represent district contributions to the fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>		
2019	\$	(1,043,916)
2020		(1,043,916)
2021		(1,043,916)
2022		(1,043,916)
2023		<u>(734,410)</u>
Total	\$	<u>(4,910,074)</u>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

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Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions	
Inflation	2.5% for ERB; 2.25% for PERA
Projected payroll increases	3.5%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for non-medicare medical plan costs and 7.5% graded down to 4.5% over 12 for medicare medical plan costs.

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

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	4.1%
U.S. equity - large cap	9.1%
Non U.S. -emerging markets	12.2%
Non U.S. - developed equities	9.8%
Private equity	13.8%
Credit and structured finance	7.3%
Real estate	6.9%
Absolute return	6.1%
U.S. equity - small/mid cap	9.1%

**Discount Rate.** The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

1% Decrease	Current Discount	1% Increase
(2.81)%	(3.81)%	4.81%
\$ 26,168,298	\$ 21,573,483	\$ 17,968,437

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

1% Decrease	Current Trend Rates	1% Increase
\$ 18,349,733	\$ 21,573,483	\$ 24,087,211

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

**Payable Changes in the Net OPEB Liability.** The District doesn't have any amount due to the plan as on June 30, 2018.

**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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 13. SUBSEQUENT EVENT**

The District has evaluated subsequent events through November 15, 2018, 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. NET POSITION RESTATEMENT**

A prior period adjustment of \$25,625,864 has been reflected in the School District's financial statements to record the net pension asset/liability, deferred outflows/inflows, and adjusted pension expense and net position in accordance to GASB 75.

<b>Beginning net position as previously reported at June 30, 2017</b>	\$ 14,963,862
Prior period adjustment - Implementation GASB 75:	
Net pension liability (measurement date)	(26,034,602)
Deferred outflows - District's contributions made during fiscal year 2017	<u>408,738</u>
Total prior period adjustment	<u>(25,625,864)</u>
<b>Net position as restated, July 1, 2017</b>	<b><u><u>\$ (10,662,002)</u></u></b>

Additionally, during the year ended June 30, 2018, the District reconciled the capital asset inventory listing as a result of which a prior period adjustment was made in the amount of \$(635,405) to the Government-wide financial statements of the primary government. Capital assets and accumulated depreciation were adjusted in the amount of \$3,584,252 and \$2,948,847 respectively to restate the net positions correctly.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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.



**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, 2018

For Last 10 Years\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.71745%	0.7214%	0.72562%	0.7459%
District's proportionate share of the net pension liability (asset)	\$79,733,578	\$51,915,072	\$47,000,340	\$42,559,608
District's covered-employee payroll	19,565,299	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	407.53%	254.13%	237.23%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	52.95%	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for 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, 2018

Educational Retirement Board (ERB) Pension Plan

	2018	2017	2016	2015
Contractually required contribution	2,766,910	2,839,510	2,863,578	2,868,248
Contributions in relation to the contractually required contribution	2,766,910	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  
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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

**ERB Plan**

***Changes of benefit terms and assumptions.*** There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

***Changes in assumptions and methods.*** Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, The Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

**OPEB (RHCA) Plan**

***Changes in benefit provisions.*** There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

***Changes in assumptions and methods.*** There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

**STATE OF NEW MEXICO  
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SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND OPEB  
CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2018

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

	2018*
Employer's proportion of the net OPEB liability	0.47606%
Employer's proportionate share of the net OPEB liability	21,573,483
Employer covered-employee payroll	19,830,981
Employer's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB	11.34%

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

**SCHEDULE OF CONTRIBUTIONS - OPEB**

	2018*
Contractually required contribution	\$ 1,511,714
Contribution in relation to the contractually required contribution	758,712
Contribution deficiency (excess)	753,002
Employer's covered-employee payroll	\$19,830,981
Contribution as a percentage of covered-employee payroll	3.83%

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

**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 (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.

**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.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**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).

**IDEA-B Results Plan (24132)**– This fund is used to support activities for Student Success, or areas in need of improvement, identified through the Special Education instructional. Authority for creation of this fund is Public Law 105-17.



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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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.

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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 at risk 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.

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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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).

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NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 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.

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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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.

**Truancy Initiative PED (27141)**– To account for monies received to help students who are truant from school to be required to perform community service rather than being suspended from school.

**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).

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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**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.

**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 Pre-K Classroom Construction (27177)**- The purpose of this fund is to account for a program, funded by the Public Education Department, to renovate and upgrade Pre-Kindergarten classrooms to meet the current kindergarten adequacy standards. Funding is authorized by the Laws of 2013, SB-60 Chapter 226, Section 53.

**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.

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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**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).

**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.

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GRANTS-CIBOLA COUNTY SCHOOLS  
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FOR THE YEAR ENDED JUNE 30, 2018**

**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).



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GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION  
FOR THE YEAR ENDED JUNE 30, 2018**

**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  
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Statement A-1

	Special Revenue Funds		
	21000-Food Services	22000- Athletics	23000-Non- Instructional Support
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 2,555,084	\$ 142,776	\$ 231,962
Property taxes receivable			
Due from other governments			
Inventory	40,684	—	—
Total assets	2,595,768	142,776	231,962
<b>LIABILITIES</b>			
Accounts payable	714		
Unearned revenue			
Due to other funds	—	—	—
Total liabilities	714	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	40,684		
Spendable:			
Restricted for:			
Education			231,962
Food service program	2,554,370		
Extra-curricular activities		142,776	
Capital acquisition and improvements			
Debt service			
Unassigned	—	—	—
Total fund balance	2,595,054	142,776	231,962
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,595,768	\$ 142,776	\$ 231,962

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
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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	\$	\$ 5,000
Property taxes receivable			326,701	
Due from other governments				
Inventory				
Total assets	1,531	15,000	326,701	5,000
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue			315,115	
Due to other funds				
Total liabilities	0	0	315,115	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	1,531	15,000	11,586	5,000
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	1,531	15,000	11,586	5,000
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,531	\$ 15,000	\$ 326,701	\$ 5,000

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
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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	\$	\$ 13,902	\$
Property taxes receivable			
Due from other governments	6,681	430	
Inventory	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>6,681</u>	<u>14,332</u>	<u>0</u>
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	<u>5,072</u>	<u>          </u>	<u>          </u>
Total liabilities	<u>5,072</u>	<u>0</u>	<u>0</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	1,609	14,332	
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>1,609</u>	<u>14,332</u>	<u>0</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,681</u>	<u>\$ 14,332</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
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JUNE 30, 2018**

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	44,403		
Inventory			
Total assets	44,403	0	264
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	44,110		
Total liabilities	44,110	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	293		264
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	293	0	264
Total liabilities, deferred inflows of resources, and fund balance	\$ 44,403	\$ 0	\$ 264

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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Statement A-1

	Special Revenue Funds			
	24126-Learn & Services (CNCS)	24128-Title IV Drug Free Schools & Comm/Ed	24132-IDEA B Results Plan RDA	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			49,611	
Inventory				
Total assets	55	7,100	49,611	14,057
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds			49,611	
Total liabilities	0	0	49,611	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	55	7,100		14,057
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	55	7,100	0	14,057
Total liabilities, deferred inflows of resources, and fund balance	\$ 55	\$ 7,100	\$ 49,611	\$ 14,057

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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NONMAJOR GOVERNMENTAL FUNDS  
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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			
Total assets	2,309	48,732	0
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds			178
Total liabilities	0	0	178
<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	2,309	48,732	
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			(178)
Total fund balance	2,309	48,732	(178)
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

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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	\$	\$	\$
Property taxes receivable			
Due from other governments	125	14,790	97,618
Inventory			
Total assets	125	14,790	97,618
<b>LIABILITIES</b>			
Accounts payable			33,280
Unearned revenue			
Due to other funds	1,476	33,820	82,843
Total liabilities	1,476	33,820	116,123
<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	(1,351)	(19,030)	(18,505)
Total fund balance	(1,351)	(19,030)	(18,505)
Total liabilities, deferred inflows of resources, and fund balance	\$ 125	\$ 14,790	\$ 97,618

The accompanying notes are an integral part of these financial statements



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GRANTS-CIBOLA COUNTY SCHOOLS  
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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	\$ 61,432	\$	\$
Property taxes receivable			
Due from other governments	29,668		64,517
Inventory			
Total assets	91,100	0	64,517
<b>LIABILITIES</b>			
Accounts payable	14		30,414
Unearned revenue			
Due to other funds		105,619	43,390
Total liabilities	14	105,619	73,804
<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	91,086		
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned		(105,619)	(9,287)
Total fund balance	91,086	(105,619)	(9,287)
Total liabilities, deferred inflows of resources, and fund balance	\$ 91,100	\$ 0	\$ 64,517

The accompanying notes are an integral part of these financial statements

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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			
Total assets	0	0	5,379
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	104,713	37,106	
Total liabilities	104,713	37,106	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			5,379
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	(104,713)	(37,106)	
Total fund balance	(104,713)	(37,106)	5,379
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 0	\$ 5,379

The accompanying notes are an integral part of these financial statements

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Statement A-1

	Special Revenue Funds			
	24174-Carl D. Perkins Secondary - Current	24176-Carl D Perkins Redistribution on Career & Tech Ed.	24180-Carl Perkins HSTW Current	24181-Carl D. Perkins HSTW - PY Unliq. Obligations 24181
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$	\$	\$	\$ 22,297
Property taxes receivable				
Due from other governments	8,585	11,086		
Inventory	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>8,585</u>	<u>11,086</u>	<u>0</u>	<u>22,297</u>
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds	<u>8,214</u>	<u>11,646</u>	<u>114</u>	<u>          </u>
Total liabilities	<u>8,214</u>	<u>11,646</u>	<u>114</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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	371			22,297
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned	<u>          </u>	<u>(560)</u>	<u>(114)</u>	<u>          </u>
Total fund balance	<u>371</u>	<u>(560)</u>	<u>(114)</u>	<u>22,297</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,585</u>	<u>\$ 11,086</u>	<u>\$ 0</u>	<u>\$ 22,297</u>

The accompanying notes are an integral part of these financial statements

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GRANTS-CIBOLA COUNTY SCHOOLS  
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Statement A-1

	Special Revenue Funds			
	24201-Title I - IASA - Federal Stimulus	24206- Entitlement IDEA-B - Federal Stimulus	24224-SIG School Improvement	24262-Title I School Improvement Stimulus
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 2,250	\$ 70	\$	\$
Property taxes receivable				
Due from other governments				
Inventory				
Total assets	2,250	70	0	0
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds			3,137	264
Total liabilities	0	0	3,137	264
<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	2,250	70		
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned			(3,137)	(264)
Total fund balance	2,250	70	(3,137)	(264)
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,250	\$ 70	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

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Statement A-1

	Special Revenue Funds			
	25115-Title IX Indian Ed	25145- Impact Aid Special Education	25147- Impact Aid Indian Education	25149-Grads Child Care CYFD
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 2,578	\$ 15,932	\$ 258,188	\$ 5,468
Property taxes receivable				
Due from other governments		173,402		
Inventory				
Total assets	2,578	189,334	258,188	5,468
<b>LIABILITIES</b>				
Accounts payable			89	
Unearned revenue	1,443		103,863	
Due to other funds				
Total liabilities	1,443	0	103,952	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	1,135	189,334	154,236	5,468
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	1,135	189,334	154,236	5,468
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,578	\$ 189,334	\$ 258,188	\$ 5,468

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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Statement A-1

	Special Revenue Funds		
	25153-Title XIX Medicaid 3/21 Years	25161-Bilingual Ed Dev & Implementation Grant	25162- TANF/GRA DS HSD
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 794,155	\$ 36,647	\$ 1,423
Property taxes receivable			
Due from other governments			
Inventory			
Total assets	794,155	36,647	1,423
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue	260,894		
Due to other funds			
Total liabilities	260,894	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	533,261	36,647	1,423
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	533,261	36,647	1,423
Total liabilities, deferred inflows of resources, and fund balance	\$ 794,155	\$ 36,647	\$ 1,423

The accompanying notes are an integral part of these financial statements

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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	\$ 143,380	\$
Property taxes receivable			
Due from other governments			48,844
Inventory			
Total assets	162,161	143,380	48,844
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue		6,449	
Due to other funds			47,835
Total liabilities	0	6,449	47,835
<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	162,161	136,931	1,009
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	162,161	136,931	1,009
Total liabilities, deferred inflows of resources, and fund balance	\$ 162,161	\$ 143,380	\$ 48,844

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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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			
Total assets	0	75	11,414
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	161,004		
Total liabilities	161,004	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		75	11,414
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	(161,004)		
Total fund balance	(161,004)	75	11,414
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 75	\$ 11,414

The accompanying notes are an integral part of these financial statements



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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	15,508	17,252	
Inventory	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>15,508</u>	<u>17,252</u>	<u>0</u>
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	<u>9,306</u>	<u>17,252</u>	<u>          </u>
Total liabilities	<u>9,306</u>	<u>17,252</u>	<u>0</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	6,202		
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>6,202</u>	<u>0</u>	<u>0</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 15,508</u>	<u>\$ 17,252</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

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	Special Revenue Funds			
	27115-TANF PED School- aged Child Care	27117- Technology for Education PED	27128- Teacher Recruitment	27136-TANF - Full Day Kindergarten
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 61,844	\$	\$	\$
Property taxes receivable				
Due from other governments	46,781		6,459	
Inventory	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>108,625</u>	<u>0</u>	<u>6,459</u>	<u>0</u>
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds	<u>          </u>	<u>1,372</u>	<u>6,459</u>	<u>20,674</u>
Total liabilities	<u>0</u>	<u>1,372</u>	<u>6,459</u>	<u>20,674</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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	108,625			
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned	<u>          </u>	<u>(1,372)</u>	<u>          </u>	<u>(20,674)</u>
Total fund balance	<u>108,625</u>	<u>(1,372)</u>	<u>0</u>	<u>(20,674)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 108,625</u>	<u>\$ 0</u>	<u>\$ 6,459</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

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	Special Revenue Funds			
	27138- Incentives for School Improvement Act PED	27141- Truancy Initiative PED	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		20,750		
Inventory				
Total assets	75,452	20,750	135	6,000
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds		20,750		
Total liabilities	0	20,750	0	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	75,452		135	6,000
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	75,452	0	135	6,000
Total liabilities, deferred inflows of resources, and fund balance	\$ 75,452	\$ 20,750	\$ 135	\$ 6,000

The accompanying notes are an integral part of these financial statements

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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	\$	\$	\$ 20,040
Property taxes receivable			
Due from other governments	114,118	24,303	
Inventory	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>114,118</u>	<u>24,303</u>	<u>20,040</u>
<b>LIABILITIES</b>			
Accounts payable	271	22	
Unearned revenue			
Due to other funds	<u>114,458</u>	<u>50,852</u>	<u>          </u>
Total liabilities	<u>114,729</u>	<u>50,874</u>	<u>0</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			20,040
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	<u>(611)</u>	<u>(26,571)</u>	<u>          </u>
Total fund balance	<u>(611)</u>	<u>(26,571)</u>	<u>20,040</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 114,118</u>	<u>\$ 24,303</u>	<u>\$ 20,040</u>

The accompanying notes are an integral part of these financial statements

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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		11,603	
Inventory			
Total assets	0	11,603	0
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	8,611	11,603	1,391
Total liabilities	8,611	11,603	1,391
<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	(8,611)		(1,391)
Total fund balance	(8,611)	0	(1,391)
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 11,603	\$ 0

The accompanying notes are an integral part of these financial statements

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Statement A-1

	Special Revenue Funds			
	27165- Saturday School	27166- Kindergarten - Three Plus	27176- Science Instruction Materials K- 12	27177-2013 Pre-K Classroom Construction
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$	\$	\$	\$
Property taxes receivable				
Due from other governments		113,554	1,221	59,793
Inventory				
Total assets	0	113,554	1,221	59,793
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds	6,909	113,554	1,221	59,793
Total liabilities	6,909	113,554	1,221	59,793
<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	(6,909)			
Total fund balance	(6,909)	0	0	0
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 113,554	\$ 1,221	\$ 59,793

The accompanying notes are an integral part of these financial statements

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Statement A-1

	Special Revenue Funds		
	27178-2013 School Bus	27191-Early Warning Systems/Dropo ut Prevention	27195-STEM & Hard to Staff Fund
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$	\$	\$
Property taxes receivable			
Due from other governments			
Inventory	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>          0</u>	<u>          0</u>	<u>          0</u>
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			8,649
Due to other funds	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>          0</u>	<u>          0</u>	<u>          8,649</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>          (8,649)</u>
Total fund balance	<u>          0</u>	<u>          0</u>	<u>          (8,649)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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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			
Total assets	10,828	98,716	4,500
<b>LIABILITIES</b>			
Accounts payable			
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	10,828	98,716	4,500
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned			
Total fund balance	10,828	98,716	4,500
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



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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			
Total assets	0	176	0
<b>LIABILITIES</b>			
Accounts payable			
Unearned revenue			
Due to other funds	2,750		70,130
Total liabilities	2,750	0	70,130
<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		176	
Food service program			
Extra-curricular activities			
Capital acquisition and improvements			
Debt service			
Unassigned	(2,750)		(70,130)
Total fund balance	(2,750)	176	(70,130)
Total liabilities, deferred inflows of resources, and fund balance	\$ 0	\$ 176	\$ 0

The accompanying notes are an integral part of these financial statements

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Statement A-1

	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				
Total assets	2,159	1,672	58	1,025
<b>LIABILITIES</b>				
Accounts payable				
Unearned revenue				
Due to other funds				
Total liabilities	0	0	0	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	2,159	1,672	58	1,025
Food service program				
Extra-curricular activities				
Capital acquisition and improvements				
Debt service				
Unassigned				
Total fund balance	2,159	1,672	58	1,025
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

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Statement A-1

	Special Revenue Funds	Capital Project Funds		
	29135- Industrial Revenue Bonds Payments in Lieu of Taxes	31200-Public School Capital Outlay	31700-Capital Improvement SB-9(State)	31800-Energy Efficiency Act
<b>ASSETS</b>				
Current assets:				
Cash & cash equivalents	\$ 647,000	\$ 13,981	\$ 179,463	\$ 1,906
Property taxes receivable				
Due from other governments				
Inventory				
Total assets	647,000	13,981	179,463	1,906
<b>LIABILITIES</b>				
Accounts payable			1,402,256	
Unearned revenue				
Due to other funds			264,090	
Total liabilities	0	0	1,666,346	0
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow- property taxes			154,455	
Total deferred inflows of resources	0	0	154,455	0
<b>FUND BALANCES</b>				
Non-spendable:				
Inventories				
Spendable:				
Restricted for:				
Education	647,000			
Food service program				
Extra-curricular activities				
Capital acquisition and improvements		13,981		1,906
Debt service				
Unassigned			(1,641,338)	
Total fund balance	647,000	13,981	(1,641,338)	1,906
Total liabilities, deferred inflows of resources, and fund balance	\$ 647,000	\$ 13,981	\$ 179,463	\$ 1,906

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
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Statement A-1

	<u>Debt Service Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>43000-Ed Tech Debt Service</u>		
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 419,655	\$	5,925,768
Property taxes receivable	69,062		248,525
Due from other governments			1,307,803
Inventory			<u>40,684</u>
Total assets	<u>488,717</u>		<u>7,522,780</u>
<b>LIABILITIES</b>			
Accounts payable			1,467,060
Unearned revenue			381,298
Due to other funds			<u>1,836,442</u>
Total liabilities	<u>0</u>		<u>3,684,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow- property taxes	<u>60,167</u>		<u>214,622</u>
Total deferred inflows of resources	<u>60,167</u>		<u>214,622</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories			40,684
Spendable:			
Restricted for:			
Education			2,690,965
Food service program			2,554,370
Extra-curricular activities			142,776
Capital acquisition and improvements			15,887
Debt service	428,550		428,550
Unassigned			<u>(2,249,874)</u>
Total fund balance	<u>428,550</u>		<u>3,623,358</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 488,717</u>	\$	<u>7,522,780</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, 2018**

Statement A-2

	Special Revenue Funds			
	21000-Food Services	22000- Athletics	23000-Non- Instructional Support	24104-Title I Capital Expense IASA
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough	2,366,869			
Federal direct				
State flowthrough				
Charges for services	105,241	75,156	208,480	
Investment income	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue	<u>2,472,110</u>	<u>75,156</u>	<u>208,480</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction		69,730	283,515	
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations	2,065,633			
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>2,065,633</u>	<u>69,730</u>	<u>283,515</u>	<u>0</u>
Revenue over (under) expenditure	<u>406,477</u>	<u>5,426</u>	<u>(75,035)</u>	<u>0</u>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	10,351			1,531
Transfer Out	<u>          </u>	<u>(245)</u>	<u>(13,072)</u>	<u>          </u>
Total other financing sources	<u>10,351</u>	<u>(245)</u>	<u>(13,072)</u>	<u>1,531</u>
(uses)				
Net changes in fund balance	416,828	5,181	(88,107)	1,531
Fund balances - beginning of the year	<u>2,178,226</u>	<u>137,595</u>	<u>320,069</u>	<u>0</u>
Fund balances - end of the year	<u>\$ 2,595,054</u>	<u>\$ 142,776</u>	<u>\$ 231,962</u>	<u>\$ 1,531</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Statement A-2

	Special Revenue Funds			
	24105-Title I Program Improvement IASA	24106- Entitlement IDEA-B	24107- Discretionary IDEA-B	24108- IDEA-B Competitive
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough		878,615		6,572
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	878,615	0	6,572
<b>EXPENDITURES:</b>				
Current:				
Instruction		647,172		6,572
Support services				
Students		200,523		
Instruction				
General administration		30,920		
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	878,615	0	6,572
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	15,000	11,586		1,609
Transfer Out				
Total other financing sources	15,000	11,586	0	1,609
(uses)				
Net changes in fund balance	15,000	11,586	0	1,609
Fund balances - beginning of the year	0	0	5,000	0
Fund balances - end of the year	\$ 15,000	\$ 11,586	\$ 5,000	\$ 1,609

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Statement A-2

	Special Revenue Funds			
	24109- Preschool IDEA-B	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			115,330	
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	115,330	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations			115,330	
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	115,330	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	14,332		293	
Transfer Out				
Total other financing sources	14,332	0	293	0
(uses)				
Net changes in fund balance	14,332	0	293	0
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 14,332	\$ 0	\$ 293	\$ 0

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
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	Special Revenue Funds			
	24124-Title I 1003g Grant	24126-Learn & Services (CNCS)	24128-Title IV Drug Free Schools & Comm/Ed	24132-IDEA B Results Plan RDA
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				49,611
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	0	49,611
<b>EXPENDITURES:</b>				
Current:				
Instruction				49,611
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	49,611
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In	264	55	7,100	
Transfer Out				
Total other financing sources (uses)	264	55	7,100	0
Net changes in fund balance	264	55	7,100	0
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 264	\$ 55	\$ 7,100	\$ 0

The accompanying notes are an integral part of these financial statements



**GRANTS-CIBOLA COUNTY SCHOOLS  
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	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			
Total revenue	0	0	0
<b>EXPENDITURES:</b>			
Current:			
Instruction			
Support services			
Students			
Instruction			
General administration			
School administration			
Central services			
Food services operations			
Capital outlay			
Debt Service:			
Debt service - principal			
Debt service - interest			
Total expenditures	0	0	0
Revenue over (under) expenditure	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer In	14,057	2,309	48,732
Transfer Out			
Total other financing sources (uses)	14,057	2,309	48,732
Net changes in fund balance	14,057	2,309	48,732
Fund balances - beginning of the year	0	0	0
Fund balances - end of the year	\$ 14,057	\$ 2,309	\$ 48,732

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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Statement A-2

	Special Revenue Funds			
	24147-Reading Excellence	24150-Title V Innovative Education Program	24153-English language Acquisition	24154- Teacher/Principal Training & Recruiting
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough			52,262	213,369
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	52,262	213,369
<b>EXPENDITURES:</b>				
Current:				
Instruction			51,088	207,251
Support services				
Students				
Instruction				
General administration			1,174	6,118
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	52,262	213,369
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In				
Transfer Out	(178)	(1,351)	(19,030)	(18,505)
Total other financing sources	(178)	(1,351)	(19,030)	(18,505)
(uses)	(178)	(1,351)	(19,030)	(18,505)
Net changes in fund balance	(178)	(1,351)	(19,030)	(18,505)
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ (178)	\$ (1,351)	\$ (19,030)	\$ (18,505)

The accompanying notes are an integral part of these financial statements

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Statement A-2

	Special Revenue Funds			
	24155- Indian Education Title VII	24157-Safe & Drug Free Schools & Communities	24160-Rural & Low Income Schools	24162-Title I School Improvement
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough			81,611	
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	81,611	0
<b>EXPENDITURES:</b>				
Current:				
Instruction			75,738	
Support services				
Students			4,089	
Instruction				
General administration			1,784	
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	81,611	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	91,086			
Transfer Out		(105,619)	(9,287)	(104,713)
Total other financing sources		(105,619)	(9,287)	(104,713)
(uses)	91,086	(105,619)	(9,287)	(104,713)
Net changes in fund balance	91,086	(105,619)	(9,287)	(104,713)
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 91,086	\$ (105,619)	\$ (9,287)	\$ (104,713)

The accompanying notes are an integral part of these financial statements

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	Special Revenue Funds			
	24167-Reading First	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			49,854	7,931
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	49,854	7,931
<b>EXPENDITURES:</b>				
Current:				
Instruction			49,854	7,931
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	49,854	7,931
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In		5,379	371	
Transfer Out	(37,106)			(560)
Total other financing sources	(37,106)	5,379	371	(560)
(uses)	(37,106)	5,379	371	(560)
Net changes in fund balance	(37,106)	5,379	371	(560)
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ (37,106)	\$ 5,379	\$ 371	\$ (560)

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
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	Special Revenue Funds			
	24180-Carl Perkins HSTW Current	24181-Carl D. Perkins HSTW - PY Unliq. Obligations	24201-Title I - IASA - Federal Stimulus	24206- Entitlement IDEA-B - 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	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In		22,297	2,250	70
Transfer Out	(114)			
Total other financing sources (uses)	(114)	22,297	2,250	70
Net changes in fund balance	(114)	22,297	2,250	70
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ (114)	\$ 22,297	\$ 2,250	\$ 70

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	Special Revenue Funds			
	24224-SIG School Improvement	24262-Title I School Improvement Stimulus	25115-Title IX Indian Ed	25145-Impact Aid Special Education
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct			288,341	99,258
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	288,341	99,258
<b>EXPENDITURES:</b>				
Current:				
Instruction			282,311	50,901
Support services				
Students				48,357
Instruction				
General administration			6,030	
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	288,341	99,258
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In			1,135	3,698
Transfer Out	(3,137)	(264)		
Total other financing sources	(3,137)	(264)	1,135	3,698
(uses)	(3,137)	(264)	1,135	3,698
Net changes in fund balance	(3,137)	(264)	1,135	3,698
Fund balances - beginning of the year	0	0	0	185,636
Fund balances - end of the year	\$ (3,137)	\$ (264)	\$ 1,135	\$ 189,334

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**GRANTS-CIBOLA COUNTY SCHOOLS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
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	Special Revenue Funds			
	25147-Impact Aid Indian Education	25149- Grads Child Care CYFD	25153-Title XIX Medicaid 3/21 Years	25161- Bilingual Ed Dev & Implementation Grant
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct	560,677		457,501	
State flowthrough				
Charges for services				
Investment income				
Total revenue	560,677	0	457,501	0
<b>EXPENDITURES:</b>				
Current:				
Instruction	393,224		62,673	
Support services				
Students	67,997		319,769	
Instruction				
General administration	99,456		75,059	
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	560,677	0	457,501	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In		5,468		36,647
Transfer Out	(32,346)			
Total other financing sources (uses)	(32,346)	5,468	0	36,647
Net changes in fund balance	(32,346)	5,468	0	36,647
Fund balances - beginning of the year	186,582	0	533,261	0
Fund balances - end of the year	\$ 154,236	\$ 5,468	\$ 533,261	\$ 36,647

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**STATE OF NEW MEXICO**  
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Statement A-2

	Special Revenue Funds			
	25162- TANF/GRADS HSD	25184-Indian Education Formula Grant	25200-ROTC	25205-Gear up NM State Initiatives
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct			86,297	258,512
State flowthrough				13,854
Charges for services				
Investment income				
Total revenue	0	0	86,297	272,366
<b>EXPENDITURES:</b>				
Current:				
Instruction			86,297	202,915
Support services				
Students				59,709
Instruction				
General administration				9,742
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	86,297	272,366
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	1,423	162,161	134,450	1,030
Transfer Out				
Total other financing sources	1,423	162,161	134,450	1,030
Net changes in fund balance	1,423	162,161	134,450	1,030
Fund balances - beginning of the year	0	0	2,481	(21)
Fund balances - end of the year	\$ 1,423	\$ 162,161	\$ 136,931	\$ 1,009

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
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Statement A-2

	Special Revenue Funds			
	25221-Arts in Education	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				14,511
Charges for services				
Investment income				
Total revenue	0	0	0	14,511
<b>EXPENDITURES:</b>				
Current:				
Instruction				14,511
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	14,511
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In		75	11,414	
Transfer Out	(161,004)			
Total other financing sources	(161,004)	75	11,414	0
(uses)	(161,004)	75	11,414	0
Net changes in fund balance	(161,004)	75	11,414	0
Fund balances - beginning of the year	0	0	0	6,202
Fund balances - end of the year	\$ (161,004)	\$ 75	\$ 11,414	\$ 6,202

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
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	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	27117- Technology for Education PED
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough	14,441			
Charges for services				
Investment income				
Total revenue	14,441	0	0	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction	14,441			
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	14,441	0	0	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In				
Transfer Out				(1,372)
Total other financing sources				(1,372)
(uses)	0	0	0	(1,372)
Net changes in fund balance	0	0	0	(1,372)
Fund balances - beginning of the year	0	0	108,625	0
Fund balances - end of the year	\$ 0	\$ 0	\$ 108,625	\$ (1,372)

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**STATE OF NEW MEXICO**  
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	Special Revenue Funds			
	27128- Teacher Recruitment	27136-TANF - Full Day Kindergarten	27138- Incentives for School Improvement Act PED	27141- Truancy Initiative PED
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough	6,459			
Federal direct				
State flowthrough				60,089
Charges for services				
Investment income				
Total revenue	6,459	0	0	60,089
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				60,089
Instruction				
General administration				
School administration				
Central services	6,459			
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	6,459	0	0	60,089
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In			75,452	
Transfer Out		(20,674)		
Total other financing sources				
(uses)	0	(20,674)	75,452	0
Net changes in fund balance	0	(20,674)	75,452	0
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 0	\$ (20,674)	\$ 75,452	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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	Special Revenue Funds			
	27145-Libraries - G. O. Bonds – Laws of NM 2005	27147-Federal Relief	27149-Pre - K Initiative	27150-Indian Education Act
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough			495,663	17,883
Charges for services				
Investment income				
Total revenue	<u>0</u>	<u>0</u>	<u>495,663</u>	<u>17,883</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction			467,250	17,017
Support services				
Students				
Instruction				
General administration			28,413	866
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	<u>0</u>	<u>0</u>	<u>495,663</u>	<u>17,883</u>
Revenue over (under) expenditure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	135	6,000	878	
Transfer Out				
Total other financing sources				
(uses)	<u>135</u>	<u>6,000</u>	<u>878</u>	<u>0</u>
Net changes in fund balance	135	6,000	878	0
Fund balances - beginning of the year	<u>0</u>	<u>0</u>	<u>(1,489)</u>	<u>(26,571)</u>
Fund balances - end of the year	<u><u>\$ 135</u></u>	<u><u>\$ 6,000</u></u>	<u><u>\$ (611)</u></u>	<u><u>\$ (26,571)</u></u>

The accompanying notes are an integral part of these financial statements

**GRANTS-CIBOLA COUNTY SCHOOLS  
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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
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	Special Revenue Funds			
	27153-Mid- School Tutoring & Student Enhancement	27154- Beginning Teacher Mentoring Program	27155- Breakfast in the Classroom	27164-School Improvement Framework
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough			56,732	
Charges for services				
Investment income				
Total revenue	0	0	56,732	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations			56,732	
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	56,732	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In	20,040			
Transfer Out		(8,611)		(1,391)
Total other financing sources (uses)	20,040	(8,611)	0	(1,391)
Net changes in fund balance	20,040	(8,611)	0	(1,391)
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 20,040	\$ (8,611)	\$ 0	\$ (1,391)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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	Special Revenue Funds			
	27165- Saturday School	27166- Kindergarten - Three Plus	27176-Science Instruction Materials K- 12	27177-2013 Pre-K Classroom Construction
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				59,793
Federal direct				
State flowthrough		313,639		
Charges for services				
Investment income				
Total revenue	0	313,639	0	59,793
<b>EXPENDITURES:</b>				
Current:				
Instruction		280,167		
Support services				
Students				
Instruction				
General administration				
School administration		33,472		
Central services				
Food services operations				
Capital outlay				59,793
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	313,639	0	59,793
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In				
Transfer Out	(6,909)			
Total other financing sources	(6,909)	0	0	0
(uses)				
Net changes in fund balance	(6,909)	0	0	0
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ (6,909)	\$ 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, 2018**

	Special Revenue Funds			
	27178-2013 School Bus	27191-Early Warning Systems/Dropout Prevention	27195-STEM & Hard to Staff Fund	27549-Library Books
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenue over (under) expenditure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer In				10,828
Transfer Out				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,828</u>
Net changes in fund balance	0	0	0	10,828
Fund balances - beginning of the year	<u>0</u>	<u>0</u>	<u>(8,649)</u>	<u>0</u>
Fund balances - end of the year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (8,649)</u></u>	<u><u>\$ 10,828</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, 2018**

Statement A-2

	Special Revenue Funds			
	28117-Health Dept - Child Care Center	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				
Total revenue	0	0	0	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	98,716	4,500		176
Transfer Out			(2,750)	
Total other financing sources	98,716	4,500	(2,750)	176
(uses)				
Net changes in fund balance	98,716	4,500	(2,750)	176
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ 98,716	\$ 4,500	\$ (2,750)	\$ 176

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, 2018**

Statement A-2

	Special Revenue Funds			
	28178-Gear- up CHE	28189-Grads Child Care	28190-Grads - Instruction	29102-Private Dir Grants
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental revenue				
Federal flowthrough				
Federal direct				
State flowthrough				
Charges for services				
Investment income				
Total revenue	0	0	0	0
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	0	0	0	0
Revenue over (under) expenditure	0	0	0	0
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In		2,159	1,672	58
Transfer Out	(70,130)			
Total other financing sources (uses)	(70,130)	2,159	1,672	58
Net changes in fund balance	(70,130)	2,159	1,672	58
Fund balances - beginning of the year	0	0	0	0
Fund balances - end of the year	\$ (70,130)	\$ 2,159	\$ 1,672	\$ 58

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, 2018**

Statement A-2

	Special Revenue Funds		Capital Project Fund	
	29112-RE: Learning New Mexico	29135- Industrial Revenue Bonds Payments in Lieu of Taxes	31200-Public School Capital Outlay	31700- Capital Improvement SB-9(State)
<b>REVENUES:</b>				
Property taxes	\$	\$	\$	\$ 6,582
Intergovernmental revenue				
Federal flowthrough				
Federal direct				170,256
State flowthrough				
Charges for services				
Investment income	<u>          </u>	<u>334,500</u>	<u>          </u>	<u>          </u>
Total revenue	<u>          0</u>	<u>334,500</u>	<u>          0</u>	<u>176,838</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Students				
Instruction				
General administration				
School administration				
Central services				
Food services operations				
Capital outlay				124,925
Debt Service:				
Debt service - principal				
Debt service - interest				
Total expenditures	<u>          0</u>	<u>          0</u>	<u>          0</u>	<u>124,925</u>
Revenue over (under) expenditure	<u>          0</u>	<u>334,500</u>	<u>          0</u>	<u>51,913</u>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES):</b>				
Transfer In	1,025			
Transfer Out				<u>(2,540,428)</u>
Total other financing sources	<u>1,025</u>	<u>          0</u>	<u>          0</u>	<u>(2,540,428)</u>
(uses)				
Net changes in fund balance	1,025	334,500	0	(2,488,515)
Fund balances - beginning of the year	<u>          0</u>	<u>312,500</u>	<u>13,981</u>	<u>847,177</u>
Fund balances - end of the year	<u>\$ 1,025</u>	<u>\$ 647,000</u>	<u>\$ 13,981</u>	<u>\$ (1,641,338)</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, 2018**

	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	31800-Energy Efficiency Act	43000-Ed Tech Debt Service	
<b>REVENUES:</b>			
Property taxes	\$	\$ 394,263	\$ 400,845
Intergovernmental revenue			
Federal flowthrough			3,888,276
Federal direct			1,920,842
State flowthrough			986,812
Charges for services			388,877
Investment income			<u>334,500</u>
Total revenue	<u>0</u>	<u>394,263</u>	<u>7,920,152</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction			3,305,728
Support services			
Students			760,533
Instruction			14,441
General administration		3,425	262,987
School administration			33,472
Central services			6,459
Food services operations			2,237,695
Capital outlay			184,718
Debt Service:			
Debt service - principal		295,000	295,000
Debt service - interest		<u>8,741</u>	<u>8,741</u>
Total expenditures	<u>0</u>	<u>307,166</u>	<u>7,109,774</u>
Revenue over (under) expenditure	<u>0</u>	<u>87,097</u>	<u>810,378</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer In	1,906		829,718
Transfer Out		<u>(2,887)</u>	<u>(3,161,683)</u>
Total other financing sources (uses)	<u>1,906</u>	<u>(2,887)</u>	<u>(2,331,965)</u>
Net changes in fund balance	1,906	84,210	(1,521,587)
Fund balances - beginning of the year	<u>0</u>	<u>344,340</u>	<u>5,144,945</u>
Fund balances - end of the year	<u>\$ 1,906</u>	<u>\$ 428,550</u>	<u>\$ 3,623,358</u>

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**  
**JUNE 30, 2018**

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	\$ 4,420,097	\$ 13,627	\$	\$ 30,149	\$ 4,463,873
Property taxes receivable	39,592				39,592
Inventory	9,863				9,863
Due from other funds	3,895,373				3,895,373
Other receivables	<u>4,921</u>				<u>4,921</u>
Total assets	<u>\$ 8,369,846</u>	<u>\$ 13,627</u>	<u>\$</u>	<u>\$ 30,149</u>	<u>\$ 8,413,622</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	278,841				278,841
Accrued payroll liabilities	2,853				2,853
Due to other funds			<u>180</u>		<u>180</u>
Total liabilities	<u>281,694</u>		<u>180</u>		<u>281,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows- property taxes	<u>33,796</u>				<u>33,796</u>
Total deferred inflows of resources	<u>33,796</u>				<u>33,796</u>
<b>FUND BALANCES</b>					
Fund balances					
Nonspendable					
Inventory	9,863				9,863
Restricted for :					
Teacher housing		13,627			13,627
Instructional materials				30,149	30,149
Committed for:					
Subsequent year's expenditures	3,351,757				3,351,757
Emergency reserve	300,000				300,000
Unassigned	<u>4,392,736</u>		<u>(180)</u>		<u>4,392,556</u>
Total fund balances	<u>8,054,356</u>	<u>13,627</u>	<u>(180)</u>	<u>30,149</u>	<u>8,097,952</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,369,846</u>	<u>\$ 13,627</u>	<u>\$ 0</u>	<u>\$ 30,149</u>	<u>\$ 8,413,622</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, 2018**

	11000- Operational	12000- Teacherege	13000-Pupil Transportation	14000- Instructional Materials	General Fund Total
<b>REVENUES:</b>					
Property taxes	\$ 140,531	\$	\$	\$	\$ 140,531
Intergovernmental revenue					
Federal direct	3,386,022				3,386,022
Federal flowthrough	17,339				17,339
State flowthrough	364,829			111,914	476,743
State direct	26,010,203				26,010,203
Charges for services	3,122	6,900	96,894		106,916
Transportation distributions			968,935		968,935
Investment income	18,186				18,186
Miscellaneous	_____	_____	_____	_____	_____
Total revenues	29,940,232	6,900	1,065,829	111,914	31,124,875
<b>EXPENDITURES:</b>					
Current:					
Instruction	16,079,719			159,271	16,238,990
Support services-students	3,917,609				3,917,609
Support services-instruction	318,866				318,866
Support services-general administration	760,144				760,144
Support services-school administration	1,195,275				1,195,275
Central services	751,446				751,446
Operation and maintenance of plant	689,985	473			690,458
Student transportation			1,067,474		1,067,474
Other support services	4,183				4,183
Capital outlay	1,445,354	_____	_____	_____	1,445,354
Total expenditures	25,162,581	473	1,067,474	159,271	26,389,799
Excess (deficiency) of revenues over expenditures	4,777,651	6,427	(1,645)	271,185	4,735,076
Other financing sources (uses)					
Transfer In			316		316
Transfer Out	(322,018)	_____	_____	_____	(322,018)
Total other financing sources (uses)	(322,018)	_____	316	_____	(321,702)
Net change in fund balances	4,455,633	6,427	(1,329)	(47,357)	4,413,374
Fund balances - beginning of year	3,598,723	7,200	1,149	77,506	3,684,578
Fund balances - end of year	\$ 8,054,356	\$ 13,627	\$ (180)	\$ 30,149	\$ 8,097,952

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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) <u>Final to Actual</u>
REVENUES:				
Property taxes	\$ 142,227	\$ 142,227	\$ 138,697	\$ (3,530)
Intergovernmental revenue:				
Federal flowthrough	7,200	7,200	17,339	10,139
Federal direct	1,860,334	1,860,334	3,386,022	1,525,688
State flowthrough	356,500	356,500	364,829	8,329
State direct	26,889,707	26,889,707	26,010,203	(879,504)
Charges for services	10,300	10,300	3,122	(7,178)
Investment income	16,000	16,000	18,186	2,186
Total revenues	<u>29,282,268</u>	<u>29,282,268</u>	<u>29,938,398</u>	<u>656,130</u>
EXPENDITURES:				
Current:				
Instruction	17,743,677	17,743,677	16,002,351	1,741,326
Support services				
Students	4,461,600	4,461,600	3,936,161	525,439
Instruction	341,590	341,590	318,866	22,724
General administration	878,900	878,900	824,488	54,412
School administration	1,267,800	1,267,800	1,194,825	72,975
Central services	742,950	742,950	684,122	58,828
Operation and maintenance of plant	5,091,972	5,091,972	4,656,766	435,206
Other support services	817,831	817,831	4,183	813,648
Capital outlay	1,729,639	1,729,639		1,729,639
Total expenditures	<u>33,075,959</u>	<u>33,075,959</u>	<u>27,621,762</u>	<u>5,454,197</u>
Excess (deficiency) of revenues over expenditures	<u>(3,793,691)</u>	<u>(3,793,691)</u>	<u>2,316,636</u>	<u>6,110,327</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	<u>3,793,691</u>	<u>3,793,691</u>		<u>(3,793,691)</u>
Total other financing sources (uses)	<u>3,793,691</u>	<u>3,793,691</u>		<u>(3,793,691)</u>
Net Change in fund balances			2,316,636	2,316,636
Fund balances - beginning of year			<u>6,993,519</u>	<u>6,993,519</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,310,155</u>	<u>9,310,155</u>
Net change in fund balance - Budget Basis				2,316,636
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.				1,834
Adjustments to expenditures for salaries, general supplies and material, and other contract services.				<u>2,137,163</u>
Net change in fund balance - GAAP basis				<u>\$ 4,455,633</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, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES:				
Charges for services	\$ 4,500	\$ 4,500	\$ 6,900	\$ 2,400
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>6,900</u>	<u>2,400</u>
EXPENDITURES:				
Current:				
Operation and maintenance of plant	<u>10,898</u>	<u>10,898</u>	<u>473</u>	<u>10,425</u>
Total expenditures	<u>10,898</u>	<u>10,898</u>	<u>473</u>	<u>10,425</u>
Excess (deficiency) of revenues over expenditures	<u>(6,398)</u>	<u>(6,398)</u>	<u>6,427</u>	<u>12,825</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	<u>6,398</u>	<u>6,398</u>	<u>        </u>	<u>(6,398)</u>
Total other financing sources (uses)	<u>6,398</u>	<u>6,398</u>	<u>        </u>	<u>(6,398)</u>
Net Change in fund balances			6,427	6,427
Fund balances - beginning of year			<u>7,201</u>	<u>7,201</u>
Fund balances - end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u>13,628</u>	<u><u>\$ 13,628</u></u>
Net change in fund balance - Budget Basis			6,427	
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>0</u>	
Net change in fund balance - GAAP basis			<u><u>\$ 6,427</u></u>	

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, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES:				
Charges for services			\$ 96,894	\$ 96,894
Transportation distribution	1,065,829	1,065,829	968,935	(96,894)
Total revenues	<u>1,065,829</u>	<u>1,065,829</u>	<u>1,065,829</u>	<u>0</u>
EXPENDITURES:				
Current:				
Student transportation	1,066,561	1,066,561	1,066,740	(179)
Total expenditures	<u>1,066,561</u>	<u>1,066,561</u>	<u>1,066,740</u>	<u>(179)</u>
Excess (deficiency) of revenues over expenditures	<u>(732)</u>	<u>(732)</u>	<u>(911)</u>	<u>(179)</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	<u>(732)</u>	<u>732</u>		<u>(732)</u>
Total other financing sources (uses)	<u>(732)</u>	<u>732</u>		<u>(732)</u>
Net Change in fund balances			(911)	(911)
Fund balances - beginning of year			24,601	24,601
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>23,690</u>	<u>\$ 23,690</u>
Net change in fund balance - Budget Basis			(911)	
Adjustments to revenues for gas taxes, property taxes, state flowthrough, and charges for services.			316	
Adjustments to expenditures for salaries, general supplies and material, and other contract services.			<u>(734)</u>	
Net change in fund balance - GAAP basis			<u>\$ (1,329)</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
REVENUES:				
State flowthrough	\$ 104,382	\$ 104,382	\$ 111,914	\$ 7,532
Total revenues	<u>104,382</u>	<u>104,382</u>	<u>111,914</u>	<u>7,532</u>
EXPENDITURES:				
Current:				
Instruction	<u>104,382</u>	<u>181,888</u>	<u>159,271</u>	<u>22,617</u>
Total expenditures	<u>104,382</u>	<u>181,888</u>	<u>159,271</u>	<u>22,617</u>
Excess (deficiency) of revenues over expenditures		<u>(77,506)</u>	<u>(47,357)</u>	<u>30,149</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)		<u>77,506</u>		<u>(77,506)</u>
Total other financing sources (uses)		<u>77,506</u>		<u>(77,506)</u>
Net Change in fund balances			(47,357)	(47,357)
Fund balances - beginning of year			<u>77,506</u>	<u>77,506</u>
Fund balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>30,149</u>	<u>\$ 30,149</u>
Net change in fund balance - Budget Basis			(47,357)	
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>0</u>	
Net change in fund balance - GAAP basis			<u>\$ (47,357)</u>	

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, 2018**

Schedule III

	<u>Balance June</u> <u>30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June</u> <u>30, 2018</u>
Administration Activity	\$ 50,860	\$ 25,505	\$ 29,165	\$ 47,200
Bluewater Elementary	12,321	32,596	29,488	15,429
Cubero Elementary	12,112	39,492	32,852	18,752
Grants High School	140,198	262,837	255,724	147,311
Laguna/Acoma Junior/Senior High	41,960	75,084	69,581	47,463
Los Alamos Mid School	17,633	46,396	39,539	24,490
Mesa View Elementary	37,999	93,143	88,056	43,086
Milan Elementary	10,659	22,991	25,033	8,617
Mt. Taylor Elementary	4,969	71,554	59,301	17,222
San Rafael Elementary	12,597	13,488	14,497	11,588
Seboyeta Elementary	<u>13,676</u>	<u>5,494</u>	<u>6,853</u>	<u>12,317</u>
Total	<u>\$ 354,984</u>	<u>\$ 688,580</u>	<u>\$ 650,089</u>	<u>\$ 393,475</u>

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Schedule IV

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2018	Location of Safekeeper
<b>Grant State Bank</b>					
	FNMA #910243 5%	03-01-2022	31411KHU0	\$ 47,418	The Independent Bankers Bank
	GNMA II #3544 FR 5.5%	04-20-2034	36202D5D9	60,701	The Independent Bankers Bank
	GNMA II #3556 FR 5.5%	05-20-2034	36202D5R8	63,918	The Independent Bankers Bank
	GNMA #782555 6%	02-15-2024	36241KZU5	30,667	The Independent Bankers Bank
	GNMA #678246 6%	12-15-2023	36295RP77	33,585	The Independent Bankers Bank
	ALAMOGORDO NM MUNI SD #1 2%	08-01-2021	011464GW8	752,655	The Independent Bankers Bank
	ALBUQUERQUE NM MUNI SD #12 5%	08-01-2021	013595LL5	726,173	The Independent Bankers Bank
	ALBUQUERQUE N MEX MUN SCH DIST 4.5%	08-01-2027	013595QA4	369,785	The Independent Bankers Bank
	BERNALILLO N MEX MUN SCH DIST 3%	08-01-2022	085279TY3	233,690	The Independent Bankers Bank
	BERNALILLO N MEX MUN SCH DIST 3%	08-01-2023	085279TZ0	312,663	The Independent Bankers Bank
	ESPANOLA NM PUBLIC SD #55 BQ 2.125%	09-01-2025	29662RBA5	191,080	The Independent Bankers Bank
	LOS ALAMOS N MEX PUB SCH DIST 3%	08-01-2023	54422NFG6	573,810	The Independent Bankers Bank
	LOS LUNAS NM SCH DIST #1 2%	07-15-2021	545562RH5	403,588	The Independent Bankers Bank
	ROSWELL N MEX INDPT SCH DIST 3%	08-01-2024	778550KQ5	370,364	The Independent Bankers Bank
	SANTA FE CNTY NM BQ NONC 4.3%	07-01-2019	801889LR5	205,516	The Independent Bankers Bank
	SILVER CITY N MEX CONS SCH DIS 3%	08-01-2022	827513FC1	112,169	The Independent Bankers Bank
	SILVER CITY N MEX CONS SCH DIS 3%	08-01-2023	827513FD9	107,041	The Independent Bankers Bank
	SILVER CITY N MEX CONS SCH DIS 3%	08-01-2024	827513FE7	111,780	The Independent Bankers Bank
	ALBIA IA CMNTY SD BQ CALL 4.2%	07-01-2022	013261AM4	235,487	The Independent Bankers Bank
	CADDO CO OK EDU FACS AUTH BQ 2%	09-01-2019	127218CC7	501,180	The Independent Bankers Bank
	CEDAR FALLS IA CSD BQ CALL 2.5%	06-01-2020	150214BA1	500,355	The Independent Bankers Bank
	GRANT CO NM GROSS RECPTS TAX 3%	07-01-2020	387770BL3	148,699	The Independent Bankers Bank
	PLAQUEMINE LA BQ CALL 4%	12-01-2022	727510CW7	380,981	The Independent Bankers Bank
	ALBUQUERQUE N MEX GROSS RCPTS 3%	07-01-2022	01354MFZ9	<u>347,652</u>	The Independent Bankers Bank
	Total Grants State Bank			<u>6,820,957</u>	

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY  
FOR PUBLIC FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

Schedule IV

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2018	Location of Safekeeper
<b>US Bank</b>					
	FNMA POOL AE9299	11/01/2025	31419LKM4	<u>33,667</u>	US Bank
	Total US Bank			<u>33,667</u>	
<b>Wells Fargo Bank</b>					
	FNMA FNMS 2.50%	03/01/31	3138WGR48	5,352,457	BNY Mellon
	Total Wells Fargo Bank			<u>5,352,457</u>	
	Total Pledge Collateral			<u>\$ 12,207,081</u>	

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF DEPOSITS  
FOR THE YEAR ENDED JUNE 30, 2018**

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	\$ 776,346	\$	\$ 5,822	\$ 770,524
Gate Revenue Account	Checking	6,503,076			6,503,076
Payroll Account	Checking	<u>2,277,948</u>	<u>                    </u>	<u>2,303,443</u>	<u>(25,495)</u>
Total Wells Fargo Bank		9,557,370		2,309,265	7,248,105
Grants State Bank					
Account Payable Account	Checking	676,223		592,223	84,000
General Operations Accounts	Checking	<u>12,076,803</u>	<u>                    </u>	<u>                    </u>	<u>12,076,803</u>
Total Grants State Bank		12,753,026		592,223	12,160,803
US Bank					
Bond Issued Fund	Checking	<u>265,957</u>	<u>                    </u>	<u>                    </u>	<u>265,957</u>
Total US Bank		<u>265,957</u>	<u>                    </u>	<u>                    </u>	<u>265,957</u>
Total cash in bank		<u>\$22,576,353</u>	<u>\$</u>	<u>\$ 2,901,488</u>	19,674,865
Add: Other un-reconciling items					<u>(63,764)</u>
Total cash per book					<u>\$19,611,101</u>
Cash per financial statements					
Cash and cash equivalents- Governmental Activities Exhibit A-1					\$15,876,952
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1					3,340,674
Fiduciary funds - Exhibit D-1					393,475
					<u>                    </u>
Total cash and cash equivalents					<u>\$19,611,101</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2018**

Schedule VI

	11000- Operational	12000- Teachergage	13000-Pupil Transportation	14000- Instructional Materials	21000-Food Services	22000- Athletics
Cash, June 30, 2017	\$ 5,755,382	\$ 7,200	\$ 29,762	\$ 77,506	\$ 2,218,357	\$ 137,714
Less:						
Prior year held checks	<u>(777,018)</u>	<u>          </u>	<u>(28,297)</u>	<u>          </u>	<u>(40,232)</u>	<u>(4)</u>
Add:						
2017-2018 revenues	<u>29,938,397</u>	<u>6,900</u>	<u>1,065,829</u>	<u>111,914</u>	<u>2,472,110</u>	<u>75,156</u>
Total cash available	34,916,761	14,100	1,067,294	189,420	4,650,235	212,866
Less:						
2017-2018 expenditures	(27,623,080)	(473)	(1,066,740)	(159,271)	(2,095,150)	(70,090)
Adjustments	(26,988)					
Permanent cash transfer						
Repayment of loans	<u>(3,123,382)</u>	<u>          </u>	<u>16</u>	<u>          </u>	<u>(5,552)</u>	<u>(391)</u>
Cash per PED report	<u>\$ 4,143,311</u>	<u>\$ 13,627</u>	<u>\$ 570</u>	<u>\$ 30,149</u>	<u>\$ 2,549,533</u>	<u>\$ 142,385</u>
Add/Less:						
Due to/(from) due to pooled cash	276,966		(750)		5,551	391
Held checks	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2018	<u>\$ 4,420,277</u>	<u>\$ 13,627</u>	<u>\$ (180)</u>	<u>\$ 30,149</u>	<u>\$ 2,555,084</u>	<u>\$ 142,776</u>

See accompanying independent auditor's report



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2018**

Schedule VI

	23000-Non- Instructional Support	24000-Federal Flowthrough	25000-Federal Direct	26000-Local Grants	27000-State Flowthrough	28000-State Direct	29000- Local/State
Cash, June 30, 2017	\$ 352,796	\$ 301,256	\$ 889,155	\$ 11,489	\$ 216,892	\$ 107,223	\$ 313,583
Less:							
Prior year held checks	<u>(1,799)</u>	<u>(115,780)</u>	<u>(67,245)</u>	<u>          </u>	<u>(42,593)</u>	<u>          </u>	<u>          </u>
Add:							
2017-2018 revenues	<u>208,480</u>	<u>2,897,301</u>	<u>2,427,299</u>	<u>          </u>	<u>800,567</u>	<u>          </u>	<u>334,500</u>
Total cash available	559,477	3,082,777	3,249,209	11,489	974,866	107,223	648,083
Less:							
2017-2018 expenditures	(327,515)	(3,276,406)	(1,768,550)		(1,032,456)		
Adjustments							
Permanent cash transfer							
Repayment of loans	<u>(795)</u>	<u>337,021</u>	<u>120,559</u>	<u>          </u>	<u>345,788</u>	<u>          </u>	<u>          </u>
Cash per PED report	<u>\$ 231,167</u>	<u>\$ 143,392</u>	<u>\$ 1,601,218</u>	<u>\$ 11,489</u>	<u>\$ 288,198</u>	<u>\$ 107,223</u>	<u>\$ 648,083</u>
Add/Less:							
Due to/(from) due to pooled cash	795	55,986	(181,286)		(113,899)		
Held checks	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash, June 30, 2018	<u>\$ 231,962</u>	<u>\$ 199,378</u>	<u>\$ 1,419,932</u>	<u>\$ 11,489</u>	<u>\$ 174,299</u>	<u>\$ 107,223</u>	<u>\$ 648,083</u>

See accompanying independent auditor's report

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
CASH RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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, 2017	\$ 3,735,021	\$ 13,981	\$	\$	\$ 2,922,199	\$ 1,906
Less:						
Prior year held checks	_____	_____	_____	_____	_____	_____
Add:						
2017-2018 revenues	<u>11,635</u>	_____	_____	<u>170,256</u>	<u>565,593</u>	_____
Total cash available	3,746,656	13,981		170,256	3,487,792	1,906
Less:						
2017-2018 expenditures	(1,829,667)			(124,924)	(332,582)	
Adjustments						
Permanent cash transfer						
Repayment of loans	<u>834,768</u>	_____	_____	<u>124,924</u>	<u>(139,166)</u>	_____
Cash per PED report	<u>\$ 2,751,757</u>	<u>\$ 13,981</u>	<u>\$</u>	<u>\$ 170,256</u>	<u>\$ 3,016,044</u>	<u>\$ 1,906</u>
Add/Less:						
Due to/(from) due to pooled cash	(1)			(170,256)	139,166	
Held checks	_____	_____	_____	_____	_____	_____
Cash, June 30, 2018	<u>\$ 2,751,756</u>	<u>\$ 13,981</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,155,210</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, 2018**

	<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, 2017	\$	\$	\$ 2,260,432	\$ 332,086	\$ 19,683,940
Less:					
Prior year held checks	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>(1,072,968)</u>
Add:					
2017-2018 revenues	<u>                    </u>	<u>                    </u>	<u>2,774,935</u>	<u>394,734</u>	<u>44,255,606</u>
Total cash available			5,035,367	726,820	62,866,578
Less:					
2017-2018 expenditures	(952,362)		(2,668,195)	(307,165)	(43,634,626)
Adjustments					(26,988)
Permanent cash transfer					
Repayment of loans	<u>952,362</u>	<u>                    </u>	<u>553,848</u>	<u>                    </u>	<u>                    </u>
Cash per PED report	\$ <u><u>                    </u></u>	\$ <u><u>                    </u></u>	\$ <u><u>2,921,020</u></u>	\$ <u><u>419,655</u></u>	\$ <u><u>19,204,964</u></u>
Add/Less:					
Due to/(from) due to pooled cash			(1)		
Held checks	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>
Cash, June 30, 2018	\$ <u><u>                    </u></u>	\$ <u><u>                    </u></u>	\$ <u><u>2,921,019</u></u>	\$ <u><u>419,655</u></u>	\$ <u><u>19,217,626</u></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***

Wayne A. Johnson,  
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 and major Special Revenue Fund of the Grants-Cibola County Schools (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds of the District presented as supplementary information, and have issued our report thereon dated November 15, 2018.

**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 items 2018-005 and 2018-007 to be material weaknesses. 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 item 2018-002 to be significant deficiency.

### **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 2018-001, 2018-003, 2018-004 and 2018-006.

### **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 15, 2018**

**FEDERAL FINANCIAL ASSISTANCE**

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

Wayne A. Johnson,  
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, 2018. 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, 2018.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-008. Our opinion on each major federal program is not modified with respect to these matters.



Grants-Cibola County Schools's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Grants-Cibola County Schools's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

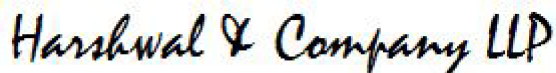
Management of the Grants-Cibola County Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Grants-Cibola County Schools internal 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. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-008, which we consider to be significant deficiency.

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 15, 2018

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

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>			
Child Nutrition Cluster			
Child Nutrition Cluster	21000	10.553 & 10.555	<u>2,065,633</u>
<b>Total School Breakfast Program</b>			<u>2,065,633</u>
<b>Total United States Department of Agriculture</b>			<u>2,065,633</u>
<b>Total Child Nutrition Cluster-Cluster</b>			<u>2,065,633</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	878,615
Special Education_Grants to States	24108	84.027	6,572
IDEA B Results Plan RDA	24132	84.027	49,611
<b>Total Special Education_Grants to States</b>			<u>934,798</u>
<b>Total Department of Education</b>			<u>934,798</u>
<b>Total Special Education Cluster (IDEA)-Cluster</b>			<u>934,798</u>
<b>Other Programs</b>			
<b>Department of Defense</b>			
ROTC			
ROTC	25200	12.000	<u>86,297</u>
<b>Total ROTC</b>			<u>86,297</u>
<b>Total Department of Defense</b>			<u>86,297</u>
<b>Department of Education</b>			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	24101	84.010	<u>1,879,460</u>
<b>Total Title I Grants to Local Educational Agencies</b>			<u>1,879,460</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, 2018**

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	99,258
Impact Aid	25147	84.041	<u>560,677</u>
<b>Total Impact Aid</b>			<u>659,935</u>
Career and Technical Education -- Basic Grants to States			
Career and Technical Education -- Basic Grants to States	24174	84.048	49,854
Career and Technical Education -- Basic Grants to States	24176	84.048	<u>7,931</u>
<b>Total Career and Technical Education -- Basic Grants to States</b>			<u>57,785</u>
Indian Education_ Grants to Local Educational Agencies			
Title IX Indian Ed	25115	84.060	<u>288,341</u>
<b>Total Indian Education_ Grants to Local Educational Agencies</b>			<u>288,341</u>
Gaining Early Awareness and Readiness for Undergraduate Programs			
Gaining Early Awareness and Readiness for Undergraduate Programs	25205	84.334	<u>272,366</u>
<b>Total Gaining Early Awareness and Readiness for Undergraduate Programs</b>			<u>272,366</u>
Rural Education			
Rural Education	24160	84.358	<u>81,611</u>
<b>Total Rural Education</b>			<u>81,611</u>
English Language Acquisition State Grants			
English Language Acquisition State Grants	24153	84.365	<u>52,262</u>
<b>Total English Language Acquisition State Grants</b>			<u>52,262</u>
Improving Teacher Quality State Grants			
Improving Teacher Quality State Grants	24154	84.367	<u>213,369</u>
<b>Total Improving Teacher Quality State Grants</b>			<u>213,369</u>
<b>Total Department of Education</b>			<u>3,505,129</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, 2018**

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>115,330</u>
<b>Total Fresh Fruit and Vegetable Program</b>			<u>115,330</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>133,887</u>
<b>Total Other Programs</b>			<u>3,725,313</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>6,725,744</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, 2018

**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, 2018.

**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	\$ 6,725,744
Total expenditures funded by other sources	<u>33,488,356</u>
Total expenditures	<u>\$ 40,214,100</u>

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

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?	Yes
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)?	Yes

**Identification of major programs**

<u>CFDA Number(s)</u>	<u>Federal Program or Cluster</u>
10.553 & 10.555 84.010	Child Nutrition Cluster Title I - IASA

Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee	No

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**2018-001 – Cash Appropriations in Excess of Available Cash Balances (Repeated/Modified) – Other Noncompliance - (Prior Year Finding FS 2009-003)**

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

<u>Governmental Funds</u>	<u>Amounts</u>
Non Instructional Support	\$ 34,753
Impact Aid Special Education	678,783
Title XIX Medicaid 3/21 Years	64,859
GEAR UP NM State Initiatives	148,215
Kindergarten- Three Plus	243,817
BOND BUILDING	246,581
Debt Service Fund	655,480
Ed Tech Debt Service	<u>52,067</u>
<b>Total all funds</b>	<b>\$ <u><u>2,124,555</u></u></b>

The District did not make any 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 re-budgeted 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:** June 30, 2019.

**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, 2018

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

**2018-002- Activity Funds – Internal Control (Repeated/Modified) – Significant Deficiency - (Prior Year Finding FS 2011-002)**

**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:** June 30, 2019.

**Responsible party:** Business Manager.



**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**2018-003– Actual Expenditures Exceed Adjusted Budgeted Expenditures (Repeated) – Other Noncompliance- (Prior Year Finding FS 2014-001)**

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

<u>Pupil Transportation Fund</u>	
Students Transportation	179
<u>Title VII Indian Ed FY 17-18 Fund</u>	
Instructions	4,273
<u>Title XIX Medicaid 3/21 Years Fund</u>	
Support services - General administration	59
<u>Ed Tech Debt Service Fund</u>	
Support Services-General Administration	425
<b>Total All Funds</b>	<b><u>\$ 4,936</u></b>

The District did make progress with this requirement.

**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 noncompliance 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:** June 30, 2019.

**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, 2018

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

**2018-004 Stale Dated Checks (Repeated) – Other Noncompliance- (Prior Year Finding FS 2014-004)**

**Condition:** The District had 139 outstanding checks written from the accounts payable clearing bank account that were over one-year-old, totaling \$33,540, and 135 outstanding checks written from the payroll clearing bank account that were over one-year-old, totaling \$23,738. 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 any 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:** June 30, 2019.

**Responsible party:** Business Manager.

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**2018-005 Bank reconciliation (Repeated/Modified)- Material Weakness - (Prior Year Finding FS 2017-001)**

**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 \$63,764:

<u>Bank Name</u>	<u>Account Description</u>	<u>Difference between Reconciled Balance &amp; Trial Balance</u>
Grants State Bank	Accounts Payable Clearing Account	\$ 68,069
Wells Fargo	Activity Account	(8,737)
Wells Fargo	Payroll Account	(157,426)
Grants State Bank	General Operations Account	161,858
	Total	<u>\$ 63,764</u>

The District did make progress on this finding.

**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:** January 31, 2019.

**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, 2018

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

**2018-006 NMPED Cash Reporting (Other)**

**Condition:** We noted the NMPED Cash Report for 11000, 13000, 21000, 22000, 23000, 24000, 25000, 27000, 28000, 31700, 31701, 31900, 41000 and 43000 Fund did not agree to the general ledger balance, we noted a net difference of \$12,661.

**Criteria:** Per state audit rule Section 6.20.2.13 (D) and (E) of NMAC, the audit report of each school district shall include a cash reconciliation schedule which reconciled the cash balance as of the end of the previous fiscal year to the cash balance at the end of the current fiscal year.

**Effect:** The NMPED does not have an accurate accounting of the District's activity.

**Cause:** The District cash report does not include adjustments previously made to the general ledger.

**Auditors' Recommendation:** We recommend that policies and procedures be implemented to ensure that all adjustments be completed before the final reports are submitted to the PED. Additionally, an individual should review the report to ensure that the report matched the general ledger and the cash accounts as appropriate.

**Agency's Response:** Variance is related to allowance of NMPSIA payroll liabilities. The District is developing an allowance account to reconcile payroll liabilities on a regular basis and issue adjustments according to receivables and payables.

**Estimated Completion Date:** January 31, 2019.

**Responsible party:** Business Manager.

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018

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

**2018-007 Deficiencies in Accounting for Capital Assets - (Material Weakness)**

**Condition:** The District could not provide a complete Capital Assets Listing and Depreciation Schedule for the fiscal year ending June 30, 2018. Prior year dispositions of assets were not properly accounted for in the District's records which required a prior period adjustment.

**Criteria:** Section 2.20.1.15 of NMAC requires agencies to properly safeguard assets. All assets within an established materiality limit should be tagged with unique numbers and accounted for on the capital asset listing. Current year expenditures in capital projects accounts should be accounted for on the inventory listing. Assets that have been sold or are no longer serviceable should be deleted from inventory by Section 2.20.1.18 of NMAC.

**Effect:** Improper treatment due to inadequate procedures of fixed assets has caused inaccurate recording.

**Cause:** Inaccurate recording of capital assets will cause the net position to be either under or overstated and subject the District to possible misappropriation of assets.

**Auditors' Recommendation:** Set policies and procedures on the record, and the oversight of the fixed assets schedule will help in keeping accurate records.

**Agency's Response:** Capital assets are managed through the software accounting system. Data generated from the system did not provide accurate information as a result of processing disposition of assets. An adjustment to the system is required to generate proper records.

**Estimated Completion Date:** June 30, 2019.

**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, 2018

**C. FINDINGS-FEDERAL AWARDS**

**2018-008 Employee Time and Effort Documentation – Significant Deficiency/Noncompliance**

**Federal Program Information:**

Funding Agency: U.S. Department of Education  
Title: Title I – IASA  
Pass Through: New Mexico Public Education Department  
CFDA Number: 84.010

**Condition:** During our review of employee time and effort documentation, we noted that for two employees time and effort documentation were not completed for few months.

**Criteria:** In accordance with 2 CFR section 200.430(i)(1)(vii) an employee who works on more than one federal program, or on a combination of a federal programs and a non-federal program, must maintain time and effort distribution records that accurately reflects the percentage of time/hours, the employee spends performing the federal work activity and any other duties.

**Effect:** The District is not in compliance with grant requirements over Title I, which could jeopardize future funding.

**Cause:** The District does not have controls in place over time and effort to require the percentage of time/hours, the employee spends performing the federal work activity and any other duties.

**Questioned Costs: None**

**Auditors' Recommendation:** We recommend that the District implement internal controls to conduct and retain time and effort distribution records that accurately reflects the percentage of time/hours, the employee spends performing the federal work activity and any other duties in the Title I program.

**Agency's Response:** Time and effort logs are a requirement of the district for program objectives. Implementation of time and effort logs will be reviewed based on the federal work activity.

**Estimated Completion Date: June 30, 2019.**

**Responsible party: Director of Federal Programs.**

**STATE OF NEW MEXICO**  
**GRANTS-CIBOLA COUNTY SCHOOLS**  
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018

<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 2014-003	Internal Controls Over Bank Reconciliations – Significant Deficiency	Resolved
FS 2014-004	Stale Dated Checks – Other Noncompliance	Repeated and Modified
FS-2017-001	Bank reconciliation - Material Weakness	Repeated and Modified
<b><u>Federal Compliance Findings:</u></b>		None

**STATE OF NEW MEXICO  
GRANTS-CIBOLA COUNTY SCHOOLS  
OTHER DISCLOSURES  
JUNE 30, 2018**

**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 11/14/2018. The following individuals were in attendance.

**Grants-Cibola County Schools**

German Martinez - Director of Budget and Finance  
Alton A. Autrey Jr. - Interim Superintendent  
Ron Ortiz - Board Member  
Dr. Guy Archambeau - Board Member

**Harshwal & Company, LLP**

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



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Audit Finding</b>	<b>Management's Corrective Action Plan</b>	<b>Employee Person Responsible</b>	<b>Timeline and Estimated Completion Date</b>
2018-009 Employee Time and Effort Documentation – Significant Deficiency/Noncompliance	Time and effort logs are a requirement of the district for program objectives. Implementation of time and effort logs will be reviewed based on the federal work activity.	Director of Federal Programs	June 30, 2019.