

**State of New Mexico**  
**Jemez Valley Public School**  
**District No. 31**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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## **Introductory Section**

**Jemez Valley Public School District No. 31**  
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**Jemez Valley Public School District No. 31  
Official Roster  
June 30, 2018**

**Primary Government**

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Michael G. Lucero		President
Peter Madalena		Vice President
Penelope Vigil		Secretary
Anthony Delgarito		Secretary
Mary Maloney		Member
	<u>School Officials</u>	
Dr. Susan Wilkinson-Davis		Superintendent
Vickie Garcia		Business Manager

**Component Unit**

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Margie Creel		Chair
Teran Villa		Vice Chair
Bobbie Shendo		Secretary
Susan Baca		Member
	<u>School Officials</u>	
Tony Archuleta		Principal
Whitney Galindo		Contract Business Manager

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## Report

## **INDEPENDENT AUDITORS' REPORT**

Wayne Johnson  
New Mexico State Auditor and  
The Board of Education  
Jemez Valley Public School District No. 31  
Office of Management and Budget  
Jemez Pueblo, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Jemez Valley Public School District No. 31 (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 misstatement, whether due to fraud or error.

### **Auditors' 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 of 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 auditors' judgment, including the assessment of 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 entity'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 entity'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jemez Valley Public School District No. 31, as of June 30, 2018, and the respective changes in financial position thereof, 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.

## **Emphasis of Matter**

### *Adoption of New Accounting Pronouncement*

As described in Note 20 to the financial statements, the District adopted Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in a cumulative effect of change in accounting principle of (\$3,181,839) and (\$783,209) to the June 30, 2017 net position for governmental activities and component unit, respectively. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require the Educational Retirement Board (ERB) Pension Plan Schedules on pages 80 through 87 and the New Mexico Retiree Healthcare (NMRHCA) Plan Schedules on pages 88 through 91 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 Department who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Supporting Schedules required by 2.2.2 NMAC as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and Supporting Schedules required by 2.2.2 NMAC as listed in the table of contents 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and Supporting Schedules required by 2.2.2 NMAC as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, NM  
November 15, 2018

## **Financial Statements**

**Jemez Valley Public School District No. 31**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>San Diego</u>
	<u>Activities</u>	<u>Riverside Charter</u>
		<u>School</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,387,140	\$ 233,644
Receivables:		
Property taxes	149,243	-
Due from other governments	317,191	48,784
Due from primary government	-	16,467
<b>Total current assets</b>	<b>2,853,574</b>	<b>298,895</b>
Noncurrent assets		
Restricted cash and cash equivalents	1,159,288	-
Restricted investments	1,385,236	-
Capital assets	25,088,495	876,907
Less: accumulated depreciation	(9,881,230)	(498,180)
<b>Total noncurrent assets</b>	<b>17,751,789</b>	<b>378,727</b>
<b>Total assets</b>	<b>20,605,363</b>	<b>677,622</b>
Deferred outflows of resources		
Related to pension	3,486,530	899,390
Related to OPEB	52,015	14,714
<b>Total deferred outflows of resources</b>	<b>3,538,545</b>	<b>914,104</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 24,143,908</b>	<b>\$ 1,591,726</b>

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

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental</b>	<b>San Diego</b>
	<b>Activities</b>	<b>Riverside Charter</b>
		<b>School</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 49,189	\$ 9,792
Payable to charter school	16,467	-
Accrued payroll	215,110	97,780
Accrued interest	43,141	-
Accrued compensated absences	20,601	-
Current portion of bonds payable	670,000	-
Total current liabilities	1,014,508	107,572
Noncurrent liabilities		
Accrued compensated absences	36,442	-
Bonds payable	4,105,000	-
Bond premium, net of accumulated amortization of \$12,359	20,982	-
Net pension liability	9,902,100	2,439,406
OPEB liability	2,678,672	659,358
Total noncurrent liabilities	16,743,196	3,098,764
Total liabilities	17,757,704	3,206,336
Deferred inflows of resources		
Related to pension	538,663	86,734
Related to OPEB	609,659	150,067
Total deferred inflows of resources	1,148,322	236,801
Net position		
Net investment in capital assets	11,989,960	378,727
Restricted for:		
Debt service	1,236,207	-
Capital projects	237,550	-
Special revenue	570,643	88,995
Unrestricted	(8,796,478)	(2,319,133)
Total net position	5,237,882	(1,851,411)
Total liabilities, deferred inflows of resources, and net position	\$ 24,143,908	\$ 1,591,726

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

**Jemez Valley Public School District No. 31**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 2,981,384	\$ 19,973	\$ 996,037	\$ -
Support services - students	682,471	4,571	228,004	-
Support services - instruction	139,361	934	46,558	-
Support services - general administration	433,167	2,902	144,715	-
Support services - school administration	381,927	2,559	127,596	-
Central services	1,205,806	8,078	402,842	-
Operation and maintenance of plant	1,127,251	7,552	376,598	1,951
Student transportation	466,426	-	360,793	-
Food services operations	184,539	5,848	176,401	-
Interest and other charges	92,595	-	-	-
<b>Total governmental activities</b>	<b>\$ 7,694,927</b>	<b>\$ 52,417</b>	<b>\$ 2,859,544</b>	<b>\$ 1,951</b>
<b>Component Unit Activities:</b>				
San Diego Riverside Charter School	\$ 1,619,931	\$ 596	\$ 281,847	\$ 57,549

**General revenues:**

Taxes:

Property taxes, levied for operating programs

Property taxes, levied for debt services

Property taxes, levied for capital projects

State equalization guarantee

Investment income

Miscellaneous income

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Total general revenues

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Change in net position

Net position, beginning

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Net position - restatement (note 20)

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Net position, beginning, as restated

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Net position, ending

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



<b>Net (Expense) Revenue and Change in Net Position</b>		
<b>Primary Government</b>	<b>Component Unit</b>	
<b>Government Activities</b>	<b>San Diego Riverside Charter School</b>	
\$ (1,965,374)	\$	-
(449,896)		-
(91,869)		-
(285,550)		-
(251,772)		-
(794,886)		-
(741,150)		-
(105,633)		-
(2,290)		-
(92,595)		-
<u>(4,781,015)</u>		-
		<u>(1,279,939)</u>
29,413		-
1,006,270		-
199,191		-
2,416,608	886,305	
18,294		-
<u>309,575</u>	<u>38,263</u>	
<u>3,979,351</u>	<u>924,568</u>	
(801,664)	(355,371)	
9,267,484	(712,831)	
<u>(3,227,938)</u>	<u>(783,209)</u>	
<u>6,039,546</u>	<u>(1,496,040)</u>	
<u>\$ 5,237,882</u>	<u>\$ (1,851,411)</u>	

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

**Jemez Valley Public School District No. 31**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General Fund 11000, 12000, 13000, 14000	Gear Up Special Revenue Fund 25205	Bond Building Capital Projects Fund 31100
<b>Assets</b>			
Cash and cash equivalents	\$ 1,382,556	\$ 1,878	\$ 193,441
Investments	-	-	1,385,236
Receivables:			
Property taxes	4,402	-	-
Due from other governments	-	92,479	-
Due from other funds	292,093	-	-
<b>Total assets</b>	<b>\$ 1,679,051</b>	<b>\$ 94,357</b>	<b>\$ 1,578,677</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 30,317	\$ 1,236	\$ -
Due to charter school	-	-	-
Accrued payroll	197,620	1,293	-
Due to other funds	-	91,828	-
<b>Total liabilities</b>	<b>227,937</b>	<b>94,357</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	3,577	-	-
Unavailable revenue - grant revenue	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,577</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
<b>Spendable:</b>			
<b>Restricted for:</b>			
Teacherage	61,649	-	-
Transportation	67,328	-	-
Instructional materials	16,651	-	-
Food services	-	-	-
Extracurricular activities	-	-	-
Education	-	-	-
Capital acquisitions and improvements	-	-	1,578,677
Debt service	-	-	-
<b>Committed for:</b>			
Subsequent year's expenditures	567,852	-	-
Unassigned	734,057	-	-
<b>Total fund balances</b>	<b>1,447,537</b>	<b>-</b>	<b>1,578,677</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,679,051</b>	<b>\$ 94,357</b>	<b>\$ 1,578,677</b>

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

	Debt Service Fund 41000	Nonmajor Governmental Funds	Total
\$	899,332	\$ 1,069,221	\$ 3,546,428
	-	-	1,385,236
	97,355	47,486	149,243
	-	224,712	317,191
	-	-	292,093
<b>\$</b>	<b>996,687</b>	<b>\$ 1,341,419</b>	<b>\$ 5,690,191</b>
\$	-	\$ 17,636	\$ 49,189
	-	16,467	16,467
	-	16,197	215,110
	-	200,265	292,093
	-	250,565	572,859
	75,376	38,663	117,616
	-	24,746	24,746
	<b>75,376</b>	<b>63,409</b>	<b>142,362</b>
	-	-	61,649
	-	-	67,328
	-	-	16,651
	-	43,523	43,523
	-	9,650	9,650
	-	517,470	517,470
	-	217,747	1,796,424
	921,311	263,801	1,185,112
	-	-	567,852
	-	(24,746)	709,311
	<b>921,311</b>	<b>1,027,445</b>	<b>4,974,970</b>
<b>\$</b>	<b>996,687</b>	<b>\$ 1,341,419</b>	<b>\$ 5,690,191</b>

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

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**Jemez Valley Public School District No. 31**  
**Reconciliation of the Governmental Funds 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	\$	4,974,970
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		15,207,265
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		117,616
Grant revenues not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		24,746
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 related to pensions		3,486,530
Deferred outflows related OPEB		52,015
Deferred inflows related to pensions		(538,663)
Deferred inflows related to OPEB		(609,659)
Liabilities, including bonds payable, the net pension liability and the OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences not due and payable		(57,043)
Accrued interest payable		(43,141)
Bonds payable		(4,775,000)
Premium on bonds payable		(20,982)
Net pension liability		(9,902,100)
OPEB liability		(2,678,672)
Total net position - governmental activities	\$	5,237,882

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

**Jemez Valley Public School District No. 31**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund 11000, 12000, 13000, 14000	Gear Up Special Revenue Fund 25205	Bond Building Capital Projects Fund 31100
<b>Revenues</b>			
Property taxes	\$ 28,837	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	20,670	-	-
Federal direct	1,063,546	248,232	-
Local sources	-	-	-
State flowthrough	2,426,465	-	-
State direct	-	-	-
Transportation distribution	360,793	-	-
Charges for services	29,253	-	-
Investment income	-	-	18,294
Miscellaneous	309,575	-	-
<b>Total revenues</b>	<b>4,239,139</b>	<b>248,232</b>	<b>18,294</b>
<b>Expenditures</b>			
Current:			
Instruction	1,648,585	135,408	-
Support services - students	258,008	107,373	-
Support services - instruction	73,837	-	-
Support services - general administration	257,132	5,000	-
Support services - school administration	273,663	-	-
Central services	180,537	-	-
Operation and maintenance of plant	712,973	-	27,014
Student transportation	325,444	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services operations	-	-	-
Capital outlay	11,804	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>3,741,983</b>	<b>247,781</b>	<b>27,014</b>
Excess (deficiency) of revenues over expenditures	497,156	451	(8,720)
Other financing sources (uses)			
Bond proceeds	-	-	420,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>420,000</b>
<b>Net change in fund balances</b>	<b>497,156</b>	<b>451</b>	<b>411,280</b>
Fund balances, beginning	994,389	-	1,167,397
Fund balances - restatement (note 20)	(44,008)	(451)	-
Fund balances, beginning, as restated	950,381	(451)	1,167,397
<b>Fund balances - end of year</b>	<b>\$ 1,447,537</b>	<b>\$ -</b>	<b>\$ 1,578,677</b>

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

	Debt Service Fund 41000	Nonmajor Governmental Funds	Total
\$	839,904	\$ 345,523	\$ 1,214,264
	-	435,104	455,774
	-	449,923	1,761,701
	-	188	188
	-	222,908	2,649,373
	-	25,528	25,528
	-	-	360,793
	-	23,164	52,417
	-	-	18,294
	-	-	309,575
	<u>839,904</u>	<u>1,502,338</u>	<u>6,847,907</u>
	-	500,089	2,284,082
	-	183,534	548,915
	-	33,718	107,555
	8,378	28,848	299,358
	-	4,119	277,782
	-	169,196	349,733
	-	225,400	965,387
	-	6,552	331,996
	-	-	-
	-	177,353	177,353
	-	-	-
	-	70,270	82,074
	720,000	-	720,000
	81,140	2,642	83,782
	<u>809,518</u>	<u>1,401,721</u>	<u>6,228,017</u>
	<u>30,386</u>	<u>100,617</u>	<u>619,890</u>
	-	-	420,000
	-	-	420,000
	30,386	100,617	1,039,890
	890,925	928,468	3,981,179
	-	(1,640)	(46,099)
	<u>890,925</u>	<u>926,828</u>	<u>3,935,080</u>
\$	<u>921,311</u>	\$ 1,027,445	\$ 4,974,970

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

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**Jemez Valley Public School District No. 31**  
**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 Net Position are different because:

Net change in fund balances - total governmental funds	\$	1,039,890
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		82,074
Depreciation expense		(1,011,073)

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

Change in unavailable revenue related to property taxes receivable		20,610
Change in unavailable revenue related to grants receivable		24,746

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

District pension contribution		352,912
Pension expense		(1,544,170)
District OPEB contribution		52,015
OPEB expense		(106,492)

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

Current year amortization of bond premium		3,449
Increase in accrued compensated absences not due and payable		(3,363)
Increase in accrued interest payable		(12,262)
Principal payments on bonds		720,000
Bond proceeds		(420,000)

Change in net position of governmental activities	\$	(801,664)
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*The accompanying notes are an integral part of these financial statements.*

**Jemez Valley Public School District No. 31**  
**General Fund - 11000, 12000, 13000, 14000**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ 28,447	\$ 31,012	\$ 31,013	\$ 1
Intergovernmental revenue:				
Federal flowthrough	-	12,083	20,670	8,587
Federal direct	917,910	1,060,985	1,063,546	2,561
State flowthrough	2,423,440	2,460,556	2,444,871	(15,685)
State direct	-	-	-	-
Transportation distribution	360,793	360,793	360,793	-
Charges for services	15,298	24,684	29,253	4,569
Miscellaneous	42,496	320,643	291,169	(29,474)
<b>Total revenues</b>	<b>3,788,384</b>	<b>4,270,756</b>	<b>4,241,315</b>	<b>(29,441)</b>
<b>Expenditures</b>				
Current:				
Instruction	2,116,767	2,064,784	1,652,202	412,582
Support services - students	328,412	328,412	258,570	69,842
Support services - instruction	5,500	15,500	69,221	(53,721)
Support services - general administration	294,385	309,538	272,828	36,710
Support services - school administration	311,251	312,751	274,444	38,307
Central services	268,752	334,437	182,169	152,268
Operation and maintenance of plant	720,798	1,479,677	714,758	764,919
Student transportation	361,368	379,073	325,012	54,061
Other support services	9,952	9,952	-	9,952
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>4,417,185</b>	<b>5,234,124</b>	<b>3,749,204</b>	<b>1,484,920</b>
Excess (deficiency) of revenues over expenditures	(628,801)	(963,368)	492,111	1,455,479
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	628,801	963,368	-	(963,368)
<b>Total other financing sources (uses)</b>	<b>628,801</b>	<b>963,368</b>	<b>-</b>	<b>(963,368)</b>
Net change in fund balance	-	-	492,111	492,111
Fund balance - beginning of year	-	-	1,032,736	1,032,736
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,524,847</b>	<b>\$ 1,524,847</b>
Net change in fund balance (Non-GAAP budgetary basis)				\$ 492,111
Adjustments to revenues for taxes and state revenues				(2,176)
Adjustments to expenditures for supplies and payroll expenditures				7,221
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ 497,156</b>

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

**Jemez Valley Public School District No. 31**  
**Gear-Up Special Revenue Fund - 25205**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	250,100	250,100	209,337	(40,763)
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>250,100</b>	<b>250,100</b>	<b>209,337</b>	<b>(40,763)</b>
<b>Expenditures</b>				
Current:				
Instruction	134,823	137,727	135,859	1,868
Support services - students	110,277	107,373	107,373	-
Support services - instruction	-	-	-	-
Support services - general administration	5,000	5,000	5,000	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>250,100</b>	<b>250,100</b>	<b>248,232</b>	<b>1,868</b>
Excess (deficiency) of revenues over expenditures	-	-	(38,895)	(38,895)
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	-	(38,895)	(38,895)
Fund balance - beginning of year	-	-	(52,348)	(52,348)
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (91,243)</b>	<b>\$ (91,243)</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (38,895)
Adjustments to revenues for federal grants				38,895
Adjustment to expenditures for supplies and payroll expenditures				451
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ 451</b>

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

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**Jemez Valley Public School District No. 31**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

Current assets		
Cash and cash equivalents	\$	68,495
<hr/>		
Total assets	\$	68,495
<hr/> <hr/>		
Current liabilities		
Due to student organizations	\$	68,495
<hr/>		
Total liabilities	\$	68,495
<hr/> <hr/>		

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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

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

Jemez Valley Public School District No. 31 (the “District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the Jemez Pueblo and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s and the Charter School’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.

During the year ended June 30, 2018, the District adopted GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement is required to be implemented as of June 30, 2018, if applicable.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement is intended to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017 and have a material effect on the financial statements.

During the year ended June 30, 2018, the District also adopted GASB No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85 *Omnibus*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. These three Statements are required to be implemented as of June 30, 2018, if applicable. The District has evaluated these three Statements and has determined that they do not have a material effect on the financial statements.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Financial reporting entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all component units. The decision to include any potential component unit 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, GASB Statement No. 61, and GASB Statement No. 80. 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.

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.

The District's Board of Education approved San Diego Riverside Charter School ("Charter Schools") for operations in accordance with the criteria listed above. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

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

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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and fund financial statements (Continued)***

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – Net investment in capital assets, restricted net position; and unrestricted net position.

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

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

***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.



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement focus, basis of accounting, and financial statement presentation (Continued)***

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion.

All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *General Fund* (11000, 12000, 13000 and 14000) is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Teacherage Fund*, which is used for the receipt of revenue from rental of school owned facilities and related expenses, *Pupil Transportation Fund*, which is used to account for transportation distribution received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. 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 *Gear Up Special Revenue Fund (25205)* is used to provide support and maintain a commitment, to eligible low-income students, including students with disabilities, to help the student obtain a secondary school diploma and to prepare for, and succeed in, postsecondary education. Gear Up has two major service components. All projects provide a comprehensive set of early intervention services including mentoring, tutoring, academic, and career counseling, services to increase parental involvement, and college preparation activities like exposure to college campuses and financial aid information and assistance. Authorized by higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 2.

The *Bond Building Capital Projects Fund (31100)* 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. Authority for the creation of this fund is the New Mexico Public Education Department.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement focus, basis of accounting, and financial statement presentation (Continued)***

The *Debt Service Fund (41000)* is used to account for financial resources accumulated and payments made for principal and interest on long-term general obligation of governmental funds. Authority for the creation of this fund is the New Mexico Public Education Department.

Additionally, the District reports the following fiduciary funds:

The *Agency 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.

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund 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.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Restricted Assets:** The Debt Service Fund and the 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. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

The District receives monthly income from a tax levy in Sandoval 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.

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 non-food supplies. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Neither the District nor the Charter School reported inventory balances at June 30, 2018.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District’s policies as assets with an initial, individual cost of more than \$5,000 (amount not rounded) 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 are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District was a Phase III government for purposes of implementing GASB Statement No. 34.

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 not capitalized because they are considered to have a useful life of less than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction projects paid for by the Public School Capital Outlay Council are included in the District’s capital assets. No interest was included as part of the cost of capital assets under construction.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

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

Assets	Years
Infrastructure	20-50
Buildings and improvements	20-50
Land improvements	20-50
Equipment and vehicles	5-10

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(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 balance for deferred inflows of resources. The District has two types of items which arise under the modified accrual basis of accounting that qualifies for reporting in this category.

Accordingly, the items, unavailable revenue - property taxes and unavailable revenue – grant revenue are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$117,616 related to property taxes considered “unavailable” and \$24,746 related to grant revenues considered “unavailable.” In addition, the District and Charter School each have three types of items present on the Statement of Net Position which arise due to the net pension liability. Accordingly, the items, changes in proportion of \$384,754, differences between expected and actual experience of \$152,551, and the net difference between projected and actual investment earnings of \$1,358 are reported on the Statement of Net Position for the District. Corresponding balances for the Charter School are changes in proportion of \$48,818, differences between expected and actual experience of \$37,581, and the net difference between projected and actual investment earnings of \$335 are reported on the Statement of Net Position for the Charter. In addition, the District and the Charter each have three types of items present on the Statement of Net Position which arise due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the items, the difference between expected and actual experience of \$102,793, changes in assumption of \$468,332, and the net difference between projected and actual investment earnings of \$38,534 are reported on the Statement of Net Position for the District. Corresponding balances for the Charter School are the difference between expected and actual experience of \$25,303, changes in assumption of \$115,280, and the net difference between projected and actual investment earnings of \$9,484, and are reported on the Statement of Net Position for the Charter. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District and the Charter School each have four types of items related to the net pension liability that qualify for reporting in this category. Accordingly, these items, changes in proportion of \$225,225, changes of assumptions of \$2,890,618, the difference between expected and actual experience of \$17,775, and employer contributions subsequent to measurement date in the amount of \$352,912, are reported on the Statement of Net Position for the District. Corresponding balances for the Charter School are changes in proportion of \$80,639, changes of assumptions of \$712,111, differences between expected and actual experience of \$4,379, and employer contributions subsequent to measurement date of \$102,261, and are reported on the Statement of Net Position for the Charter. In addition, the District and the Charter School each have one type of this item present on the Statement of Net Position which arises due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the item, employer contributions subsequent to measurement date in the amount of \$52,015 is reported on the Statement of Net Position for the District; the corresponding amount for the Charter, \$14,714, is reported on the Statement of Net Position for the Charter. These amounts are deferred and recognized as outflows of resources in future periods.

**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.

**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.

**Compensated Absences:** It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Twelve-month employees may accumulate up to 20 days of vacation leave; any leave beyond these limits must be used by June 30th of the current contract year.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

Qualified employees are entitled to accumulate sick leave. There is no limit to the amount of sick leave which an employee may accumulate; however, upon termination, sick leave is not paid out to the employee.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Accrued Payroll:** In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, the period of issuance. 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.

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

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is 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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

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, neither the District nor the Charter School have any fund balance that is not in spendable form.

**Restricted and Committed Fund Balance:** At June 30, 2018, the restricted fund balance of the District on the governmental funds balance sheet is made up of \$716,271 restricted for providing teacherage, transportation, instructional materials, food services, extracurricular activities and education to the students of the District, \$1,796,424 restricted 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, and \$1,185,112 restricted for the payment of principal and interest of the future debt service requirements. The District has also committed fund balance in the amount of \$567,852 for expenditures in the subsequent year. At June 30, 2018, the restricted fund balance of the Charter School on the combining balance sheet - governmental funds balance is made up of \$92,576 restricted for providing instructional materials, food services, and education to the students of the Charter School. The Charter School has also committed fund balance in the amount of \$101,822 for expenditures in the subsequent year.

**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. The District includes unspent bond proceeds in the amount of \$1,578,677 in the calculation of net investment in capital assets.
- b. Restricted Net Position: Net position is reported as restricted when constraints are placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, capital projects, and debt service" are described on pages 33-34 and 97-101.
- c. Unrestricted Net Position: Net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund equity (Continued)***

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District and Charter School are management's estimate of depreciation on assets over their estimated useful lives, the net pension liability and related amounts, the OPEB liability and related amounts, and the current portion of accrued compensated absences.

***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 and Charter School received \$2,416,608 and \$886,305, respectively, in state equalization guarantee distributions during 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 \$1,234,874 in tax revenues in the government-wide 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.



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues (Continued)***

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district. The District received \$360,793 in transportation distributions during the year ended June 30, 2018.

**Instructional Materials:** The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2018 totaled \$8,894 and \$2,880 for the District and the Charter School, respectively.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District did not receive any state SB-9 matching during the year ended June 30, 2018. The Charter School received \$2,874 in state SB-9 matching during the year ended June 30, 2018.

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

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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues (Continued)***

The District did not receive any Public School Capital Outlay funds during the year ended June 30, 2018. The Charter School received \$54,675 in Public School Capital Outlay funds during the year ended June 30, 2018.

**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 and Capital Project Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local School Board and the New Mexico Public Education Department.

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

***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 a modified cash basis with payroll or held checks being accrued and expensed, therefore, fund balances on the budget statements do not reconcile to cash due to the District's accrued payroll which is presented on the accrual basis. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as restricted fund balance.

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

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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

***Budgetary Information (Continued)***

The District and Charter follow these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed “operating” budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

***Budgetary Information (Continued)***

9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

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

The appropriated budget for the year ended June 30, 2018, was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

	<b>Excess (deficiency) of revenues over expenditures</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
<b>Budgeted Funds:</b>		
General Fund	\$ (628,801)	\$ (963,368)
Gear Up Special Revenue Fund	\$ -	\$ -
Bond Building Capital Projects Fund	\$ (95)	\$ (95)
Debt Service Fund	\$ (803,933)	\$ (871,142)
Nonmajor Governmental Funds	\$ (676,120)	\$ (872,360)

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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

***Budgetary Information (Continued)***

The appropriated budget for the year ended June 30, 2018, was properly amended by the Charter School. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (151,053)	\$ (187,157)
Private Dir. Grant Special Revenue Fund	\$ (54,157)	\$ (70,660)
Nonmajor Governmental Funds	\$ (46,033)	\$ (47,176)

The Charter School 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**

Section 22-8-40, NMSA 1978 authorizes the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 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. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The collateral pledged is listed in the Schedule of Collateral Pledged by Depository for Public Funds on page 158. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

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 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 deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2018, \$3,207,485 of the District's bank balance of \$3,457,485 was exposed to custodial credit risk. \$3,207,485 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the District's name. None of the District's bank balance was uninsured and uncollateralized.

	<b>District</b>
	<b>New Mexico Bank</b>
	<b>&amp; Trust</b>
Amount of deposits	\$ 3,457,485
FDIC Coverage	(250,000)
Total uninsured public funds	3,207,485
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	3,207,485
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ 1,603,743
Pledged Collateral	4,217,905
Over (Under) collateralized	\$ 2,614,162

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

The District utilizes internal pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2018. Funds 24101 through 25233 are federal funds and 27107 through 27166 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2018:

Title I IASA - 24101	\$ (44,471)
IDEA-B Entitlement - 24106	(17,774)
English Language Acquisition - 24153	(3,999)
Teacher/Principal Training/Recruiting - 24154	(14,251)
Title I School Improvement - 24162	(17,668)
USDA School Equipment Grant - 24183	(24,746)
Gear Up - 25205	(89,950)
Rural Education Achievement Program - 25233	(1,694)
2012 G.O. Bond Student Library Fund - 27107	(6,169)
New Mexico Reads to Lead - 27114	(11,211)
Teacher Recruitment Support Initiative - 27128	(232)
Pre-K Initiative - 27149	(13,240)
Indian Education Initiative - 27150	(7,574)
Kindergarten – Three Plus - 27166	(13,354)
<b>Total</b>	<b>\$ (266,333)</b>

**Investments**

Credit Risk

As of June 30, 2018, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>
U.S. Treasury Notes	\$ 1,385,236	>365 days

  

<u>Investment Type</u>	<u>Weighted Average Maturities (F)</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury Notes	>365	\$ 1,385,236	Aaa*

\* Based on Moody's Rating

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

The investments are listed in the Schedule of Deposits and Investment Accounts on page 147 of this report.

*Concentration of Credit Risk – Investments.* For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investments in U.S. Treasury Notes represents 100% of the investment portfolio. Since the District only purchases investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the District. The District’s policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

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	\$ 2,387,140
Restricted cash and cash equivalents- Governmental Activities	1,159,288
Restricted investments- Governmental Activities	1,385,236
Statement of Fiduciary Assets and Liabilities- Cash and cash equivalents	68,495
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Total cash and cash equivalents	5,000,159
Plus: outstanding checks	36,413
Less: investments held by NMFA	(1,385,236)
Less: cash held by NMFA	(193,851)
<hr/>	
<u>Bank balance of deposits</u>	<u>\$ 3,457,485</u>

**Fair Value Measurement**

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

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

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

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

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

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

The District maintained a balance of \$1,385,236 in U.S. Treasury Notes at year end, which required fair value disclosure.

The following table sets forth by level within the fair value hierarchy, the District’s assets at fair value as of June 30, 2018:

Level 1	Level 2	Level 3	Total
\$ 1,385,236	\$ -	\$ -	\$ 1,385,236

**Component Unit:**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Charter School’s deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2018, \$25,747 of the Charter School’s bank balances of \$275,747 was exposed to custodial credit risk. \$25,747 was uninsured and collateralized by collateral held by the pledging bank’s trust department not in the Charter School’s name. None of the Charter School’s bank balance was uninsured and uncollateralized.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

**Component Unit (Continued):**

	<b>US Bank</b>
Amount of deposits	\$ 275,747
FDIC Coverage	(250,000)
Total uninsured public funds	25,747
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Charter School's name	25,747
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ 12,874
Pledged Collateral	164,154
Over (Under) collateralized	\$ 151,280

The Charter School utilizes internal pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2018. Funds 24101 through 24153 are federal funds and 27107 through 31700 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2018:

Title I- IASA - 24101	\$ (9,810)
IDEA-B Entitlement - 24106	(1,325)
English Language Acquisition - 24153	(3,163)
2012 G.O. Bond Student Library Fund - 27107	(2,104)
Breakfast for Elementary Students - 27155	(299)
Public School Capital Outlay - 31200	(27,337)
Capital Improvements SB-9 Capital Projects Fund - 31700	(2,874)
Total	\$ (46,912)

As of June 30, 2018, the Charter School did not have any investment balances.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

Reconciliation to the Statement of Net Position

The carrying amount of deposits shown above are included in the Charter School's statement of net position as follows:

Cash and cash equivalents - Charter School	\$ 233,644
Cash and cash equivalents - Statement of Fiduciary Assets and Liabilities	624
<hr/>	
Total cash and cash equivalents	234,268
<hr/>	
Add: outstanding checks	41,479
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Bank balance of deposits	\$ 275,747
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**NOTE 4: ACCOUNTS RECEIVABLE**

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

**Primary Government:**

	General Fund	Gear Up NM	Debt Service Fund	Other Governmental Funds	Total
Property taxes receivable	\$ 4,402	\$ -	\$ 97,355	\$ 47,486	\$ 149,243
Due from other governments:					
Federal sources	-	92,479	-	153,517	245,996
State sources	-	-	-	71,195	71,195
<hr/>					
	\$ 4,402	\$ 92,479	\$ 97,355	\$ 272,198	\$ 466,434
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In accordance with GASB Statement No. 33, property tax revenues and grant revenues for the District in the amounts of \$117,616 and \$24,746, respectively, were not collected within the period of availability and have been reclassified as deferred inflows for unavailable revenue in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

**Component Unit:**

The Charter School had receivables due from other governments in the amounts of \$6,023 from federal sources, and \$42,506 from state and local sources. In addition, the Charter School has a receivable of \$16,467 due from the Primary Government. All receivables are considered 100% collectible.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 5: INTERFUND BALANCES**

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:

**Primary Government:**

<b>Due from Other Funds</b>	<b>Due to Other Funds</b>	<b>Amount</b>
General Fund - 11000	Title I IASA - 24101	\$ 50,552
General Fund - 11000	IDEA-B Entitlement - 24106	20,790
General Fund - 11000	English Language Acquisition - 24153	3,999
General Fund - 11000	Teacher/Principal Training/Recruiting - 24154	14,251
General Fund - 11000	Title I School Improvement - 24162	17,668
General Fund - 11000	USDA School Equipment Grant - 24183	24,746
General Fund - 11000	Gear Up - 25205	91,828
General Fund - 11000	Rural Education Achievement Program - 25233	1,694
General Fund - 11000	2012 G.O. Bond Student Library Fund - 27107	6,169
General Fund - 11000	New Mexico Reads to Lead - 27114	14,306
General Fund - 11000	Teacher Recruitment Support Initiative - 27128	232
General Fund - 11000	Pre-K Initiative - 27149	20,575
General Fund - 11000	Indian Education Initiative - 27150	8,940
General Fund - 11000	Kindergarten - Three Plus - 27166	16,343
<b>Total</b>		<b>\$ 292,093</b>

**Component Unit:**

<b>Due from Other Funds</b>	<b>Due to Other Funds</b>	<b>Amount</b>
General Fund - 11000	Title I- IASA - 24101	\$ 11,979
General Fund - 11000	IDEA-B Entitlement - 24106	1,325
General Fund - 11000	English Language Acquisition - 24153	3,163
General Fund - 11000	2012 G.O. Bond Student Library Fund - 27107	2,104
General Fund - 11000	Breakfast for Elementary Students - 27155	299
General Fund - 11000	Public School Capital Outlay - 31200	27,337
General Fund - 11000	Capital Improvements SB-9 - State - 31700	2,874
<b>Total</b>		<b>\$ 49,081</b>

All interfund balances are intended to be repaid within one year.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 6: CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2018, follows. Land is not subject to depreciation.

Capital assets, net of accumulated depreciation, at June 30, 2018 appear in the Statement of Net Position as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 162,011	\$ -	\$ -	\$ 162,011
<b>Total capital assets not being depreciated</b>	<b>162,011</b>	<b>-</b>	<b>-</b>	<b>162,011</b>
Capital assets being depreciated:				
Infrastructure	2,804,921	5,686	(160)	2,810,447
Buildings and improvements	16,031,566	12,988	(13,222)	16,031,332
Land improvements	3,587,523	6,926	-	3,594,449
Equipment and vehicles	2,449,823	56,474	(16,041)	2,490,256
<b>Total capital assets being depreciated</b>	<b>24,873,833</b>	<b>82,074</b>	<b>(29,423)</b>	<b>24,926,484</b>
<b>Total capital assets</b>	<b>25,035,844</b>	<b>82,074</b>	<b>(29,423)</b>	<b>25,088,495</b>
Less accumulated depreciation:				
Infrastructure	481,486	152,768	(160)	634,094
Buildings and improvements	6,004,659	450,565	(13,222)	6,442,002
Land improvements	855,908	173,164	-	1,029,072
Equipment and vehicles	1,557,527	234,576	(16,041)	1,776,062
<b>Total accumulated depreciation</b>	<b>8,899,580</b>	<b>1,011,073</b>	<b>(29,423)</b>	<b>9,881,230</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 16,136,264</b>	<b>\$ (928,999)</b>	<b>\$ -</b>	<b>\$ 15,207,265</b>

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 6: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2018 was charged to the following functions:

Instruction	\$	3,500
Support services-students		2,421
Support services-school administration		3,744
Central services		790,409
Operation and maintenance of plant		130,123
Student transportation		73,690
Food services operations		7,186
<hr/>		
Total	\$	1,011,073
<hr/> <hr/>		

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 6: CAPITAL ASSETS (Continued)**

**Component Unit:**

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Construction in progress is not subject to depreciation.

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 95,135	\$ 95,131	\$ -	\$ 190,266
<b>Total capital assets not being depreciated</b>	<b>95,135</b>	<b>95,131</b>	<b>-</b>	<b>190,266</b>
Capital assets being depreciated:				
Buildings and improvements	527,024	-	-	527,024
Equipment	159,617	-	-	159,617
<b>Total capital assets being depreciated</b>	<b>686,641</b>	<b>-</b>	<b>-</b>	<b>686,641</b>
<b>Total capital assets</b>	<b>781,776</b>	<b>95,131</b>	<b>-</b>	<b>876,907</b>
Less accumulated depreciation:				
Buildings and improvements	328,985	25,297	-	354,282
Equipment	139,025	4,873	-	143,898
<b>Total accumulated depreciation</b>	<b>468,010</b>	<b>30,170</b>	<b>-</b>	<b>498,180</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 313,766</b>	<b>\$ 64,961</b>	<b>\$ -</b>	<b>\$ 378,727</b>

The Charter School's current construction project is on hold as of June 30, 2018 while the Charter Schools obtains contracts for completion.

Depreciation expense for the year ended June 30, 2018 was charged to the following functions:

Instruction	\$ 11,568
Support services-students	532
Support services-school administration	18,070
<b>Total</b>	<b>\$ 30,170</b>

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 7: LONG-TERM DEBT**

General obligation bonds are secured by and payable solely from the Debt Service Fund and the Ed Tech Debt Service Fund.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2018 are for governmental activities.

Bonds outstanding at June 30, 2018 are comprised of the following:

	<b>Series 2006</b>	<b>Series 2013</b>	<b>Series 2014</b>	<b>Series 2017</b>	<b>Ed Tech 2017</b>
Original Issue:	\$ 750,000	\$ 3,000,000	\$ 2,000,000	\$ 1,200,000	\$ 420,000
Principal:	August 1	August 1	August 1	August 1	August 1
Interest:	August 1	August 1	August 1	August 1	August 1
	February 1	February 1	February 1	February 1	February 1
Interest Rates:	3.72%-4.42%	1.15%-2.00%	2.00%	1.20-2.39%	1.25-1.65%
Maturity Date:	August 2019	August 2024	August 2024	August 2029	August 2021

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	<b>Balance</b>			<b>Balance</b>		<b>Due Within</b>
	<b>June 30, 2017</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2018</b>	<b>One Year</b>	
General Obligation Bonds						
Series 2006	\$ 300,000	\$ -	\$ 100,000	\$ 200,000	\$ 100,000	
General Obligation Bonds						
Series 2013	2,100,000	-	350,000	1,750,000	185,000	
General Obligation						
Series 2014	1,475,000	-	270,000	1,205,000	200,000	
General Obligation						
Series 2017	1,200,000	-	-	1,200,000	70,000	
General Obligation						
Education Technology 2017	-	420,000	-	420,000	115,000	
<b>Total Bonds</b>	<b>5,075,000</b>	<b>420,000</b>	<b>720,000</b>	<b>4,775,000</b>	<b>670,000</b>	
Compensated Absences	53,680	23,964	20,601	57,043	20,601	
<b>Total Long-Term Debt</b>	<b>\$ 5,128,680</b>	<b>\$ 443,964</b>	<b>\$ 740,601</b>	<b>\$ 4,832,043</b>	<b>\$ 690,601</b>	



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 7: LONG-TERM DEBT (Continued)**

The general obligation bonds are secured by and payable from the Debt Service Fund and Ed Tech Debt Fund.

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2018, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 670,000	\$ 82,953	\$ 752,953
2020	695,000	69,749	764,749
2021	655,000	57,896	712,896
2022	685,000	46,967	731,967
2023	480,000	36,754	516,754
2024-2028	1,340,000	72,850	1,412,850
2029-2031	250,000	5,000	255,000
	<u>\$ 4,775,000</u>	<u>\$ 372,169</u>	<u>\$ 5,147,169</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 \$3,363 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

**Component Unit:**

Compensated Absences – Administrative employees of the Charter School are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2018, there was no change to the liability for compensated absences, which remained at \$0 as of June 30, 2018. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which 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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 8: RISK MANAGEMENT (Continued)**

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. 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. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to 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. As of June 30, 2018, there have been no claims that have exceeded insurance coverage.

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

**General Information about the Pension Plan**

**Plan description.** ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer 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 agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

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

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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

**Pension Benefit.** A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 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.

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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

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

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

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

**Cost of Living Adjustment (COLA).** All retired members and beneficiaries receiving benefits 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 is immediately reduced until the Plan is 100% funded. The COLA reduction is 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%.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

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 years 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 employer contributions of \$352,912 and \$352,379, which equal the amount of the required contributions for each fiscal year. The Charter School paid employer contributions of \$102,261 and \$86,770, which equal the amount of the required contributions for each fiscal year.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

***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 \$9,902,100 for its proportionate share of the net pension liability. The Charter School reported a liability of \$2,439,406 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 other significant events of changes in benefit provisions 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 and the Charter School’s proportion of the net pension liability was based on a projection of the District’s and Charter School’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 0.08910%, which was a decrease of 0.00796% from its proportion measured as of June 30, 2016. At June 30, 2018, the Charter School’s proportion was 0.02195%, which was a decrease of 0.00101% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District and Charter School recognized pension expense of \$1,544,170 and \$379,528, respectively.

As of June 30, 2018, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 17,775	\$ 152,551
Net difference between expected and actual investments on pension plan investments	-	1,358
Changes of assumptions	2,890,618	-
Changes in proportion	225,225	384,754
District's contributions subsequent to the measurement date	352,912	-
<b>Total</b>	<b>\$ 3,486,530</b>	<b>\$ 538,663</b>

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

\$352,379 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (1,084,351)
2019	(1,014,004)
2020	(578,136)
2021	81,536
2022	-
Thereafter	-

As of June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

\$102,261 reported as deferred outflows of resources related to pensions resulting from Charter School contributions subsequent to the measurement date of June 30, 2017, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 4,379	\$ 37,581
Net difference between projected and actual earnings on pension plan investments	-	335
Changes of assumptions	712,111	-
Changes in proportion	80,639	48,818
Charter School's contributions subsequent to the measurement date	102,261	-
<b>Total</b>	<b>\$ 899,390</b>	<b>\$ 86,734</b>

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	(303,875)
2019		(272,634)
2020		(153,702)
2021		19,816
2022		-
Thereafter		-



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

**Actuarial assumptions.** The total pension liability in the June 30, 2017 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	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: right;">Fiscal year</td> <td style="text-align: center;"><u>2017</u></td> <td style="text-align: center;"><u>2016</u></td> <td style="text-align: center;"><u>2015</u></td> <td style="text-align: center;"><u>2014</u></td> </tr> <tr> <td style="text-align: right;">Service life in years</td> <td style="text-align: center;">3.35</td> <td style="text-align: center;">3.77</td> <td style="text-align: center;">3.92</td> <td style="text-align: center;">3.88</td> </tr> </table>	Fiscal year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	Service life in years	3.35	3.77	3.92	3.88
Fiscal year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>							
Service life in years	3.35	3.77	3.92	3.88							
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.										

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Equities	30%	
Fixed income	26	
Alternatives	40	
Cash	1	
Total	100%	7.25%

**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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 9: PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (Continued)**

**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 employer name'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:

	<b>1% Decrease (4.90%)</b>	<b>Current Discount Rate (5.90%)</b>	<b>1% Increase (6.90%)</b>
District's proportionate share of the net pension liability	\$ 12,890,072	\$ 9,902,100	\$ 5,104,367

**Sensitivity of the Charter School's proportionate share of the net pension liability to changes in the discount rate.** The following presents the Charter School's proportionate share of the net pension liability calculated using the discount rate of 5.90 percent, as well as what the employer name'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:

	<b>1% Decrease (4.90%)</b>	<b>Current Discount Rate (5.90%)</b>	<b>1% Increase (6.90%)</b>
Charter School's proportionate share of the net pension liability	\$ 3,175,500	\$ 2,439,406	\$ 1,837,709

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

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as

**Payables to the pension plan.** The Jemez Valley School District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15<sup>th</sup> day of the month following the month for which contributions are withheld. At June 30, 2018, the District and Charter owed the ERB \$58,589 and \$14,420, respectively for the contributions withheld in the month of June 2018.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

***General Information about the OPEB***

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

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

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

***Employees covered by benefit terms.*** At June 30, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	160,035
<b>Active membership</b>	
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	48,756
	97,349

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

**Contributions** – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District and the Charter School were \$52,015 and \$14,714 respectively 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, 2017, the District reported a liability of \$2,678,672 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, 2018, the District’s proportion was 0.05911 percent.

For the year ended June 30, 2018, the recognized OPEB expense of \$106,492. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ 468,332
Net difference between projected and actual earnings on pension plan investments	-	38,534
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Charter School's contributions subsequent to the measurement date	52,015	-
Difference between expected and actual experience	-	102,793
<b>Total</b>	<b>\$ 52,015</b>	<b>\$ 609,659</b>

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

Deferred outflows of resources totaling \$52,015 represent the District’s 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:

Year ended June 30:		
2019	\$	129,618
2020		129,618
2021		129,618
2022		129,618
2023		91,187
<hr/>		
Total	\$	609,659
<hr/> <hr/>		

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

At June 30, 2017, the Charter School reported a liability of \$659,358 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 Charter’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, 2018, the Charter’s proportion was 0.01455 percent.

For the year ended June 30, 2018, the recognized OPEB expense of \$26,216. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<hr/>		
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ 115,280
Net difference between projected and actual earnings on pension plan investments	-	9,484
Charter School's contributions subsequent to the measurement date	14,714	-
Difference between expected and actual experience	-	25,303
<hr/>		
Total	\$ 14,714	\$ 150,067
<hr/> <hr/>		

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

Deferred outflows of resources totaling \$14,714 represent the Charter’s 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:

Year ended June 30:	
2019	\$ 31,906
2020	31,906
2021	31,906
2022	31,906
2023	22,443
Total	\$ 150,067

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

Actuarial 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	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
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

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

**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:

Asset Class	Long-Term Rate of Return
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. 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.



**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

**Sensitivity of the Districts 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 (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
\$ 3,249,187	\$ 2,678,672	\$ 2,231,051

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
\$ 2,278,395	\$ 2,678,672	\$ 2,990,789

**Sensitivity of the Charter School’s net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the Charter School, as well as what the Charter School’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 (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
\$ 799,791	\$ 659,358	\$ 549,176

The following presents the net OPEB liability of the Charter School, as well as what the Charter School’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
\$ 560,830	\$ 659,358	\$ 736,186

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 10: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

**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 Jemez Valley School District remits the legally required employer and employee contributions on a monthly basis to RHC. At June 30, 2018, the District and Charter owed the NMRHCA \$7,204 and \$1,773, respectively for the contributions withheld in the month of June 2018.

**NOTE 11: 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.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 12: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

- A. Deficit fund balance of individual funds. The District and Charter School had funds with deficit fund balances at June 30, 2018, as follows:

<b>District</b>	
<b>Nonmajor Fund</b>	
Fund 24183 - USDA School Equipment Grant	\$ 24,746
Total - District	\$ 24,746

<b>Charter School</b>	
<b>Nonmajor Funds</b>	
Fund 23000 - Non Instructional Support	\$ (672)
Fund 27107 - 2012 G.O Bond Student Library	(2,104)
Fund 271555 - Breakfast for Elementary Students	(299)
Total - Charter School	\$ (3,075)

- B. Excess of expenditures over appropriations. The District had no funds in which line item expenditures were in excess of the budgeted appropriations for the year ended June 30, 2018. The Charter over expended its budget in the following funds and functions:

<b>Charter School</b>	
<b>Nonmajor Funds</b>	
IDEA-B Entitlement - Instruction	\$ 395
Impact Aid Special Education - Support Services	3,001
Total - Charter School	\$ 3,396

- C. Designated cash appropriations in excess of available balance. No funds had designated cash appropriations in excess of available balances for the year ended June 30, 2018.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 13: PAYROLL RELATED EXPENDITURES**

The District and Charter School's expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures are budgeted on the budgetary comparisons in those funds that have accrued payroll at year end have been adjusted to account for this requirement.

**NOTE 14: CONCENTRATIONS**

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

**NOTE 15: COMMITMENTS**

The District nor the Charter School had any construction projects or any other commitments ongoing as of the year ended June 30, 2018.

**NOTE 16: JOINT POWERS AGREEMENTS**

Central Region Educational District

Participants – Central Region Educational District (CREC)

Jemez Valley Public Schools

Responsible party – Central Region Educational District and Jemez Valley Public Schools

Description – CREC will provide related service providers to the district as required based on district need.

Beginning Date – July 1, 2017

Ending Date – June 30, 2018

Estimated amount of project – Administrative costs per Council decision

Audit responsibility – Jemez Valley Public Schools

Fiscal agent – Central Region Educational District and Jemez Valley Public Schools

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 17: RESTRICTED NET POSITION**

The government-wide statement of net position for the District and the Charter School reports \$2,044,400 and \$88,995 respectively, of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related restrictions for net position restricted for special revenue, debt service and capital projects, see pages 33-34 and 97-101.

**NOTE 18: SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2018, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 15, 2018, which is the date on which the financial statements were issued.

**NOTE 19: SUBSEQUENT PRONOUNCEMENTS**

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84 *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87, *Leases*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In April 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

**Jemez Valley Public School District No. 31**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 20: RESTATEMENT OF NET POSITION AND FUND BALANCE**

The objective of a net position restatement is to accurately reflect prior period's net position and improve the relevancy and usefulness of financial information. The District restated net position in the amount of (\$3,227,938) related to prior accrued payroll not previously recorded and related to the implementation of GASB Statement No. 75 to recognize the beginning effect on prior year net position of the OPEB Liability. The Charter restated net position in the amount of (\$783,209) for the implementation of GASB Statement No. 75 to recognize the beginning effect on prior year net position of the OPEB Liability. The combined effect of the restatements are as follows:

	<b>Primary Government</b>	<b>Charter School</b>
Governmental Activities Net Position June 30, 2017	\$ 9,267,484	\$ (712,831)
Restatement related to prior year accrued payroll	(46,099)	-
Restatement related to implementation of GASB 75	(3,181,839)	(783,209)
<b>Governmental Activities Net Position June 30, 2017, as restated</b>	<b>\$ 6,039,546</b>	<b>\$ (1,496,040)</b>

Fund balance was also restated in the amount of (\$46,099) for accrued payroll not recorded in the prior year for the District. See pages 22-23 and 110-117 for detail of the restatement presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

## **Required Supplementary Information**

**Jemez Valley Public School District No. 31**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Educational Retirement Board (ERB) Pension Plan**  
**Last 10 Fiscal Years\***

	<b>2018</b>	<b>2017</b>
	<b>Measurement</b>	<b>Measurement</b>
	<b>Date</b>	<b>Date</b>
	<b>(As of and for</b>	<b>(As of and for</b>
	<b>the Year Ended</b>	<b>the Year Ended</b>
	<b>June 30, 2017)</b>	<b>June 30, 2016)</b>
Jemez Valley Public School District's proportion of the net pension liability (asset)	0.08910%	0.0971%
Jemez Valley Public School District's proportionate share of the net pension liability (asset)	\$ 9,902,100	\$ 6,984,858
Jemez Valley Public School District's covered-employee payroll	\$ 2,535,098	2,767,762
Jemez Valley Public School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	391%	252%
Plan fiduciary net position as a percentage of the total pension liability	52.95%	61.58%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Jemez Valley Public School District No. 31 will present information for those years for which information is available.

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



<b>2016</b>	<b>2015</b>
<b>Measurement</b>	<b>Measurement</b>
<b>Date</b>	<b>Date</b>
<b>(As of and for</b>	<b>(As of and for</b>
<b>the Year Ended</b>	<b>the Year Ended</b>
<b>June 30, 2015)</b>	<b>June 30, 2014)</b>
0.0938%	0.0852%
\$ 6,073,733	\$ 4,863,556
2,666,187	2,349,544
228%	207%
63.97%	66.54%

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

**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Schedule of Proportionate Share of the Net Pension Liability  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\***

	<b>2018 Measurement Date (As of and for the Year Ended June 30, 2017)</b>	<b>2017 Measurement Date (As of and for the Year Ended June 30, 2016)</b>
San Diego Riverside Charter School's proportion of the net pension liability (asset)	0.02195%	0.0230%
San Diego Riverside Charter School's proportionate share of the net pension liability (asset)	\$ 2,439,406	\$ 1,652,301
San Diego Riverside Charter School's covered-employee payroll	624,245	655,183
San Diego Riverside Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	391%	252%
Plan fiduciary net position as a percentage of the total pension liability	52.95%	61.58%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, San Diego Riverside Charter School will present information for those years for which information is available.

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

<b>2016 Measurement Date (As of and for the Year Ended June 30, 2015)</b>	<b>2015 Measurement Date (As of and for the Year Ended June 30, 2014)</b>
0.0217%	0.0188%
\$ 1,407,510	\$ 1,072,669
617,647	518,316
228%	207%
63.97%	66.54%

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

**Jemez Valley Public School District No. 31**  
**Schedule of Contributions**  
**Educational Retirement Board (ERB) Pension Plan**  
**Last 10 Fiscal Years\***

	As of and for the Year Ended June 30, 2018	As of and for the Year Ended June 30, 2017
Contractually required contribution	\$ 352,912	\$ 352,379
Contributions in relation to the contractually required contribution	352,912	352,379
Contribution deficiency (excess)	\$ -	\$ -
Jemez Valley Public School District's covered- employee payroll	\$ 2,538,304	\$ 2,535,098
Contribution as a percentage of covered-employee payroll	13.90%	13.90%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Jemez Valley Public School District No. 31 will present information for those years for which information is available.

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

As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
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\$ 384,719	\$ 370,600
<u>384,719</u>	<u>370,600</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

\$ 2,767,762	\$ 2,666,187
13.90%	13.90%

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

**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Schedule of Contributions  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\***

	As of and for the Year Ended June 30, 2018	As of and for the Year Ended June 30, 2017
Contractually required contribution	\$ 102,261	\$ 86,770
Contributions in relation to the contractually required contribution	102,261	86,770
Contribution deficiency (excess)	\$ -	\$ -
San Diego Riverside Charter School's covered- employee payroll	\$ 735,691	\$ 624,245
Contribution as a percentage of covered-employee payroll	13.90%	13.90%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, San Diego Riverside Charter School will present information for those years for which information is available.

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

As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
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\$ 91,070	\$ 85,853
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91,070	85,853
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\$ -	\$ -
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\$ 655,183	\$ 617,647
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13.90%	13.90%
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*See independent auditors' report.  
See notes to required supplementary information.*

**Jemez Valley Public School District No. 31  
 Schedule of Employer's Proportionate Share of the Net OPEB Liability of  
 New Mexico Retiree Health Care Act Plan  
 New Mexico Retiree Health Care Authority (NMRHCA) Plan  
 Last 10 Fiscal Years\***

	<b>2018 Measurement Date (As of and for the Year Ended June 30, 2017)</b>
Jemez Valley Public School District's proportion of the net OPEB liability	0.05911%
Jemez Valley Public School District's proportionate share of the net OPEB liability	\$ 2,678,672
Jemez Valley Public School District's covered-employee payroll	\$ 2,537,400
Jemez Valley Public School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	105.57%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Jemez Valley Public School District No. 31 will present information for those years for which information is available.

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



**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Schedule of Employer's Proportionate Share of the Net OPEB Liability of  
New Mexico Retiree Health Care Act Plan  
New Mexico Retiree Health Care Authority (NMRHCA) Plan  
Last 10 Fiscal Years\***

	<b>2018 Measurement Date (As of and for the Year Ended June 30, 2017)</b>
San Diego Riverside Charter School's proportion of the net OPEB liability	0.01455%
San Diego Riverside Charter School's proportionate share of the net OPEB liability	\$ 659,358
San Diego Riverside Charter School's covered-employee payroll	\$ 624,800
San Diego Riverside Charter School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	105.53%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, San Diego Riverside Charter School will present information for those years for which information is available.

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

**Jemez Valley Public School District No. 31**  
**Schedule of Employer Contributions**  
**New Mexico Retiree Health Care Authority (NMRHCA) Plan**  
**Last 10 Fiscal Years\***

		<b>As of and for the Year Ended June 30, 2018</b>
Contractually required contributions	\$	52,015
Contributions in relation to the contractually required contribution		(52,015)
<hr/>		
Contribution deficiency (excess)	\$	-
<hr/>		
Jemez Valley Public School District's covered-employee payroll	\$	2,600,750
Contributions as a percentage of covered-employee payroll		2.00%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Jemez Valley Public School District No. 31 will present information for those years for which information is available.

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

**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Schedule of Employer Contributions  
New Mexico Retiree Health Care Authority (NMRHCA) Plan  
Last 10 Fiscal Years\***

		<b>As of and for the Year Ended June 30, 2018</b>
Contractually required contributions	\$	14,714
Contributions in relation to the contractually required contribution		(14,714)
<hr/>		
Contribution deficiency (excess)	\$	-
<hr/>		
San Diego Riverside Charter School's covered-employee payroll	\$	735,691
Contributions as a percentage of covered-employee payroll		2.00%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, San Diego Riverside Charter School will present information for those years for which information is available.

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

**Jemez Valley Public School District No. 31**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**New Mexico Educational Retirement Board**

*Changes of benefit terms.*

The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

*Changes of assumptions.*

The Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

- 1) Lower wage inflation from 4.25% to 3.75%
- 2) Update the mortality tables to incorporate generational improvements
- 3) Update demographic assumptions to use currently published tables, which may result in minor calculation changes
- 4) Maintain in current 3.00% inflation assumption
- 5) Retain net 4.75% real return assumption
- 6) Retain 7.75% nominal return assumption
- 7) No change to COLA assumption of 2.00% per year
- 8) Maintain current payroll growth assumption of 3.50%
- 9) Maintain experience-based rates for members who joined NMERB by June 30, 2010
- 10) Remove population growth assumption for projections
- 11) Lower population growth from .50% to zero (no impact on valuation results)

Assumption changes increased the Education Retirement Board's total pension liability by \$299,084,856 for fiscal year ending June 30, 2016 as a result of the changes of assumptions described above.

**New Mexico Retiree Health Care Authority**

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY17 audit available at [http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NM\\_RHCA\\_Audited\\_FS\\_6.30.17.pdf](http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NM_RHCA_Audited_FS_6.30.17.pdf).

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2017 report is available at [http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NMRHCA\\_5507316\\_Final\\_per\\_Auditor\\_update\\_Final\\_Report\\_11.21.17.pdf](http://nmrhca.org/uploads/FileLinks/5fccea70107e4b9fa9b1a47723691d2a/NMRHCA_5507316_Final_per_Auditor_update_Final_Report_11.21.17.pdf). See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

*See independent auditors' report.*

## **Supplementary Information**

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## **Nonmajor Governmental Funds**

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**Jemez Valley Public School District No. 31**  
**Nonmajor Governmental Fund Descriptions**  
**June 30, 2018**

**SPECIAL REVENUE FUNDS**

**Food Services (21000)** – This fund is used to account for all financial transactions related to the food service operation. Authority for the creation of this fund is the National School Lunch Act, as amended, 42 U.S.C. 1751 1760, 1779.

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

**Non Instructional Support (23000)** – To account for resources received by the District that are not restricted for the education of students. Authority for creation of this fund is the New Mexico Public Education Department School District Policies and Procedures Manual.

**Title I (24101)** – To account for a program funded by a Federal grant to assist the District in providing supplemental education opportunities for academically disadvantaged children in the area in which they reside. Funding is allocated to the District through the New Mexico Public Education Department. Authority for the creation of this fund is Part A, Chapter I, Title I of the Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 102-383.

**IDEA-B Entitlement (24106)** – To account for a program funded by a Federal grant to assist the Schools in providing free appropriate public education to all disabled 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.

**IDEA-B Preschool (24109)** – To account for a program funded by a Federal grant to assist the Schools in providing free appropriate public education to disabled children ages three to five. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is the Individuals with Disabilities Education Act (IDEA), Part B, Section 619, as amended, 20 U.S.C. 1419.

**Goals 2000 (24127)** – To develop and implement a comprehensive reform plan at the state, local, and school levels to improve the teaching and learning of all children. P.L. 103-227

**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. Authority for creation of this fund is the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101, 3129.

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

**Jemez Valley Public School District No. 31**  
**Nonmajor Governmental Fund Descriptions**  
**June 30, 2018**

**SPECIAL REVENUE FUNDS (Continued)**

**Title I School Improvement (24162)** – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297.

**USDA School Equipment Grant (24183)** – To account for federal funds to account for new kitchen equipment purchases over \$5,000. Authority for the creation of this fund is the National School Lunch Act, as amended, 42 U.S.C. 1751 1760, 1779.

**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 Federal grant authorized by the Elementary and Secondary Education Act, Title VIII, as amended, allowing Federal assistance to be provided to local educational agencies adversely affected by Federal activities.

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

**Rural Education Achievement Program (25233)** – To account for monies granted to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants. Authority for the creation of this fund is the New Mexico Public Education Department.

**Jemez Valley Public School District No. 31**  
**Nonmajor Governmental Fund Descriptions**  
**June 30, 2018**

**SPECIAL REVENUE FUNDS (Continued)**

**LANL Foundation (26113)** – The purpose of this fund is to account for a locally funded program for the professional development of school administrators. Funding authorized by a grant from the Los Alamos National Laboratory foundation. Fund established in accordance with grant award.

**Golden Apple Foundation (26163)** – The purpose of this fund is to account for a program designed to improve the quality of education for all children through recognition, recruitment, and professional development of outstanding teachers. Authority for creation of this fund is the New Mexico Public Education Department School District Policies and Procedures Manual.

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

**New Mexico Reads to Lead (27114)** – This fund is used to purchase core reading program materials for grades K-5 in alignment with Common Core State Standards. Authority for the creation of this fund is the New Mexico Public Education Department.

**Teacher Recruitment Support Initiative (27128)** – To fund teacher recruitment efforts such as signing bonuses for new teachers, covering the costs of travel to a recruiting/hiring event, updates to recruitment pages on district websites, or the cost of placing advertisements in newspapers or external websites. Authority for the creation of this fund is the New Mexico Public Education Department.

**Computers in Schools (27131)** – To account for a state grant for computers in schools. Authority for the creation of this fund is the New Mexico Public Education Department.

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

**Indian Education Act (27150)** – To develop and evaluate the relationship between improved academic performance of American Indian students who experience a culturally relevant education curriculum. Authority for creation of this fund is the New Mexico Public Education Department.

**Beginning Teacher Mentoring Program (27154)** – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

**Elementary Breakfast in Classroom (27155)** – To account for Legislative Appropriation of 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.

**Jemez Valley Public School District No. 31**  
**Nonmajor Governmental Fund Descriptions**  
**June 30, 2018**

**SPECIAL REVENUE FUNDS (Continued)**

**Kindergarten – Three Plus (27166)** – To account for funds to 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. Authority for the creation of this fund is the New Mexico Public Education Department.

**Natural Helpers (28195)** – To account for a Peer-to-Peer primary prevention program. This program is designed to help students and staff recognize and provide help and guidance to others who may be having difficulties with situations such as depression, chemical dependency, abuse, bullying, etc. The program seeks to identify this informal network and provide training and support to young people and adults who are already serving as helpers.

**Private Dir. Grants (29102)** – To provide additional classroom time for seniors to meet graduation requirements at the District and to account for various private direct grants of the San Diego Riverside Charter School. Funding authority is the New Mexico Public Education Department.

**City/County Grants (formerly Sandoval County Grant) (29107)** – To provide support for a health education program within the school and to provide workbooks, materials for educational demonstrations and funds to support a nutrition-focused event for the school. Funding authority is the New Mexico Public Education Department.

**School Based Health Center (29130)** – To account for funds administered by the Department of Health and McKinley County in support of providing Primary Care and Mental Health Service on school campus. Funding authority is the New Mexico Public Education Department.

**CAPITAL PROJECTS FUNDS**

**Public School Capital Outlay (31200)** (Charter School only) – The purpose of this fund is to account for funds received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

**Special Capital Outlay Federal (31500)** – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects. Funding authority is the New Mexico Public Education Department.

**Capital Improvements SB-9 State (31700)** (Charter School only) – To account for resources received through Senate Bill 9 obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.

**Capital Improvements SB-9 Local (31701)** – To account for resources received through local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Funding authority is the New Mexico Public Education Department.



**Jemez Valley Public School District No. 31**  
**Nonmajor Governmental Fund Descriptions**  
**June 30, 2018**

**CAPITAL PROJECTS FUNDS (Continued)**

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

**DEBT SERVICE FUNDS**

**Ed Tech Debt Service (43000)** – To account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest. Authority for the creation of this fund is the New Mexico Public Education Department.

**Jemez Valley Public School District No. 31**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue			
	Food Services 21000	Athletics 22000	Non Instructional Support 23000	Title I IASA 24101
<b>Assets</b>				
Cash and cash equivalents	\$ 43,608	\$ 8,682	\$ 968	\$ 6,081
Receivables:				
Property taxes	-	-	-	-
Due from other governments	-	-	-	57,196
<b>Total assets</b>	<b>\$ 43,608</b>	<b>\$ 8,682</b>	<b>\$ 968</b>	<b>\$ 63,277</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to charter school	-	-	-	11,979
Accrued payroll	85	-	-	746
Due to other funds	-	-	-	50,552
<b>Total liabilities</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>63,277</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grant revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable:</b>				
<b>Restricted for:</b>				
Food services	43,523	-	-	-
Extracurricular activities	-	8,682	968	-
Education	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>43,523</b>	<b>8,682</b>	<b>968</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 43,608</b>	<b>\$ 8,682</b>	<b>\$ 968</b>	<b>\$ 63,277</b>

*See independent auditors' report.*

Special Revenue

IDEA-B Entitlement 24106	IDEA-B Preschool 24109	Goals 2000 24127	English Language Acquisition 24153	Teacher/ Principal Training /Recruiting 24154	Title I School Improvement 24162
\$ 3,016	\$ 586	\$ 13,255	\$ -	\$ -	\$ -
-	-	-	-	-	-
20,858	-	-	7,162	14,251	17,668
<u>\$ 23,874</u>	<u>\$ 586</u>	<u>\$ 13,255</u>	<u>\$ 7,162</u>	<u>\$ 14,251</u>	<u>\$ 17,668</u>
\$ -	\$ -	\$ 13,255	\$ -	\$ -	\$ -
1,325	-	-	3,163	-	-
1,427	-	-	-	-	-
20,790	-	-	3,999	14,251	17,668
<u>23,542</u>	<u>-</u>	<u>13,255</u>	<u>7,162</u>	<u>14,251</u>	<u>17,668</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
332	586	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>332</u>	<u>586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 23,874</u>	<u>\$ 586</u>	<u>\$ 13,255</u>	<u>\$ 7,162</u>	<u>\$ 14,251</u>	<u>\$ 17,668</u>

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue			
	USDA School Equipment Grant 24183	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 25153
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 39,604	\$ 196,532	\$ 190,435
Receivables:				
Property taxes	-	-	-	-
Due from other governments	24,746	-	-	-
<b>Total assets</b>	<b>\$ 24,746</b>	<b>\$ 39,604</b>	<b>\$ 196,532</b>	<b>\$ 190,435</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 226	\$ -
Due to charter school	-	-	-	-
Accrued payroll	-	-	5,732	891
Due to other funds	24,746	-	-	-
<b>Total liabilities</b>	<b>24,746</b>	<b>-</b>	<b>5,958</b>	<b>891</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grant revenue	24,746	-	-	-
<b>Total deferred inflows of resources</b>	<b>24,746</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable:</b>				
<b>Restricted for:</b>				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	-	39,604	190,574	189,544
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Unassigned	(24,746)	-	-	-
<b>Total fund balances</b>	<b>(24,746)</b>	<b>39,604</b>	<b>190,574</b>	<b>189,544</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 24,746</b>	<b>\$ 39,604</b>	<b>\$ 196,532</b>	<b>\$ 190,435</b>

*See independent auditors' report.*



Special Revenue

Rural Education Achievement Program 25233	LANL Foundation 26113	Golden Apple Foundation 26163	2012 G.O. Bond Student Library Fund 27107	New Mexico Reads to Lead 27114	Teacher Recruitment Support Initiative 27128
\$ -	\$ 3,625	\$ 1	\$ -	\$ 3,095	\$ -
-	-	-	-	-	-
11,636	-	-	6,169	14,695	232
<u>\$ 11,636</u>	<u>\$ 3,625</u>	<u>\$ 1</u>	<u>\$ 6,169</u>	<u>\$ 17,790</u>	<u>\$ 232</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	1,857	-
1,694	-	-	6,169	14,306	232
<u>1,694</u>	<u>-</u>	<u>-</u>	<u>6,169</u>	<u>16,163</u>	<u>232</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,942	3,625	1	-	1,627	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,942</u>	<u>3,625</u>	<u>1</u>	<u>-</u>	<u>1,627</u>	<u>-</u>
<u>\$ 11,636</u>	<u>\$ 3,625</u>	<u>\$ 1</u>	<u>\$ 6,169</u>	<u>\$ 17,790</u>	<u>\$ 232</u>

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue			
	Computers in Schools 27131	Pre-K Initiative 27149	Indian Education Act 27150	Beginning Teacher Mentoring 27154
<b>Assets</b>				
Cash and cash equivalents	\$ 1,350	\$ 7,335	\$ 1,366	\$ 87
Receivables:				
Property taxes	-	-	-	-
Due from other governments	-	27,293	9,347	-
<b>Total assets</b>	<b>\$ 1,350</b>	<b>\$ 34,628</b>	<b>\$ 10,713</b>	<b>\$ 87</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,350	\$ -	\$ -	\$ 87
Due to charter school	-	-	-	-
Accrued payroll	-	4,407	887	-
Due to other funds	-	20,575	8,940	-
<b>Total liabilities</b>	<b>1,350</b>	<b>24,982</b>	<b>9,827</b>	<b>87</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grant revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable:</b>				
<b>Restricted for:</b>				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	-	9,646	886	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>9,646</b>	<b>886</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,350</b>	<b>\$ 34,628</b>	<b>\$ 10,713</b>	<b>\$ 87</b>

*See independent auditors' report.*

Special Revenue

Breakfast for Elementary School 27155	Kindergarten - Three Plus 27166	Natural Helpers 28195	Private Dir. Grants 29102	City/County Grants 29107	School Based Health Center 29130
\$ 120	\$ 2,989	\$ 11,088	\$ 38,212	\$ 8,148	\$ 15,770
-	-	-	-	-	-
-	13,459	-	-	-	-
\$ 120	\$ 16,448	\$ 11,088	\$ 38,212	\$ 8,148	\$ 15,770
\$ -	\$ -	\$ -	\$ -	\$ 1,966	\$ 209
-	-	-	-	-	-
-	105	-	60	-	-
-	16,343	-	-	-	-
-	16,448	-	60	1,966	209
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120	-	11,088	38,152	6,182	15,561
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120	-	11,088	38,152	6,182	15,561
\$ 120	\$ 16,448	\$ 11,088	\$ 38,212	\$ 8,148	\$ 15,770

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Capital Projects			Debt Service	
	Special Capital Outlay Federal 31500	Capital Improvements SB-9 - Local 31701	Education Technology Equipment Act 31900	Ed Tech Debt 43000	
<b>Assets</b>					
Cash and cash equivalents	\$ 26,876	\$ 61,630	\$ 124,806		\$ 259,956
Receivables:					
Property taxes	-	24,781	-		22,705
Due from other governments	-	-	-		-
<b>Total assets</b>	<b>\$ 26,876</b>	<b>\$ 86,411</b>	<b>\$ 124,806</b>		<b>\$ 282,661</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 543		\$ -
Due to charter school	-	-	-		-
Accrued payroll	-	-	-		-
Due to other funds	-	-	-		-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>543</b>		<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	-	19,803	-		18,860
Unavailable revenue - grant revenue	-	-	-		-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>19,803</b>	<b>-</b>		<b>18,860</b>
<b>Fund balances</b>					
<b>Spendable:</b>					
<b>Restricted for:</b>					
Food services	-	-	-		-
Extracurricular activities	-	-	-		-
Education	-	-	-		-
Capital acquisitions and improvements	26,876	66,608	124,263		-
Debt service	-	-	-		263,801
Unassigned	-	-	-		-
<b>Total fund balances</b>	<b>26,876</b>	<b>66,608</b>	<b>124,263</b>		<b>263,801</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 26,876</b>	<b>\$ 86,411</b>	<b>\$ 124,806</b>		<b>\$ 282,661</b>

*See independent auditors' report.*

<b>Nonmajor Governmental Funds</b>	
\$	1,069,221
	47,486
	<u>224,712</u>
\$	<u><u>1,341,419</u></u>
\$	17,636
	16,467
	16,197
	<u>200,265</u>
	<u>250,565</u>
	38,663
	<u>24,746</u>
	<u>63,409</u>
	43,523
	9,650
	517,470
	217,747
	263,801
	<u>(24,746)</u>
	<u>1,027,445</u>
\$	<u><u>1,341,419</u></u>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<u>Special Revenue</u>			
	Food Services 21000	Athletics 22000	Non Instructional Support 23000	Title I IASA 24101
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	176,401	-	-	122,206
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	5,848	17,316	-	-
<b>Total revenues</b>	<b>182,249</b>	<b>17,316</b>	<b>-</b>	<b>122,206</b>
Expenditures				
Current:				
Instruction	-	17,366	-	60,556
Support services - students	-	-	-	20,279
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	4,523
Support services - school administration	-	-	-	-
Central services	-	-	-	36,879
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	177,353	-	-	-
Capital outlay	30,439	-	-	-
Debt Service:				
Interest	-	-	-	-
<b>Total expenditures</b>	<b>207,792</b>	<b>17,366</b>	<b>-</b>	<b>122,237</b>
Excess (deficiency) of revenues over expenditures	(25,543)	(50)	-	(31)
<b>Net change in fund balances</b>	<b>(25,543)</b>	<b>(50)</b>	<b>-</b>	<b>(31)</b>
Fund balances, beginning	69,066	8,732	968	31
Fund balances - restatement (note 20)	-	-	-	-
Fund balances, beginning, as restated	69,066	8,732	968	31
<b>Fund balances - end of year</b>	<b>\$ 43,523</b>	<b>\$ 8,682</b>	<b>\$ 968</b>	<b>\$ -</b>

*See independent auditors' report.*

Special Revenue						
IDEA-B Entitlement 24106	IDEA-B Preschool 24109	Goals 2000 24127	English Language Acquisition 24153	Teacher/ Principal Training /Recruiting 24154	Title I School Improvement 24162	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
72,220	640	-	7,162	36,856	17,668	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
72,220	640	-	7,162	36,856	17,668	
59,458	508	-	3,999	36,288	17,668	
4,859	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	370	-	-
7,571	-	-	3,163	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
71,888	508	-	7,162	36,658	17,668	
332	132	-	-	198	-	
332	132	-	-	198	-	
-	454	-	-	-	-	
-	-	-	-	(198)	-	
-	454	-	-	(198)	-	
\$ 332	\$ 586	\$ -	\$ -	\$ -	\$ -	-

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Special Revenue</b>			
	<b>USDA School Equipment Grant 24183</b>	<b>Impact Aid Special Education 25145</b>	<b>Impact Aid Indian Education 25147</b>	<b>Title XIX Medicaid 25153</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	23,868	295,504	83,512
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>23,868</b>	<b>295,504</b>	<b>83,512</b>
<b>Expenditures</b>				
Current:				
Instruction	-	2,380	49,636	-
Support services - students	-	-	63,176	62,171
Support services - instruction	-	-	19,382	-
Support services - general administration	-	185	20,769	-
Support services - school administration	-	-	1,353	-
Central services	-	1,719	119,632	-
Operation and maintenance of plant	-	-	4,228	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	24,746	-	-	-
Debt Service:				
Interest	-	-	-	-
<b>Total expenditures</b>	<b>24,746</b>	<b>4,284</b>	<b>278,176</b>	<b>62,171</b>
Excess (deficiency) of revenues over expenditures	(24,746)	19,584	17,328	21,341
<b>Net change in fund balances</b>	<b>(24,746)</b>	<b>19,584</b>	<b>17,328</b>	<b>21,341</b>
Fund balances, beginning	-	20,020	174,629	168,203
Fund balances - restatement (note 20)	-	-	(1,383)	-
Fund balances, beginning, as restated	-	20,020	173,246	168,203
<b>Fund balances - end of year</b>	<b>\$ (24,746)</b>	<b>\$ 39,604</b>	<b>\$ 190,574</b>	<b>\$ 189,544</b>

*See independent auditors' report.*



Special Revenue					
Rural Education Achievement Program 25233	LANL Foundation 26113	Golden Apple Foundation 26163	2012 G.O. Bond Student Library Fund 27107	New Mexico Reads to Lead 27114	Teacher Recruitment Support Initiative 27128
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
47,039	-	-	-	-	-
-	188	-	-	-	-
-	-	-	6,641	60,132	232
-	-	-	-	-	-
-	-	-	-	-	-
47,039	188	-	6,641	60,132	232
37,097	-	-	-	58,505	-
-	-	-	-	-	-
-	113	-	6,641	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	232
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,097	113	-	6,641	58,505	232
9,942	75	-	-	1,627	-
9,942	75	-	-	1,627	-
-	3,550	1	-	-	-
-	-	-	-	-	-
-	3,550	1	-	-	-
\$ 9,942	\$ 3,625	\$ 1	\$ -	\$ 1,627	\$ -

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue			Beginning Teacher Mentoring Program 27154
	Computers in Schools 27131	Pre-K Initiative 27149	Indian Education Initiative 27150	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	96,752	29,567	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>96,752</b>	<b>29,567</b>	<b>-</b>
Expenditures				
Current:				
Instruction	-	89,426	98	-
Support services - students	-	-	28,583	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	4,405	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>93,831</b>	<b>28,681</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	2,921	886	-
Net change in fund balances	-	2,921	886	-
Fund balances, beginning	-	6,725	-	-
Fund balances - restatement (note 20)	-	-	-	-
Fund balances, beginning, as restated	-	6,725	-	-
Fund balances - end of year	\$ -	\$ 9,646	\$ 886	\$ -

*See independent auditors' report.*

## Special Revenue

Elementary Breakfast in Classroom 27155	Kindergarten - Three Plus 27166	Natural Helpers 28195	Private Dir. Grants 29102	City/County Grants 29107	School Based Health Center 29130
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
120	29,464	-	-	-	-
-	-	-	25,528	-	-
-	-	-	-	-	-
120	29,464	-	25,528	-	-
-	24,862	5,858	36,384	-	-
-	-	-	998	-	3,468
-	-	-	-	3,716	3,866
-	-	-	-	-	-
-	2,396	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,207	-
-	2,147	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	29,405	5,858	37,382	11,923	7,334
120	59	(5,858)	(11,854)	(11,923)	(7,334)
120	59	(5,858)	(11,854)	(11,923)	(7,334)
-	-	16,946	50,006	18,105	22,895
-	(59)	-	-	-	-
-	(59)	16,946	50,006	18,105	22,895
\$ 120	\$ -	\$ 11,088	\$ 38,152	\$ 6,182	\$ 15,561

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Capital Projects			Debt Service
	Special Capital	Capital	Education	Ed Tech
	Outlay	Improvements	Technology	
	Federal	SB-9 - Local	Equipment	
31500	31701	Act		
	31500	31701	31900	43000
<b>Revenues</b>				
Property taxes	\$ -	\$ 196,542	\$ -	\$ 148,981
Intergovernmental revenue:				
Federal flowthrough	1,951	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<b>1,951</b>	<b>196,542</b>	<b>-</b>	<b>148,981</b>
<b>Expenditures</b>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	1,916	-	1,455
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	180,059	32,906	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	8,158	6,927	-
Debt Service:				
Interest	-	-	-	2,642
<b>Total expenditures</b>	<b>-</b>	<b>190,133</b>	<b>39,833</b>	<b>4,097</b>
Excess (deficiency) of revenues over expenditures	1,951	6,409	(39,833)	144,884
<b>Net change in fund balances</b>	<b>1,951</b>	<b>6,409</b>	<b>(39,833)</b>	<b>144,884</b>
Fund balances, beginning	24,925	60,199	164,096	118,917
Fund balances - restatement (note 20)	-	-	-	-
Fund balances, beginning, as restated	24,925	60,199	164,096	118,917
<b>Fund balances - end of year</b>	<b>\$ 26,876</b>	<b>\$ 66,608</b>	<b>\$ 124,263</b>	<b>\$ 263,801</b>

*See independent auditors' report.*

<b>Nonmajor Governmental Funds</b>	
\$	345,523
	435,104
	449,923
	188
	222,908
	25,528
	23,164
	<u>1,502,338</u>
	500,089
	183,534
	33,718
	28,848
	4,119
	169,196
	225,400
	6,552
	177,353
	70,270
	<u>2,642</u>
	<u>1,401,721</u>
	<u>100,617</u>
	<u>100,617</u>
	928,468
	<u>(1,640)</u>
	<u>926,828</u>
\$	<u><u>1,027,445</u></u>

*See independent auditors' report.*

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## **General Fund**

**Jemez Valley Public School District No. 31**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2018**

	Operating 11000	Teacherage 12000	Pupil Transportation 13000	Instructional Materials 14000	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 1,222,271	\$ 61,649	\$ 81,985	\$ 16,651	\$ 1,382,556
Receivables:					
Property taxes	4,402	-	-	-	4,402
Due from other funds	292,093	-	-	-	292,093
<b>Total assets</b>	<b>\$ 1,518,766</b>	<b>\$ 61,649</b>	<b>\$ 81,985</b>	<b>\$ 16,651</b>	<b>\$ 1,679,051</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 30,127	\$ -	\$ 190	\$ -	\$ 30,317
Accrued payroll	183,153	-	14,467	-	197,620
<b>Total liabilities</b>	<b>213,280</b>	<b>-</b>	<b>14,657</b>	<b>-</b>	<b>227,937</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	3,577	-	-	-	3,577
<b>Total deferred inflows of resources</b>	<b>3,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,577</b>
<b>Fund Balances</b>					
<b>Spendable:</b>					
<b>Restricted for:</b>					
Teacherage	-	61,649	-	-	61,649
Transportation	-	-	67,328	-	67,328
Instructional materials	-	-	-	16,651	16,651
<b>Committed for:</b>					
Subsequent year's expenditures	567,852	-	-	-	567,852
Unassigned	734,057	-	-	-	734,057
<b>Total fund balances</b>	<b>1,301,909</b>	<b>61,649</b>	<b>67,328</b>	<b>16,651</b>	<b>1,447,537</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,518,766</b>	<b>\$ 61,649</b>	<b>\$ 81,985</b>	<b>\$ 16,651</b>	<b>\$ 1,679,051</b>

*See independent auditors' report.*



**Jemez Valley Public School District No. 31**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund**  
**For the Year Ended June 30, 2018**

	Operating 11000	Teacherage 12000	Pupil Transportation 13000	Instructional Materials 14000	Total
<b>Revenues</b>					
Property taxes	\$ 28,837	\$ -	\$ -	\$ -	\$ 28,837
Intergovernmental revenue:					
Federal flowthrough	20,670	-	-	-	20,670
Federal direct	1,063,546	-	-	-	1,063,546
State flowthrough	2,417,571	-	-	8,894	2,426,465
Transportation distribution	-	-	360,793	-	360,793
Charges for services	29,253	-	-	-	29,253
Miscellaneous	293,631	15,600	344	-	309,575
<b>Total revenues</b>	<b>3,853,508</b>	<b>15,600</b>	<b>361,137</b>	<b>8,894</b>	<b>4,239,139</b>
<b>Expenditures</b>					
Current:					
Instruction	1,637,695	-	-	10,890	1,648,585
Support services - students	258,008	-	-	-	258,008
Support services - instruction	73,837	-	-	-	73,837
Support services - general administration	257,132	-	-	-	257,132
Support services - school administration	273,663	-	-	-	273,663
Central services	180,537	-	-	-	180,537
Operation and maintenance plant	698,528	14,445	-	-	712,973
Student transportation	179	-	325,265	-	325,444
Capital Outlay	11,804	-	-	-	11,804
<b>Total expenditures</b>	<b>3,391,383</b>	<b>14,445</b>	<b>325,265</b>	<b>10,890</b>	<b>3,741,983</b>
Excess (deficiency) of revenues over expenditures	462,125	1,155	35,872	(1,996)	497,156
<b>Net change in fund balances</b>	<b>462,125</b>	<b>1,155</b>	<b>35,872</b>	<b>(1,996)</b>	<b>497,156</b>
Fund balances - as originally stated	880,028	60,494	35,220	18,647	994,389
Fund balances - restatement (Note 20)	(40,244)	-	(3,764)	-	(44,008)
Fund balances - as restated	839,784	60,494	31,456	18,647	950,381
<b>Fund balances - end of year</b>	<b>\$ 1,301,909</b>	<b>\$ 61,649</b>	<b>\$ 67,328</b>	<b>\$ 16,651</b>	<b>\$ 1,447,537</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Operating Fund - 11000**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ 28,447	\$ 31,012	\$ 31,013	\$ 1
Intergovernmental revenue:				
Federal flowthrough	-	12,083	20,670	8,587
Federal direct	917,910	1,060,985	1,063,546	2,561
State flowthrough	2,415,364	2,452,480	2,435,977	(16,503)
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	15,298	24,684	29,253	4,569
Investment income	-	-	-	-
Miscellaneous	26,896	305,043	275,225	(29,818)
<b>Total revenues</b>	<b>3,403,915</b>	<b>3,886,287</b>	<b>3,855,684</b>	<b>(30,603)</b>
<b>Expenditures</b>				
Current:				
Instruction	2,108,691	2,038,061	1,641,312	396,749
Support services - students	328,412	328,412	258,570	69,842
Support services - instruction	5,500	15,500	69,221	(53,721)
Support services - general administration	294,385	309,538	272,828	36,710
Support services - school administration	311,251	312,751	274,444	38,307
Central services	268,752	334,437	182,169	152,268
Operation and maintenance of plant	657,140	1,403,445	700,174	703,271
Student transportation	575	575	179	396
Other support services	9,952	9,952	-	9,952
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>3,984,658</b>	<b>4,752,671</b>	<b>3,398,897</b>	<b>1,353,774</b>
Excess (deficiency) of revenues over expenditures	(580,743)	(866,384)	456,787	1,323,171
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	580,743	866,384	-	(866,384)
<b>Total other financing sources (uses)</b>	<b>580,743</b>	<b>866,384</b>	<b>-</b>	<b>(866,384)</b>
Net change in fund balance	-	-	456,787	456,787
Fund balance - beginning of year	-	-	918,047	918,047
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,374,834</b>	<b>\$ 1,374,834</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 456,787
Adjustments to revenues for taxes and state revenues				(2,176)
Adjustments to expenditures for supplies and payroll expenditures				7,514
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ 462,125</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Teacherage Fund - 12000**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	15,600	15,600	15,600	-
<b>Total revenues</b>	<b>15,600</b>	<b>15,600</b>	<b>15,600</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	63,658	76,232	14,584	61,648
Student transportation	-	-	-	-
<b>Total expenditures</b>	<b>63,658</b>	<b>76,232</b>	<b>14,584</b>	<b>61,648</b>
Excess (deficiency) of revenues over expenditures	(48,058)	(60,632)	1,016	61,648
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	48,058	60,632	-	(60,632)
<b>Total other financing sources (uses)</b>	<b>48,058</b>	<b>60,632</b>	<b>-</b>	<b>(60,632)</b>
Net change in fund balance	-	-	1,016	1,016
Fund balance - beginning of year	-	-	60,633	60,633
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,649</b>	<b>\$ 61,649</b>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$	1,016
No adjustments to revenues				-
Adjustments to expenditures for maintenance expenses				139
<b>Net change in fund balance (GAAP Basis)</b>			<b>\$</b>	<b>1,155</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Pupil Transportation Fund - 13000**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	360,793	360,793	360,793	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	344	344
<b>Total revenues</b>	<b>360,793</b>	<b>360,793</b>	<b>361,137</b>	<b>344</b>
<b>Expenditures</b>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	360,793	378,498	324,833	53,665
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>360,793</b>	<b>378,498</b>	<b>324,833</b>	<b>53,665</b>
Excess (deficiency) of revenues over expenditures	-	(17,705)	36,304	54,009
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	17,705	-	(17,705)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>17,705</b>	<b>-</b>	<b>(17,705)</b>
Net change in fund balance	-	-	36,304	36,304
Fund balance - beginning of year	-	-	35,409	35,409
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,713</b>	<b>\$ 71,713</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 36,304
No adjustments to revenues				-
Adjustments to expenditures for student transportation				(432)
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ 35,872</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Instructional Materials Fund - 14000**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	8,076	8,076	8,894	818
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>8,076</b>	<b>8,076</b>	<b>8,894</b>	<b>818</b>
<b>Expenditures</b>				
Current:				
Instruction	8,076	26,723	10,890	15,833
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>8,076</b>	<b>26,723</b>	<b>10,890</b>	<b>15,833</b>
Excess (deficiency) of revenues over expenditures	-	(18,647)	(1,996)	16,651
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	18,647	-	(18,647)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>18,647</b>	<b>-</b>	<b>(18,647)</b>
Net change in fund balance	-	-	(1,996)	(1,996)
Fund balance - beginning of year	-	-	18,647	18,647
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,651</b>	<b>\$ 16,651</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (1,996)
No adjustments to revenues				-
No adjustments to expenditures				-
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ (1,996)</b>

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**San Diego Riverside Charter School**  
**Component Unit of Jemez Valley Public School District No. 31**

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Combining Balance Sheet - Governmental Funds**  
**June 30, 2018**

	General Fund		Special Revenue	
	Operational 11000	Instructional Materials 14000	Food Services 21000	Non Instructional Support 23000
<b>Assets</b>				
Cash	\$ 138,643	\$ 506	\$ 10,106	\$ 1,646
Receivables:				
Due from other governments	-	-	3,113	-
Due from primary government	-	-	-	-
Due from other funds	49,081	-	-	-
<b>Total assets</b>	<b>\$ 187,724</b>	<b>\$ 506</b>	<b>\$ 13,219</b>	<b>\$ 1,646</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 5,219	\$ -	\$ -	\$ 2,318
Accrued payroll	80,683	-	2,783	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>85,902</b>	<b>-</b>	<b>2,783</b>	<b>2,318</b>
<b>Fund balances</b>				
<b>Spendable:</b>				
<b>Restricted for:</b>				
Instructional materials	-	506	-	-
Food services	-	-	10,436	-
Education	-	-	-	-
<b>Committed for:</b>				
Subsequent year's expenditures	101,822	-	-	-
Unassigned	-	-	-	(672)
<b>Total fund balances</b>	<b>101,822</b>	<b>506</b>	<b>10,436</b>	<b>(672)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 187,724</b>	<b>\$ 506</b>	<b>\$ 13,219</b>	<b>\$ 1,646</b>

*See independent auditors' report.*



Special Revenue						
Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 25153	
\$ 2,169	\$ -	\$ -	\$ 3,253	\$ 30,872	\$ 16,121	
-	-	2,255	-	-	910	
11,979	1,325	3,163	-	-	-	
-	-	-	-	-	-	
<b>\$ 14,148</b>	<b>\$ 1,325</b>	<b>\$ 5,418</b>	<b>\$ 3,253</b>	<b>\$ 30,872</b>	<b>\$ 17,031</b>	
\$ -	\$ -	\$ 2,255	\$ -	\$ -	\$ -	
2,169	-	-	9	6,521	-	
11,979	1,325	3,163	-	-	-	
14,148	1,325	5,418	9	6,521	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	3,244	24,351	17,031	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	3,244	24,351	17,031	
<b>\$ 14,148</b>	<b>\$ 1,325</b>	<b>\$ 5,418</b>	<b>\$ 3,253</b>	<b>\$ 30,872</b>	<b>\$ 17,031</b>	

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Combining Balance Sheet - Governmental Funds**  
**June 30, 2018**

	<u>Special Revenue</u>			<u>Capital Projects</u>
	2012 G.O. Bond Student Library Fund 27107	Breakfast for Elementary Students 27155	Private Dir. Grants 29102	Public School Capital Outlay 31200
<b>Assets</b>				
Cash	\$ -	\$ -	\$ 30,328	\$ -
Receivables:				
Due from other governments	-	-	12,295	27,337
Due from primary government	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,623</b>	<b>\$ 27,337</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	5,615	-
Due to other funds	2,104	299	-	27,337
<b>Total liabilities</b>	<b>2,104</b>	<b>299</b>	<b>5,615</b>	<b>27,337</b>
<b>Fund balances</b>				
<b>Spendable:</b>				
<b>Restricted for:</b>				
Instructional materials	-	-	-	-
Food services	-	-	-	-
Education	-	-	37,008	-
<b>Committed for:</b>				
Subsequent year's expenditures	-	-	-	-
Unassigned	(2,104)	(299)	-	-
<b>Total fund balances</b>	<b>(2,104)</b>	<b>(299)</b>	<b>37,008</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,623</b>	<b>\$ 27,337</b>

*See independent auditors' report.*

<u>Capital Projects</u>	
Capital Improvements SB-9 - State 31700	Total Governmental Funds
\$ -	\$ 233,644
2,874	48,784
-	16,467
-	49,081
<u>\$ 2,874</u>	<u>\$ 347,976</u>
\$ -	\$ 9,792
-	97,780
2,874	49,081
<u>2,874</u>	<u>156,653</u>
-	506
-	10,436
-	81,634
-	101,822
-	(3,075)
<u>-</u>	<u>191,323</u>
<u>\$ 2,874</u>	<u>\$ 347,976</u>

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**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Reconciliation of the Governmental Funds Combining 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	\$	191,323
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		378,727
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 related to pensions		899,390
Deferred outflows related OPEB		14,714
Deferred inflows related to pensions		(86,734)
Deferred inflows related to OPEB		(150,067)
Liabilities, including net pension liability and the OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(2,439,406)
OPEB liability		(659,358)
<hr/>		
Total net position - governmental funds	\$	(1,851,411)
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**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund		Special Revenue	
	Operational 11000	Instructional Materials 14000	Food Services 21000	Non Instructional Support 23000
<b>Revenues</b>				
Intergovernmental revenue:				
Federal flowthrough	\$ -	\$ -	\$ 74,842	\$ -
Federal direct	-	-	-	-
State flowthrough	886,305	2,880	-	-
State direct	-	-	1,000	-
Charges for services	-	-	-	596
Miscellaneous income	38,261	-	-	2
<b>Total revenues</b>	<b>924,566</b>	<b>2,880</b>	<b>75,842</b>	<b>598</b>
<b>Expenditures</b>				
Current:				
Instruction	553,682	4,307	-	6,000
Support services - students	20,091	-	-	-
Support services - instruction	16,785	-	-	-
Support services - general administration	130,922	-	-	-
Support services - school administration	33,931	-	-	-
Central services	72,039	-	-	-
Operation and maintenance of plant	100,998	-	-	-
Food services operations	-	-	88,878	-
Capital outlay	95,131	-	-	-
<b>Total expenditures</b>	<b>1,023,579</b>	<b>4,307</b>	<b>88,878</b>	<b>6,000</b>
Excess (deficiency) of revenues over expenditures	(99,013)	(1,427)	(13,036)	(5,402)
Net change in fund balances	(99,013)	(1,427)	(13,036)	(5,402)
Fund balances - beginning	200,835	1,933	23,472	4,730
<b>Fund balances - end of year</b>	<b>\$ 101,822</b>	<b>\$ 506</b>	<b>\$ 10,436</b>	<b>\$ (672)</b>

*See independent auditors' report.*

Special Revenue					
Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 25153
\$ 36,880	\$ 7,571	\$ 5,418	\$ -	\$ -	\$ -
-	-	-	1,719	82,481	17,583
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,880	7,571	5,418	1,719	82,481	17,583
36,880	395	5,418	-	58,130	17,282
-	7,176	-	-	-	-
-	-	-	3,001	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,880	7,571	5,418	3,001	58,130	17,282
-	-	-	(1,282)	24,351	301
-	-	-	(1,282)	24,351	301
-	-	-	4,526	-	16,730
\$ -	\$ -	\$ -	\$ 3,244	\$ 24,351	\$ 17,031

See independent auditors' report.

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue			Capital Projects
	2012 G.O. Bond Student Library Fund 27107	Elementary Breakfast in Classroom 27155	Private Dir. Grants 29102	Public School Capital Outlay 31200
<b>Revenues</b>				
Intergovernmental revenue:				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State flowthrough	105	-	-	54,675
State direct	-	-	51,368	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<b>105</b>	<b>-</b>	<b>51,368</b>	<b>54,675</b>
<b>Expenditures</b>				
Current:				
Instruction	-	-	85,020	-
Support services - students	-	-	-	-
Support services - instruction	2,209	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	54,675
Food services operations	-	299	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,209</b>	<b>299</b>	<b>85,020</b>	<b>54,675</b>
Excess (deficiency) of revenues over expenditures	(2,104)	(299)	(33,652)	-
Net change in fund balances	(2,104)	(299)	(33,652)	-
Fund balances - beginning	-	-	70,660	-
<b>Fund balances - end of year</b>	<b>\$ (2,104)</b>	<b>\$ (299)</b>	<b>\$ 37,008</b>	<b>\$ -</b>

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Capital Projects

	<b>Capital Improvements SB-9 - State 31700</b>	<b>Total Governmental Funds</b>
\$	-	\$ 124,711
	-	101,783
	2,874	946,839
	-	52,368
	-	596
	-	38,263
	<u>2,874</u>	<u>1,264,560</u>
	-	767,114
	-	27,267
	-	21,995
	-	130,922
	-	33,931
	-	72,039
	2,874	158,547
	-	89,177
	-	95,131
	<u>2,874</u>	<u>1,396,123</u>
	-	<u>(131,563)</u>
	-	(131,563)
	-	<u>322,886</u>
\$	-	<u><u>\$ 191,323</u></u>

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**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Reconciliation of the Combining 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	\$ (131,563)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures	95,131
Depreciation expense	(30,170)

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

Charter School pension contribution	102,261
Pension expense	(379,528)
Charter School OPEB contribution	14,714
OPEB expense	(26,216)

Change in net position of governmental activities	\$ (355,371)
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**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**General Fund - Operational Fund - 11000**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	903,867	894,825	901,914	7,089
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	54,674	54,674	38,261	(16,413)
<b>Total revenues</b>	<b>958,541</b>	<b>949,499</b>	<b>940,175</b>	<b>(9,324)</b>
<b>Expenditures</b>				
Current:				
Instruction	636,930	636,930	553,167	83,763
Support services	185,306	199,893	201,510	(1,617)
Central services	73,878	84,913	71,873	13,040
Operation and maintenance of plant	117,853	117,853	96,679	21,174
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	95,135	95,135	95,131	4
<b>Total expenditures</b>	<b>1,109,102</b>	<b>1,134,724</b>	<b>1,018,360</b>	<b>116,364</b>
Excess (deficiency) of revenues over expenditures	(150,561)	(185,225)	(78,185)	107,040
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	150,561	185,225	-	(185,225)
<b>Total other financing sources (uses)</b>	<b>150,561</b>	<b>185,225</b>	<b>-</b>	<b>(185,225)</b>
Net change in fund balance	-	-	(78,185)	(78,185)
Fund balance - beginning of year	-	-	185,226	185,226
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,041</b>	<b>\$ 107,041</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (78,185)
Adjustments to revenues for state grants				(15,609)
Adjustments to expenditures for supplies and payroll expenditures				(5,219)
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ (99,013)</b>

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**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**General Fund - Instructional Fund - 14000**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	2,377	2,377	2,880	503
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>2,377</b>	<b>2,377</b>	<b>2,880</b>	<b>503</b>
<b>Expenditures</b>				
Current:				
Instruction	2,869	4,309	4,307	2
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,869</b>	<b>4,309</b>	<b>4,307</b>	<b>2</b>
Excess (deficiency) of revenues over expenditures	(492)	(1,932)	(1,427)	505
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	492	1,932	-	(1,932)
<b>Total other financing sources (uses)</b>	<b>492</b>	<b>1,932</b>	<b>-</b>	<b>(1,932)</b>
Net change in fund balance	-	-	(1,427)	(1,427)
Fund balance - beginning of year	-	-	1,933	1,933
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 506</b>	<b>\$ 506</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (1,427)
No adjustments to revenues				-
No adjustments to expenditures				-
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ (1,427)</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Private Dir. Grant Special Revenue Fund - 29102**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	39,074	39,073	(1)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>39,074</b>	<b>39,073</b>	<b>(1)</b>
<b>Expenditures</b>				
Current:				
Instruction	54,157	109,734	85,020	24,714
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>54,157</b>	<b>109,734</b>	<b>85,020</b>	<b>24,714</b>
Excess (deficiency) of revenues over expenditures	(54,157)	(70,660)	(45,947)	24,713
<b>Other financing sources (uses)</b>				
Designated cash (budgeted increase in cash)	54,157	70,660	-	(70,660)
<b>Total other financing sources (uses)</b>	<b>54,157</b>	<b>70,660</b>	<b>-</b>	<b>(70,660)</b>
Net change in fund balance	-	-	(45,947)	(45,947)
Fund balance - beginning of year	-	-	70,660	70,660
Fund balance - end of year	\$ -	\$ -	\$ 24,713	\$ 24,713
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (45,947)
Adjustments to revenues for state grants				12,295
No adjustments to expenditures				-
Net change in fund balance (GAAP Basis)				\$ (33,652)

*See independent auditors' report.*

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## **Supporting Schedules**

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**Jemez Valley Public School District No. 31**  
**Schedule of Deposits and Investment Accounts**  
**June 30, 2018**

<b>Bank Account Type/ Name</b>	<b>New Mexico</b>		<b>Total</b>
	<b>Bank &amp; Trust</b>	<b>NMFA</b>	
Accounts Payable Clearing - Checking	\$ 131,678	\$ -	\$ 131,678
Payroll Clearing - Checking	130,480	-	130,480
Federal - Checking	290,114	-	290,114
Student Activity - Checking	68,492	-	68,492
Operating Account - Checking	2,836,721	-	2,836,721
NMFA Cash - Money Market Fund	-	193,851	193,851
NMFA - U.S. Treasury Notes	-	1,385,236	1,385,236
<b>Total</b>	<b>3,457,485</b>	<b>1,579,087</b>	<b>5,036,572</b>
Reconciling items	(36,413)	-	(36,413)
<b>Reconciled balance June 30, 2018</b>	<b>\$ 3,421,072</b>	<b>\$ 1,579,087</b>	<b>\$ 5,000,159</b>

Reconciliation to financial statements:

Cash and cash equivalents:

Government-wide statement of net position	\$ 2,387,140
Statement of fiduciary assets and liabilities	68,495

Restricted cash and cash equivalents:

Government-wide statement of net position	1,159,288
---	-----------

Restricted investments:

Government-wide statement of net position	1,385,236
---	-----------

<b>Total deposits and investments</b>	<b>\$ 5,000,159</b>
---------------------------------------	---------------------

**Component Unit:**

<b>Bank Account Type/ Name</b>	<b>US Bank</b>
Operational - Checking	\$ 275,747
<b>Total</b>	<b>275,747</b>
Reconciling items	(41,479)
<b>Reconciled balance at June 30, 2018</b>	<b>\$ 234,268</b>

Reconciliation to financial statements:

Cash and cash equivalents:

Government-wide statement of net position	\$ 233,644
Statement of fiduciary assets and liabilities	624

<b>Total deposits</b>	<b>\$ 234,268</b>
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*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Cash Reconciliation**  
**For the Year Ended June 30, 2018**

	<b>Operational 11000</b>	<b>Teacherage 12000</b>	<b>Transportation 13000</b>
PED Cash, June 30, 2017	\$ 862,223	\$ 60,633	\$ 35,409
Add:			
2017-2018 receipts	3,855,684	15,600	361,137
Prior year adjustment	55,826	-	-
<b>Total cash available</b>	<b>4,773,733</b>	<b>76,233</b>	<b>396,546</b>
Less:			
2017-2018 expenditures	(3,454,131)	(14,584)	(327,615)
Payroll liabilities	-	-	-
Adjustments	(55,835)	-	-
<b>PED Cash, June 30, 2018</b>	<b>1,263,767</b>	<b>61,649</b>	<b>68,931</b>
Add / Less:			
Audit adjustment	-	-	-
Negative cash loans from (to)	(266,333)	-	-
Payroll liabilities	6,176	-	(654)
Payroll clearing account not listed on PED report	79,131	-	3,436
Held checks	139,530	-	10,272
<b>Cash per financial statement</b>	<b>\$ 1,222,271</b>	<b>\$ 61,649</b>	<b>\$ 81,985</b>

*See independent auditors' report.*

Instructional Materials 14000		Food Services 21000		Non-Instructional Athletics 22000		Support 23000		Federal Flowthrough 24000	
\$	18,647	\$	68,619	\$	8,732	\$	968	\$	(1,633)
	8,893		175,700		17,316		-		219,440
	-		-		-		-		-
	27,540		244,319		26,048		968		217,807
	(10,889)		(200,711)		(17,366)		-		(284,161)
	-		-		-		-		(2)
	-		-		-		-		15,431
	16,651		43,608		8,682		968		(50,925)
	-		-		-		-		(51,625)
	-		-		-		-		122,909
	-		-		-		-		(3,953)
	-		-		-		-		5,101
	-		-		-		-		1,431
\$	16,651	\$	43,608	\$	8,682	\$	968	\$	22,938

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Cash Reconciliation**  
**For the Year Ended June 30, 2018**

	<b>Federal Direct 25000</b>	<b>Local Grants 26000</b>	<b>State Flowthrough 27000</b>
PED Cash, June 30, 2017	\$ 305,430	\$ 3,551	\$ (58,859)
Add:			
2017-2018 receipts	648,738	-	218,734
Prior year adjustment	-	-	-
<b>Total cash available</b>	<b>954,168</b>	<b>3,551</b>	<b>159,875</b>
Less:			
2017-2018 expenditures	(632,984)	-	(222,681)
Payroll liabilities	-	-	-
Adjustments	-	-	-
<b>PED Cash, June 30, 2018</b>	<b>321,184</b>	<b>3,551</b>	<b>(62,806)</b>
Add / Less:			
Audit adjustment	-	-	14,785
Negative cash loans from (to)	91,644	-	51,780
Payroll liabilities	6,847	75	(2,200)
Payroll clearing account not listed on PED report	2,268	-	7,632
Held checks	6,506	-	7,151
<b>Cash per financial statement</b>	<b>\$ 428,449</b>	<b>\$ 3,626</b>	<b>\$ 16,342</b>

*See independent auditors' report.*

	<b>State Direct 28000</b>	<b>Local or state 29000</b>	<b>Bond Building 31100</b>	<b>Special Capital Outlay Federal 31500</b>	<b>Capital Improvements SB-9- Local 31701</b>
\$	16,946	\$ 91,148	\$ 95	\$ 24,925	\$ 60,652
	5,000	25,528	-	1,951	191,564
	-	-	-	-	-
	21,946	116,676	95	26,876	252,216
	(5,858)	(55,236)	-	-	(190,586)
	-	-	-	-	-
	-	-	-	-	-
	16,088	61,440	95	26,876	61,630
	(5,000)	-	193,346	-	-
	-	-	-	-	-
	-	582	-	-	-
	-	48	-	-	-
	-	60	-	-	-
\$	11,088	\$ 62,130	\$ 193,441	\$ 26,876	\$ 61,630

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Cash Reconciliation**  
**For the Year Ended June 30, 2018**

	<b>Education Technology Equipment Act 31900</b>	<b>Debt Service 41000</b>	<b>Ed Tech Debt Service 43000</b>
PED Cash, June 30, 2017	\$ 164,811	\$ 871,142	\$ 118,621
Add:			
2017-2018 receipts	-	837,707	145,431
Prior year adjustment	-	-	-
<b>Total cash available</b>	<b>164,811</b>	<b>1,708,849</b>	<b>264,052</b>
Less:			
2017-2018 expenditures	(40,005)	(809,517)	(4,096)
Payroll liabilities	-	-	-
Adjustments	-	-	-
<b>PED Cash, June 30, 2018</b>	<b>124,806</b>	<b>899,332</b>	<b>259,956</b>
Add / Less:			
Audit adjustment	-	-	-
Negative cash loans from (to)	-	-	-
Payroll liabilities	-	-	-
Payroll clearing account not listed on PED report	-	-	-
Held checks	-	-	-
<b>Cash per financial statement</b>	<b>\$ 124,806</b>	<b>\$ 899,332</b>	<b>\$ 259,956</b>

*See independent auditors' report.*



	<u>Total</u>
\$	2,652,060
	6,728,423
	55,826
	<u>9,436,309</u>
	(6,270,420)
	(2)
	<u>(40,404)</u>
	<u>3,125,483</u>
	151,506
	-
	6,873
	97,616
	<u>164,950</u>
\$	<u><u>3,546,428</u></u>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Cash Reconciliation**  
**For the Year Ended June 30, 2018**

	<b>Operational 11000</b>	<b>Instructional Materials 14000</b>	<b>Food Services 21000</b>
PED Cash, June 30, 2017	\$ 207,740	\$ 1,933	\$ 24,402
Add:			
2017-2018 receipts	940,175	2,880	72,729
Current year accrued payroll	80,683	-	2,783
Repayment of loans	12,471	-	-
Loans from other funds	-	-	-
<b>Total cash available</b>	<b>1,241,069</b>	<b>4,813</b>	<b>99,914</b>
Less:			
2017-2018 expenditures	(1,018,360)	(4,307)	(88,878)
Prior year accrued payroll	(34,985)	-	(930)
Loans to other funds	(49,081)	-	-
<b>PED Cash, June 30, 2018</b>	<b>138,643</b>	<b>506</b>	<b>10,106</b>
<b>Cash per financial statement</b>	<b>\$ 138,643</b>	<b>\$ 506</b>	<b>\$ 10,106</b>

*See independent auditors' report.*

on-Instructional Support 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
\$ 4,730	\$ -	\$ 23,084	\$ -	\$ -
598	32,184	103,154	-	3,245
-	2,169	6,530	-	-
-	(729)	15	-	(3,140)
-	16,467	-	-	2,403
5,328	50,091	132,783	-	2,508
(3,682)	(47,614)	(78,413)	-	(2,508)
-	(308)	(4,124)	-	-
-	-	-	-	-
1,646	2,169	50,246	-	-
\$ 1,646	\$ 2,169	\$ 50,246	\$ -	\$ -

*See independent auditors' report.*

**Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Cash Reconciliation  
For the Year Ended June 30, 2018**

	State Direct 28000	Local or state 29000	Public School Capital Outlay 31200
PED Cash, June 30, 2017	\$ -	\$ 74,023	\$ -
Add:			
2017-2018 receipts	-	39,073	27,338
Current year accrued payroll	-	5,615	-
Repayment of loans	-	(15)	-
Loans from other funds	-	-	27,337
<b>Total cash available</b>	<b>-</b>	<b>118,696</b>	<b>54,675</b>
Less:			
2017-2018 expenditures	-	(85,020)	(54,675)
Prior year accrued payroll	-	(3,348)	-
Loans to other funds	-	-	-
<b>PED Cash, June 30, 2018</b>	<b>-</b>	<b>30,328</b>	<b>-</b>
<b>Cash per financial statement</b>	<b>\$ -</b>	<b>\$ 30,328</b>	<b>\$ -</b>

*See independent auditors' report.*

<b>Capital Improvements</b>			
<b>SB-9</b>			
<b>31700</b>		<b>Total</b>	
\$	-	\$	335,912
	8,602		1,229,978
	-		97,780
	(8,602)		-
	2,874		49,081
	<u>2,874</u>		<u>1,712,751</u>
	(2,874)		(1,386,331)
	-		(43,695)
	-		(49,081)
	<u>-</u>		<u>233,644</u>
\$	-	\$	<u><u>233,644</u></u>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Schedule of Collateral Pledged by Depository for Public Funds**  
**June 30, 2018**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market June 30, 2018
<b>Primary Government:</b>				
<b>New Mexico Bank &amp; Trust</b>				
	BURLESON TX WTR & SWR REV	3/1/2030	121410QB3	\$ 559,455
	BURLESON TX WTR & SWR REV	3/1/2032	121410QD9	605,688
	CHEROKEE COLO MET DIST WTR & W REV BDS	8/1/2029	16415TAS0	582,894
	DALLAS TX AREA RAPID TRAN SAL SR LIEN REV REF B	12/1/2034	235241SM9	80,562
	HIGHLAND CALIF REDEV AGY SUCCE TAXABLE SUB TAX A	2/1/2023	430034AX6	333,874
	Neosho Cnty KANS UNI SCH DIST GO REF BDS	9/1/2029	640575GM2	358,690
	PHILADELPHIA PA AUTH for INDL BDS	4/15/2022	71781LBP3	1,271,524
	SBA VARIABLE RATE POOL #521933	2/25/2038	83165ALN2	425,218
<b>Total New Mexico Bank &amp; Trust</b>				<b>4,217,905</b>
Name and location of safekeeper for above pledged collateral: Suntrust Bank, Atlanta				
<b>Total Primary Government</b>				<b>\$ 4,217,905</b>

**Component Unit:**

<b>US Bank</b>				
	FHLMC GOLD REMIC 4193 AP	4/15/2043	3137B1H21	\$ 164,154
<b>Total US Bank</b>				<b>164,154</b>
Name and location of safekeeper for above pledged collateral: US Bank Minneapolis, MN				
<b>Total Component Unit</b>				<b>\$ 164,154</b>

*See independent auditors' report.*

**Jemez Valley Public School District No. 31**  
**Schedule of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2018**

	June 30, 2017	Additions	Deletions	June 30, 2018
JVPS Funds	\$ 12,486	\$ 46	\$ 366	\$ 12,166
Elementary Schools Funds	7,503	9,389	7,679	9,213
Middle School Funds	10,250	3,806	4,169	9,887
High School Funds	28,157	33,182	24,110	37,229
<b>Total cash and cash equivalents</b>	<b>73,155</b>	<b>13,241</b>	<b>12,214</b>	<b>74,547</b>
<b>Total assets</b>	<b>\$ 58,396</b>	<b>\$ 46,423</b>	<b>\$ 36,324</b>	<b>68,495</b>
<b>Due to student organizations</b>	<b>\$ 58,396</b>	<b>\$ 46,423</b>	<b>\$ 36,324</b>	<b>\$ 68,495</b>
<b>Total liabilities</b>	<b>\$ 58,396</b>	<b>\$ 46,423</b>	<b>\$ 36,324</b>	<b>\$ 68,495</b>

*See independent auditor's report.*

**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

Current assets		
Cash and cash equivalents	\$	624
<hr/>		
Total assets	\$	624
<hr/> <hr/>		
Current liabilities		
Deposits held in trust for others	\$	624
<hr/>		
Total liabilities	\$	624
<hr/> <hr/>		

*See independent auditors' report.*



**Jemez Valley Public School District No. 31**  
**San Diego Riverside Charter School**  
**Schedule of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2018**

	June 30, 2017	Additions	Deletions	June 30, 2018
Cash and cash equivalents	\$ -	\$ 2,755	\$ 2,131	\$ 624
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 2,755</b>	<b>\$ 2,131</b>	<b>\$ 624</b>
Deposits held in trust for others	\$ -	\$ 2,755	\$ 2,131	\$ 624
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 2,755</b>	<b>\$ 2,131</b>	<b>\$ 624</b>

*See independent auditors' report.*

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## **Compliance Section**

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

**INDEPENDENT AUDITORS' REPORT**

Wayne Johnson  
New Mexico State Auditor and  
Board of Education  
Jemez Valley Public School District No. 31  
Office of Management and Budget  
Jemez Pueblo, 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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of the Jemez Valley Public School District No. 31 (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 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 the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS 2018-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2018-002 and CU FS 2018-001 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 did not disclosed any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items NM 2018-001, NM 2018-002, CU NM 2017-001, CU NM 2017-002, CU NM 2018-001, and CU NM 2018-002.

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

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
November 15, 2018

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## **Federal Financial Assistance**

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

**INDEPENDENT AUDITORS' REPORT**

Wayne Johnson  
New Mexico State Auditor and  
Board of Education  
Jemez Valley Public School District No. 31  
Office of Management and Budget  
Jemez Pueblo, New Mexico

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

We have audited Jemez Valley Public School District No. 31's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2018. The District's major federal program is identified in the summary of auditors' 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 award applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the District's major federal program 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 of 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 District's 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 the District's compliance.



## Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its 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 District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
November 15, 2018

**Jemez Valley Public School District No. 31**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

Federal Grantor or Pass-Through Grantor / Program Title	Pass Thru Number	Federal CFDA Number	
<b>U.S. Department of Education</b>			
<i>Passed through New Mexico Public Education Department</i>			
Title I - Grants to Local Educational Agencies	24101	84.010	
Title I - Grants to Local Educational Agencies - School Improvement	24162	84.010	
<hr/>			
Special Education Cluster			
IDEA-B Special Education Grants to States	24106	84.027	
IDEA-B Special Education Preschool Grants	24109	84.173	
<hr/>			
Subtotal - Special Education Cluster			
English Language Acquisition State Grants	24153	84.365	
Supporting Effective Instruction State Grants	24154	84.367	
Gaining Early Awareness and Readiness for Undergraduate Programs	25205	84.334	
Rural Education	25233	84.358	
<hr/>			
<i>Subtotal - Passed through New Mexico Public Education Department</i>			
<hr/>			
<i>Direct U.S. Department of Education</i>			
Impact Aid			
Impact Aid - General Fund	11000	84.041	*
Impact Aid - Special Education	25145	84.041	*
Impact Aid - Indian Education	25147	84.041	*
<hr/>			
<i>Subtotal - Direct U.S. Department of Education</i>			
<hr/>			
<b>Total U.S. Department of Education</b>			
<hr/>			
<b>U.S. Department of Agriculture</b>			
<i>Federal Direct Payments</i>			
Schools and Roads - Grants to States	11000	10.665	
Child Nutrition Discretionary Grants Limited Availability	24183	10.579	
<hr/>			
<i>Passed through New Mexico Public Education Department</i>			
Child Nutrition Cluster			
National School Lunch Program	21000	10.555	
School Breakfast Program	21000	10.553	
<hr/>			
Subtotal - Child Nutrition Cluster			
<hr/>			
<i>Subtotal - Passed through New Mexico Public Education Department</i>			
<hr/>			
<b>Total U.S. Department of Agriculture</b>			
<hr/>			
<b>Total Federal Financial Assistance</b>			
<hr/>			

\* Denotes Major Federal Financial Assistance Program

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

Federal Expenditures	Cluster/ Program Subtotals	Funds Provided to Subrecipients	Noncash Assistance
\$ 122,237		\$ -	\$ -
17,668		-	-
	139,905		
71,888		-	-
508		-	-
	72,396		
7,162		-	-
36,658		-	-
247,781		-	-
37,097		-	-
540,999		-	-
1,060,985		-	-
4,284		-	-
278,176		-	-
1,343,445	1,343,445	-	-
1,884,444		-	-
2,561		-	-
24,746		-	-
126,127		-	3,975
81,665		-	2,574
	207,792		
207,792		-	6,549
235,099		-	6,549
\$ 2,119,543		\$ -	\$ 6,549

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

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**Jemez Valley Public School District No. 31  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

**Notes to Schedule of Expenditures of Federal Awards**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Jemez Valley Public School District No. 31 and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**2. Loans**

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

**3. 10% de minimus Indirect Cost Rate**

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

**4. Federally Funded Insurance**

The District has no federally funded insurance.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,119,543
Total expenditures funded by other sources	4,108,474
<hr/>	
Total expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 6,228,017
<hr/>	

*See independent auditors' report.*

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**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

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

*Federal Awards:*

- | 1. Type of auditors’ report issued on compliance for major programs  | Unmodified      |                 |        |            |  |
|--|-----------------|-----------------|--------|------------|--|
| 2. Internal control over major programs:   |                 |                 |        |            |  |
| a. Material weaknesses identified?   | None noted      |                 |        |            |  |
| b. Significant deficiencies identified not considered to be material weaknesses?   | None noted      |                 |        |            |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516(a)?  | None noted      |                 |        |            |  |
| 4. Identification of major programs:   |                 |                 |        |            |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA<br/>Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">84.041</td> <td style="text-align: center;">Impact Aid</td> </tr> </tbody> </table> | CFDA<br>Number  | Federal Program | 84.041 | Impact Aid |  |
| CFDA<br>Number   | Federal Program |                 |        |            |  |
| 84.041   | Impact Aid      |                 |        |            |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:  | \$750,000       |                 |        |            |  |
| 6. Auditee qualified as low-risk auditee?  | Yes             |                 |        |            |  |

**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Primary Government**

**FS 2018-001 Recording of Debt and Related Cash -- Material Weakness**

*Condition:* The District did not record the complete debt proceeds and related cash to the acquisition of the 2017 Educational Technology General Obligation Bond in the amount of \$420,000.

*Criteria:* NMSA 6-10-2 discusses the duty of public officials to balance public money at the close of each business day. Generally accepted accounting principles also require that all activity be recorded when the transaction occurs.

*Effect:* The District had understated their cash and debt proceeds for the fiscal year.

*Cause:* The District was not aware of the accounting requirements for debt activities through the NMFA and did not record all activity reported on the related NMFA statements in the District's accounting system.

*Auditors' Recommendation:* The District should ensure that at least one individual is trained to identify and record all cash flows related to debt instruments. Additionally, policies and procedures should be in place to ensure that new debt instruments are properly accounted for in the future.

*Agency's Response:* This is the first time that the District's Debt Proceeds were held by NMFA. The District did record the proceeds in the budget, but failed to identify it on the Cash Report or actuals. This finding has been resolved. The business manager has made the correction as of 11/15/2018.



**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION II – FINANCIAL STATEMENT FINDINGS (continued)**

**FS 2018-002 Deficiencies in Internal Controls Over Preparation of Schedule of Expenditures of Federal Awards (SEFA) – Significant Deficiency**

*Condition:* The District provided an inaccurate Schedule of Expenditures of Federal Awards (SEFA) that excluded the following federal programs and federal expenditures:

<b>Federal Programs</b>	
General Impact Aid	\$ 1,060,985
Impact Aid Special Education	4,284
Impact Aid Indian Education	278,176
Student Nutrition	207,792
Forest Reserve	<u>2,561</u>
 Total	 <u><u>\$ 1,553,798</u></u>

*Criteria:* 2 CFR part 215 requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management have procedures in place for identifying federal, state, and other awards, properly classifying expenditures in the correct programs and under the correct CFDA numbers, and ensuring that expenditures reported for federal programs are accurate.

*Effect:* Without proper grant awards and expenditures reported on the SEFA, it is not possible to properly assess programs in order to select grants and test in accordance with the Single Audit Act.

*Cause:* The District's review process did not accurately identify all federal expenditure that should have been reported on the SEFA.

*Auditors' Recommendation:* The District should ensure that a comprehensive internal control structure is designed, documented and implemented to ensure all grants transactions are properly tracked and documented accurately on the SEFA.

*Agency's Response:* The District acknowledges that the CFDA #s were left off of the schedule asked for by the auditor. This finding is resolved. The business manager has made the changes as of 11/15/18.

**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION II – FINANCIAL STATEMENT FINDINGS (continued)**

**Component Unit**

**CU FS 2018-001 Information Technology – Significant Deficiency**

*Condition:* The Charter doesn't have a policy or procedure in order to ensure backup and safekeeping of financial data.

*Criteria:* The Codification of Statements on Auditing Standards AU-C 315 states that is the responsibility of management in order to establish and maintain internal control on an ongoing basis.

*Effect:* If proper backups and maintenance of backups are not performed, the Charter School is at risk for loss of financial information in the event of any unforeseen events.

*Cause:* Management has not developed a written policy or procedure related to onsite or offsite backup of financial data.

*Auditors Recommendation:* The Charter School should ensure that a data backup and retention policy is designed, documented, and implemented. The Board should provide effective oversight of the internal control over information technology for the safekeeping of financial data.

*Agency's Response:* Although data is backed up by the accounting software provider on a daily basis, Management will draft a data backup and retention policy for Board approval. This District anticipates clearing this finding by June 30, 2019.

**SECTION III – FEDERAL AWARD FINDINGS**

**None noted**

**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS**

**Primary Government**

**NM 2018-001 Improper School Board Structure and Fulfillment of Duties – Other Noncompliance**

*Condition:* The District did not have 5 board members on the school board for the entire fiscal year; the board operated with 4 members for multiple months and did not appoint a new board member. Additionally, the school board failed to have a board meeting every month of the calendar year.

*Criteria:* Section 22-5-1, NMSA 1978, sets the size of a local school board at 5 members. Additionally, Section 22-5-9, NMSA 1978 states that any vacancies can be filled by a majority vote of the remaining members of the local board and if not completed within 45 days of the vacancy the State Board of Education shall appoint a qualified person to fill the vacancy. Lastly, Section 22-5-12(A);22-5-12(E), NMSA 1978 states a local school board shall hold at least one regular meeting each month of the calendar year. As used in this section “regular meeting” means a meeting of the members of a local school board at which at least a quorum is present, about which notice has been published and at which normal school district business is transacted.

*Effect:* The District is in violation of state statutes by not filling the empty seat within the allotted amount of time and by not having regular board meeting at least once, per month, during the calendar year; additionally without board involvement and regular meetings, the District is unable to conduct regular school business.

*Cause:* During the year one board member did not show up or participate in board duties for multiple months resulting in the seat being vacated, however the seat wasn’t filled within 45 days and the board operated with only 4 members.

*Auditors’ Recommendation:* The District should ensure that all seats of the board are filled, and if a seat become vacant that it is filled within the 45 day period. Additionally the board should ensure that they are fulfilling their duties by ensuring at least a quorum is present for each board meeting, which is to be held at least once month of the calendar year.

*Agency’s Response:* The Board recognizes that the lack of vacating the seat, was due to the time needed to put on the agenda and take action, as they only meet once per month. In the future, if this is to happen again, the Board will take a proactive approach in getting the seat vacated and filled within the 45 day requirement. The Board is committed to having a board meeting every month as required in statute, and working on incentives to ensure attendance of members at meetings.

**Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)**

**NM 2018-002 Inadequate Policies & Procedures over Allowability of Costs– Other Noncompliance**

*Condition:* The District does not have written procedures to determining the allowability of costs for federal programs.

*Criteria:* 2 CFR 200.302(b)(7), Financial Management , states The financial management system of each non-Federal entity must provide for the following: Written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles of this part and the terms and conditions of the Federal award.

*Effect:* Not having written procedures for the aforementioned puts the district in direct violation of Federal requirements over Federal programs under the Uniform Guidance, which could results in a loss of programs, fund and/or repayment of federal monies already award back to the Federal government.

*Cause:* The district does not have written procedures for the federal program financial management requirements.

*Auditors' Recommendation:* The District should establish the requirement written procedures for federal monies and have them available to all personnel who works with federal programs.

*Agency's Response:* The District always follows the Cost Principals for Educational Institutions 2 CFR Part 220 (OMB Circular A-21) when determining allow ability of costs for federal programs. However, the policies are not written out in a policies and procedures manual. The business manager is currently working creating written policies and procedures and will resolve this finding by 6/30/2018.

**Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)**

**Component Unit**

**CU NM 2017-001 School Athletic Equity Act Data Submission – Other noncompliance –Repeated**

*Condition:* The Charter did not ensure that the District performed their annual submission of the School Athletic Equity Act data form, and did not separately submit the form.

*Status of Prior Year Finding:* The Charter School didn't know they needed to complete this requirement due to a change in business manager and Principal during the fiscal year.

*Criteria:* According to the School Athletics Equity Act, Section 22-13-1 through 6, NMSA 1978, each public school that has an athletic program for grades seven (7) through twelve (12) to submit prescribed data and a Title 9 Assurance Form document, annually, to the New Mexico Public Education Department. In addition, if a school with grades seven (7) through twelve (12) does not have an Athletics Program, it is required to fill out and submit the School information tab of the School Athletics Equity Act Data Submission.

*Effect:* Without submission of the School Athletics Equity Act form, the Charter is not in compliance with the School Athletics Equity Act's reporting requirement to the New Mexico Public Education Department.

*Cause:* The Charter School, due to being under the general supervision of the district, was under the impression that the District would file the Charter's report along with the District.

*Auditors' Recommendations:* We recommend that the Charter submit their School Athletics Equity Act annually before the due date of August 31, annually.

*Agency's Response:* The Head Administrator will complete School Athletics Equity Act and submit it by the deadline. The Board will ensure that the Head Administrator meets this and all other deadlines. This District anticipates clearing this finding by June 30, 2019.

**Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)**

**CU NM 2017-002 Open Meetings Act – Other noncompliance**

*Condition:* The Charter is in violation of NMSA’s 1978 Open Meetings Act, Sections 10-15-1(G), as follows:

- The Board could not provide the meeting minutes for the following months: July and December 2017, February, March, April, May, June and July 2018.

*Status of Prior Year Finding:* Not corrected. Turnover at the Charter School disrupted resolution.

*Criteria:* In accordance with NMSA’s 1978 Open Meetings act, Section 10-15-1(G), the board, commission or other policymaking body shall keep written minutes of all its meetings. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present.

*Effect:* Without approval of the draft minutes by the Board at the next meeting of a quorum, the minutes and the actions approved during the meeting do not become official. In addition, by virtue of not being able to provide open access to all minutes for public inspection, the Charter is in violation of the NMSA’s 1978 Open Meetings Act as well as the Inspection of Public Records Act, NMSA 1978, Sections 14-2-1 to 14-2-12.

*Cause:* The Charter was unable to provide the official meeting minutes for the requested months.

*Auditors’ Recommendations:* We recommend that the Board perform approval, amendment, or disapproval procedure of the draft meeting minutes regularly at the following meeting. We also recommend the Charter provide public access to the approved meeting minutes through easily accessed routes such as the Charter’s website as well as keeping physical copies in one physical location.

*Agency’s Response:* Board minutes will be emailed to all Board Members monthly for their retention. Additionally, the charter will retain electronic copies of all minutes in a shared file on the server. Finally, hard copies of all Board minutes will be kept in both in both the Head Administrator’s and Business Office. The Head Administrator will visit the possibility of having Minutes uploaded to the school’s webpage and assign the responsibility of uploading accordingly. This District anticipates clearing this finding by June 30, 2019.

**Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)**

**CU NM 2018-001 Exceeded Budget Authority -- Other noncompliance**

*Condition:* The Charter has over expended its budget in the following funds and functions:

<b>Nonmajor Funds</b>	
IDEA-B Entitlement - Instruction	\$395
Impact Aid Special Education – Support Services	<u>3,001</u>
 Total Governmental Funds	 <u><u>\$ 3,396</u></u>

*Criteria:* NMAC 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 budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation.

*Effect:* The internal controls established by adherence to budgets has been compromised and excess spending could result and has resulted in noncompliance with state requirements.

*Cause:* The Charter did not properly submit a budget adjustment for the function in which actual expenses were greater than final budget at the end of the fiscal year.

*Auditors' Recommendations:* We recommend that the District monitor its budgets closely and prepare budget adjustments as necessary and that the district submits all budget adjustments timely in the future.

*Agency's Response:* The Charter will complete budget maintenance quarterly, at minimum. The Business Manager and Contract Accountant will be responsible for implementing the corrective action.

**Jemez Valley Public School District No. 31**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS (continued)**

**CU NM 2018-002 Improper School Board Structure and Fulfillment of Duties – Other Noncompliance**

*Condition:* The Charter did not have 5 board members on the school board for the entire fiscal year; the board operated with 4 members as of May 2018 and as of September 2018 the Charter had not appointed a new board member. Additionally, the charter school board failed to have a board meeting every month of the calendar year.

*Criteria:* Section 22-5-1, NMSA 1978, sets the size of a local school board at 5 members. Additionally, Section 22-5-9, NMSA 1978 states that any vacancies can be filled by a majority vote of the remaining members of the local board and if not completed within 45 days of the vacancy the State Board of Education shall appoint a qualified person to fill the vacancy. Lastly, Section 22-5-12(A);22-5-12(E), NMSA 1978 states a local school board shall hold at least one regular meeting each month of the calendar year. As used in this section “regular meeting” means a meeting of the members of a local school board at which at least a quorum is present, about which notice has been published and at which normal school district business is transacted.

*Effect:* The Charter is in violation of state statutes by not filling the empty seat within the allotted amount of time and by not having regular board meeting at least once, per month, during the calendar year; additionally without board involvement and regular meetings, the District is unable to conduct regular school business.

*Cause:* During the year one board member seat was vacated, however the seat wasn’t filled within 45 days and the board operated with only 4 members.

*Auditors’ Recommendation:* The District should ensure that all seats of the board are filled, and if a seat become vacant that it is filled within the 45 day period. Additionally the board should ensure that they are fulfilling their duties by ensuring at least a quorum is present for each board meeting, which is to be held at least once month of the calendar year.

*Agency’s Response:* The Board is currently working toward filling the vacancy. This District anticipates clearing this finding by June 30, 2019.



**Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

**SECTION V – PRIOR YEAR AUDIT FINDINGS**

**Primary Government:**

NM 2014-001 (FA 2014-001) Inadequate Controls over Eligibility Determinations – Finding that does not rise to the level of significant – Resolved

NM 2017-001 School Athletic Equity Act Data Submission – Other noncompliance – Resolved

NM 2017-002 Cash Appropriations in Excess of Available Cash Balances – Other noncompliance – Resolved

**Component Unit:**

CU NM 2017-001 School Athletic Equity Act Data Submission – Other noncompliance – Repeated

CU NM 2017-002 Open Public Meetings Act – Other noncompliance – Repeated

**Jemez Valley Public School District No. 31**  
**Other Disclosures**  
**June 30, 2018**

**EXIT CONFERENCE**

An exit conference was held on November 14, 2018 in a closed executive session in compliance with the Open Meetings Act. In attendance were the following:

**Representing Jemez Valley Public School District No. 31:**

*District:*

Dr. Susan Wilkinson-Davis – Superintendent  
Vickie Garcia – Business Manager  
Penelope Vigil – Board Member  
Frieda Solano – Community Member

*San Diego Riverside Charter School:*

Tony Archuleta – Principal  
Whitney Galindo – Contract Business Manager  
Susan Baca – Board Member

**Representing Carr, Riggs & Ingram, LLC:**

Alan D. “A.J.” Bowers, Jr., CPA – Partner

**AUDITOR PREPARED FINANCIAL STATEMENTS**

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes of Jemez Valley Public School District No. 31 from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.