



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

Annual Financial Report  
For the Year Ended June 30, 2017

**Jemez Valley Public Schools**  
*Be Inspired to Succeed!*

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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
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 June 30, 2017

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**STATE OF NEW MEXICO**  
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**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Official Roster  
 June 30, 2017

**Primary Government**

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Michael G. Lucero		President
Peter Madalena		Vice President
Arlan J. Sando		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>
Susan Baca		Chair
Bobbie Shendo		Vice Chair
Margie Creel		Secretary
Melinda Fragua		Member
Teran Villa		Member
	<u>School Officials</u>	
Karen Mayhew		Principal
Diana Cordova		Contract Business Manager

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Timothy Keller  
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, 2017, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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, 2017, 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.

## 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 Schedules I and II and the Notes to Required Supplementary Information on pages 64 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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*

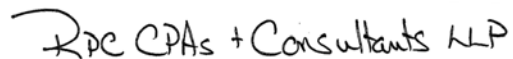
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, as required 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 III through VI required by 2.2.2 NMAC 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 III through VI required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 III through VI required by 2.2.2 NMAC 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 8, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP  
Albuquerque, NM  
November 8, 2017

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Statement of Net Position  
June 30, 2017

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u> <u>San Diego Riverside</u> <u>Charter School</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,781,004	\$ 335,912
Receivables:		
Property taxes	122,282	-
Due from other governments	200,547	14,023
Other	1,200,000	15,609
Due from Primary Government	-	1,037
Inventory	327	-
	<u>3,304,160</u>	<u>366,581</u>
Total current assets		
Noncurrent assets		
Restricted cash and cash equivalents	989,763	-
Capital assets	25,035,844	781,776
Less: accumulated depreciation	<u>(8,899,580)</u>	<u>(468,010)</u>
	<u>17,126,027</u>	<u>313,766</u>
Total noncurrent assets		
	<u>20,430,187</u>	<u>680,347</u>
<i>Total assets</i>		
<b>Deferred outflows of resources</b>		
Changes in proportion	418,407	148,424
Changes of assumptions	142,184	33,634
Differences between expected and actual experience	30,305	7,168
Net difference between expected and actual investment earnings	416,937	98,629
Employer contributions subsequent to the measurement date	<u>352,379</u>	<u>86,770</u>
	<u>1,360,212</u>	<u>374,625</u>
<i>Total deferred outflows of resources</i>		
	<u>\$ 21,790,399</u>	<u>\$ 1,054,972</u>
<i>Total assets and deferred outflows of resources</i>		

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

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>San Diego Riverside</u>
	<u>Activities</u>	<u>Charter School</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 80,242	\$ -
Due to PED	15,928	-
Due to Charter School	1,037	-
Accrued payroll	118,531	43,695
Accrued interest	30,879	-
Accrued compensated absences	23,640	-
Current portion of bonds payable	720,000	-
	<u>990,257</u>	<u>43,695</u>
Total current liabilities		
Noncurrent liabilities		
Accrued compensated absences	30,040	-
Bonds payable	4,355,000	-
Bond premium, net of accumulated amortization of \$8,910	24,431	-
Net pension liability	6,984,858	1,652,301
	<u>11,394,329</u>	<u>1,652,301</u>
Total noncurrent liabilities		
<i>Total liabilities</i>	<u>12,384,586</u>	<u>1,695,996</u>
<b>Deferred inflows of resources</b>		
Changes in proportion	71,894	56,092
Difference between expected and actual experience	66,435	15,715
	<u>138,329</u>	<u>71,807</u>
<i>Total deferred inflows of resources</i>		
<b>Net position</b>		
Net investment in capital assets	12,236,833	313,766
Restricted for:		
Debt service	1,055,814	-
Capital projects	233,771	-
Special revenue	560,331	120,118
Unrestricted	(4,819,265)	(1,146,715)
	<u>9,267,484</u>	<u>(712,831)</u>
<i>Total net position</i>		
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 21,790,399</u>	<u>\$ 1,054,972</u>

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

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Statement of Activities  
 For the Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental Activities:</b>			
Instruction	\$ 2,488,760	\$ 28,476	\$ 1,024,883
Support services - students	434,468	4,971	178,915
Support services - instruction	202,504	2,317	83,392
Support services - general administration	403,312	4,615	166,086
Support services - school administration	311,223	3,561	128,163
Central services	1,098,798	12,572	452,490
Operation and maintenance of plant	1,074,849	12,298	442,628
Student transportation	342,197	-	264,548
Food services operations	210,710	10,532	207,823
Interest and other charges	71,933	-	-
<i>Total governmental activities</i>	<u>\$ 6,638,754</u>	<u>\$ 79,342</u>	<u>\$ 2,948,928</u>
<b>Component Unit Activities:</b>			
Charter School	<u>\$ 1,338,598</u>	<u>\$ 373</u>	<u>\$ 328,833</u>

**General Revenues:**

Taxes:

Property taxes, levied for operating programs

Property taxes, levied for debt services

Property taxes, levied for capital projects

State equalization guarantee

Miscellaneous income

Loss on disposition of assets

Remittal to PED

Total general revenues

Change in net position

Net position, beginning

*Net position, ending*

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

<b>Net (Expense) Revenue and Change in Net Position</b>		
<b>Program Revenues</b>	<b>Primary Government</b>	<b>Component Unit</b>
<b>Capital Grants and Contributions</b>	<b>Government Activities</b>	<b>Charter School</b>
\$ 18,291	\$ (1,417,110)	\$ -
3,193	(247,389)	-
1,488	(115,307)	-
2,964	(229,647)	-
2,287	(177,212)	-
8,076	(625,660)	-
7,900	(612,023)	-
-	(77,649)	-
-	7,645	-
-	(71,933)	-
<u>\$ 44,199</u>	<u>(3,566,285)</u>	<u>-</u>
<u>\$ 65,279</u>		<u>(944,113)</u>
	28,985	-
	817,903	-
	184,173	-
	2,342,462	791,607
	25,064	56,057
	-	(936)
	<u>(45,363)</u>	<u>(3,295)</u>
	<u>3,353,224</u>	<u>843,433</u>
	(213,061)	(100,680)
	<u>9,480,545</u>	<u>(612,151)</u>
	<u>\$ 9,267,484</u>	<u>\$ (712,831)</u>

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

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Balance Sheet  
Governmental Funds  
June 30, 2017

	<b>General Fund 11000, 12000, 13000, 14000</b>	<b>Gear Up Special Revenue Fund 25205</b>	<b>Bond Building Capital Projects Fund 31100</b>
<i>Assets</i>			
Cash and cash equivalents	\$ 922,497	\$ -	\$ 95
Receivables:			
Property taxes	3,671	-	-
Due from other governments	-	53,584	-
Other	-	-	1,200,000
Inventory	-	-	-
Due from other funds	216,554	5,074	-
<i>Total assets</i>	<u>\$ 1,142,722</u>	<u>\$ 58,658</u>	<u>\$ 1,200,095</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 39,017	\$ -	\$ 32,698
Due to PED	-	1,236	-
Due to Charter School	-	-	-
Accrued payroll	101,241	537	-
Due to other funds	5,074	56,885	-
<i>Total liabilities</i>	<u>145,332</u>	<u>58,658</u>	<u>32,698</u>
<i>Deferred inflows of resources</i>			
Unavailable revenue - property taxes	3,001	-	-
<i>Total deferred inflows of resources</i>	<u>3,001</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Nonspendable:			
Inventory	-	-	-
Spendable:			
Restricted for:			
Transportation	35,220	-	-
Teachergage	60,494	-	-
Instructional materials	18,647	-	-
Food services	-	-	-
Extracurricular activities	-	-	-
Education	-	-	-
Capital acquisitions and improvements	-	-	1,167,397
Debt service	-	-	-
Committed for:			
Subsequent year's expenditures	580,743	-	-
Unassigned	299,285	-	-
<i>Total fund balances</i>	<u>994,389</u>	<u>-</u>	<u>1,167,397</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,142,722</u>	<u>\$ 58,658</u>	<u>\$ 1,200,095</u>

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



<b>Debt Service Fund 41000</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 871,142	\$ 977,033	\$ 2,770,767
82,517	36,094	122,282
-	146,963	200,547
-	-	1,200,000
-	327	327
-	120	221,748
<u>\$ 953,659</u>	<u>\$ 1,160,537</u>	<u>\$ 4,515,671</u>
\$ -	\$ 8,527	\$ 80,242
-	14,692	15,928
-	1,037	1,037
-	16,753	118,531
-	159,789	221,748
-	200,798	437,486
<u>62,734</u>	<u>31,271</u>	<u>97,006</u>
<u>62,734</u>	<u>31,271</u>	<u>97,006</u>
-	327	327
-	-	35,220
-	-	60,494
-	-	18,647
-	68,739	68,739
-	9,700	9,700
-	481,565	481,565
-	249,220	1,416,617
890,925	118,917	1,009,842
-	-	580,743
-	-	299,285
<u>890,925</u>	<u>928,468</u>	<u>3,981,179</u>
<u>\$ 953,659</u>	<u>\$ 1,160,537</u>	<u>\$ 4,515,671</u>

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

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**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	<b>General Fund 11000, 12000, 13000, 14000</b>	<b>Gear Up Special Revenue Fund 25205</b>	<b>Bond Building Capital Projects Fund 31100</b>
<i>Revenues</i>			
Property taxes	\$ 29,209	\$ -	\$ -
Intergovernmental revenue:			
Federal flowthrough	29,383	-	-
Federal direct	1,122,650	237,066	-
State flowthrough	28,324	-	-
State direct	2,358,617	-	-
Transportation distribution	264,548	-	-
Charges for services	55,582	-	-
Miscellaneous	25,064	-	-
<b>Total revenues</b>	<b>3,913,377</b>	<b>237,066</b>	<b>-</b>
<i>Expenditures</i>			
Current:			
Instruction	1,693,436	151,700	
Support services - students	217,730	2,102	-
Support services - instruction	56,930	70,825	-
Support services - general administration	247,692	11,203	-
Support services - school administration	272,909	-	-
Central services	149,422	-	-
Operation and maintenance of plant	681,912	-	-
Student transportation	243,134	-	32,698
Food services operations	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>3,563,165</b>	<b>235,830</b>	<b>32,698</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>350,212</u>	<u>1,236</u>	<u>(32,698)</u>
<i>Other financing sources (uses)</i>			
Remittal to PED	(44,127)	(1,236)	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Bond proceeds	-	-	1,200,000
<b>Total other financing sources (uses)</b>	<b>(44,127)</b>	<b>(1,236)</b>	<b>1,200,000</b>
<i>Net change in fund balances</i>	306,085	-	1,167,302
<i>Fund balances - beginning</i>	<u>688,304</u>	<u>-</u>	<u>95</u>
<i>Fund balances - end of year</i>	<u>\$ 994,389</u>	<u>\$ -</u>	<u>\$ 1,167,397</u>

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

<b>Debt Service Fund 41000</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 819,676	\$ 189,898	\$ 1,038,783
-	465,399	494,782
-	437,040	1,796,756
-	387,562	415,886
-	5,000	2,363,617
-	-	264,548
-	23,760	79,342
-	-	25,064
<u>819,676</u>	<u>1,508,659</u>	<u>6,478,778</u>
-	420,975	2,266,111
-	182,960	402,792
-	55,243	182,998
8,162	61,412	328,469
-	2,759	275,668
-	167,401	316,823
-	243,943	925,855
-	8,587	284,419
-	208,759	208,759
-	543,642	543,642
665,000	-	665,000
81,762	-	81,762
<u>754,924</u>	<u>1,895,681</u>	<u>6,482,298</u>
<u>64,752</u>	<u>(387,022)</u>	<u>(3,520)</u>
-	-	(45,363)
-	35,134	35,134
-	(35,134)	(35,134)
-	-	1,200,000
<u>-</u>	<u>-</u>	<u>1,154,637</u>
64,752	(387,022)	1,151,117
<u>826,173</u>	<u>1,315,490</u>	<u>2,830,062</u>
<u>\$ 890,925</u>	<u>\$ 928,468</u>	<u>\$ 3,981,179</u>

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

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**STATE OF NEW MEXICO**  
 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, 2017

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

Net change in fund balances - total governmental funds	\$ 1,151,117
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	543,642
Depreciation expense	(975,580)
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	(7,722)
Governmental funds report District pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
District pension contribution	352,379
Pension expense	(740,518)
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	(11,208)
Decrease in accrued interest payable	6,380
Principal payments on bonds	665,000
Bond proceeds	<u>(1,200,000)</u>
<i>Change in net position of governmental activities</i>	<u><u>\$ (213,061)</u></u>

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

## STATE OF NEW MEXICO

Exhibit C-1

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, 2017

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable</b>
				<b>(Unfavorable)</b>
				<b>Final to Actual</b>
<i>Revenues</i>				
Property taxes	\$ 26,568	\$ 26,568	\$ 29,160	\$ 2,592
Intergovernmental revenue:				
Federal flowthrough	5,237	5,237	29,383	24,146
Federal direct	907,749	1,122,270	1,122,650	380
State flowthrough	18,869	18,869	28,324	9,455
State direct	2,454,743	2,340,796	2,358,617	17,821
Transportation distribution	274,937	264,548	264,548	-
Charges for services	1,500	19,168	55,582	36,414
Miscellaneous	15,625	21,447	25,064	3,617
<i>Total revenues</i>	<u>3,705,228</u>	<u>3,818,903</u>	<u>3,913,328</u>	<u>94,425</u>
<i>Expenditures</i>				
Current:				
Instruction	1,907,644	2,034,446	1,691,679	342,767
Support services - students	290,304	290,304	217,168	73,136
Support services - instruction	74,189	77,119	56,930	20,189
Support services - general administration	202,584	263,692	231,924	31,768
Support services - school administration	322,672	314,626	272,128	42,498
Central services	147,400	167,162	149,303	17,859
Operation and maintenance of plant	910,612	974,397	662,071	312,326
Student transportation	275,510	278,927	242,945	35,982
Other support services	5,885	5,885	-	5,885
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>4,136,800</u>	<u>4,406,558</u>	<u>3,524,148</u>	<u>882,410</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(431,572)</u>	<u>(587,655)</u>	<u>389,180</u>	<u>976,835</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	431,572	587,655	-	(587,655)
Remittal to PED	-	-	(44,127)	(44,127)
<i>Total other financing sources (uses)</i>	<u>431,572</u>	<u>587,655</u>	<u>(44,127)</u>	<u>(631,782)</u>
<i>Net change in fund balance</i>	-	-	345,053	345,053
<i>Fund balance - beginning of year</i>	-	-	632,035	632,035
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,088</u>	<u>\$ 977,088</u>
Net change in fund balance (Non-GAAP budgetary basis)				\$ 345,053
Adjustments to revenues for taxes and intergovernmental revenue				49
Adjustments to expenditures for instructional, student transportation, and payroll expenditures				(39,017)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 306,085</u>

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



**STATE OF NEW MEXICO**  
 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, 2017

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable</b>
				<b>(Unfavorable)</b>
				<b>Final to Actual</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	220,000	277,306	226,887	(50,419)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution				
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>220,000</b>	<b>277,306</b>	<b>226,887</b>	<b>(50,419)</b>
<i>Expenditures</i>				
Current:				
Instruction	144,234	185,837	151,700	34,137
Support services - students	-	2,106	2,102	4
Support services - instruction	75,766	78,160	71,931	6,229
Support services - general administration	-	11,203	11,203	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Community services operations	-	-	-	-
Other support services				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>220,000</b>	<b>277,306</b>	<b>236,936</b>	<b>40,370</b>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(10,049)	(10,049)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Remittal to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Net change in fund balance</i>	-	-	(10,049)	(10,049)
<i>Fund balance - beginning of year</i>	-	-	(47,373)	(47,373)
<i>Fund balance - end of year</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (57,422)</b>	<b>\$ (57,422)</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				(10,049)
Adjustments to revenues for federal grants				10,179
Adjustment to expenditures for instruction				(130)
<i>Net change in fund balance (GAAP Basis)</i>				<b>\$ -</b>

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

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**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2017

Exhibit D-1

<i>Current assets</i>	
Cash and cash equivalents	<u>\$ 58,396</u>
<i>Total assets</i>	<u><u>\$ 58,396</u></u>
 <i>Current liabilities</i>	
Due to student organizations	<u>\$ 58,396</u>
<i>Total liabilities</i>	<u><u>\$ 58,396</u></u>

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

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies**

Jemez Valley Public School District No.31 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, 2017, the District adopted GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (partial), No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. These five Statements are required to be implemented as of June 30, 2017, if applicable.

The objective of GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement was effective and was implemented for the June 30, 2016 year end, and a portion is effective for June 30, 2017 year end. Effective for June 30, 2017 are the provisions of the statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. This does not have a material effect on the financial statements of the District, as its pension plan is within the scope of Statement 68.

The objective of GASB Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement does not affect the District’s financial statements directly; however, the effects on the District’s OPEB plan, administered through the New Mexico Retiree Health Care Authority, will be seen in future periods.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources came from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed after time – by including information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future. Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government’s tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;
- The gross dollar amount of taxes abated during the period;
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

For tax abatement agreements entered into by other governments, the following should be disclosed:

- The names of the governments that entered into the agreements;
- The specific taxes being abated; and
- The gross dollar amount of taxes abated during the period.

This statement does not have a material effect on the financial statements of the District.

The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided to employees of state or local governmental employers. The District’s pension plan does not meet the criteria for exclusion.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

The objective of GASB Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

GASB Statement No. 82 clarified and adjusted several items from GASB 67 and 68, including the definition of covered payroll, the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

*A. 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 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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*B. Government-wide and fund financial statements*

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

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.

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

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

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

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. 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.

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.



**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Additionally, the District reports the following agency fund:

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

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

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

*D. Assets, 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.

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 2017 is considered "measurable and available" and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2017. Period of availability is deemed to be sixty days subsequent to year end.

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

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**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.

**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.

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

<u>Assets</u>	<u>Years</u>
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 one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$97,006 related to property taxes considered "unavailable." In addition, the District and the Charter School each have two types of items present on the Statement of Net Position which arise due to the net pension liability. Accordingly, these items, changes in proportion of \$71,894, and difference between expected and actual difference between expected and actual experience of \$66,435, are reported on the Statement of Net Position for the District. Corresponding balances for the Charter School are change in proportion of \$56,092, and difference between expected and actual experience of \$15,715, are reported on the Statement of Net Position for the Charter. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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 five types of items that qualifies for reporting in this category. Accordingly, these items, changes in proportion \$418,407, changes of assumptions in the amounts of \$142,184, difference between expected and actual experience of \$30,305, net difference between expected and actual investment earnings of \$416,937, and employer contributions subsequent to measurement date in the amount of \$352,379, are reported on the Statement of Net Position for the District. Corresponding balances for the Charter School are changes in proportion of \$148,424, changes of assumptions in the amounts of \$33,634, difference between expected and actual experience of \$7,168, net difference between expected and actual investment earnings of \$98,629, and employer contributions subsequent to measurement date in the amount of \$86,770, are 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.

**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.

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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
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June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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.

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

**Nonspendable Fund Balance:** At June 30, 2017, the nonspendable fund balance in the food service fund is made up of inventory in the amount of \$327 that is not in spendable form.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Restricted and Committed Fund Balance:** At June 30, 2017, the restricted fund balance on the governmental funds balance sheet is made up of \$674,365 restricted for providing transportation, teacherage, instructional materials, food services, extracurricular activities and education to the students of the District, \$1,416,617 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 \$1,009,842 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 \$580,743 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 \$1,200,000 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 32 and 72-75.
- c. Unrestricted Net Position: Net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

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

Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, net pension liability, and the current portion of accrued compensated absences.

*E. Revenues*

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

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*E. Revenues (continued)*

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 \$2,342,462 and \$791,607, respectively, in state equalization guarantee distributions during the year ended June 30, 2017.

**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 \$1,031,061 in tax revenues in the government-wide financial statements during the year ended June 30, 2017. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through 12 attending public school within the school district. The District received \$264,548 in transportation distributions during the year ended June 30, 2017.

**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, 2017 totaled \$21,804 and \$5,268 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 Charter School did not receive any state SB-9 matching during the year ended June 30, 2017. The District received \$13,374 in state SB-9 matching during the year ended June 30, 2017.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*E. Revenues (continued)*

**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.

The District did not receive any in state Public School Capital Outlay matching during the year ended June 30, 2017. The Charter School received \$56,677 in state Public School Capital Outlay matching during the year ended June 30, 2017.

**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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 2. Stewardship, Compliance, and Accountability (continued)**

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

*Budgetary Information (continued)*

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.
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.



**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Notes to the Financial Statements  
 June 30, 2017

**NOTE 2. Stewardship, Compliance, and Accountability (continued)**

*Budgetary Information (continued)*

The appropriated budget for the year ended June 30, 2017, 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>
Budgeted Funds:		
General Fund	\$ (431,572)	\$ (587,655)
Gear Up Special Revenue Fund	\$ -	\$ -
Bond Building Capital Projects Fund	\$ -	\$ (95)
Debt Service Fund	\$ (875,597)	\$ (809,835)
Other Governmental Funds	\$ (1,088,559)	\$ (1,311,664)

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

The Charter School budgets 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 Charters School's accrued payroll which is presented on the accrual basis.

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, 2017.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. 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 on Schedule V in this report.

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, school district or political subdivision of the State of New Mexico.

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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 3. Deposits and Investments (continued)**

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, 2017, \$2,759,502 of the District's bank balances of \$3,009,502 was exposed to custodial credit risk. \$2,759,502 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 New Mexico Bank &amp; Trust</b>
Amount of deposits	\$ 3,009,502
FDIC Coverage	(250,000)
Total uninsured public funds	2,759,502
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	2,759,502
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ 1,379,751
Pledged Collateral	4,712,959
Over (Under) collateralized	\$ 3,333,208

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, 2017. Funds 24106 through 25205 are federal funds and 27114 through 27166 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2017:

IDEA-B Entitlement - 24106	\$ 281
Teacher/Principal Training/Recruiting - 24154	35,365
USDA School Equipment Grant 24183	11,382
Gear Up - 25205	56,885
New Mexico Reads to Lead - 27114	20,764
Pre-K Initiative - 27149	12,223
Indian Education Initiative - 27150	3,884
2012 G.O. Bond Student Library Fund 27107	632
Kindergarten – Three Plus 27166	14,416
Total	\$ 155,832

As of June 30, 2017, the District did not have any investment balances.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Notes to the Financial Statements  
 June 30, 2017

**NOTE 3. Deposits and Investments (continued)**

Reconciliation to the Statement of Net Position

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

Cash and cash equivalents- Governmental Activities Exhibit A-1	\$ 1,781,004
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	989,763
Fiduciary funds - Exhibit D-1	<u>58,396</u>
 Total cash and cash equivalents	 2,829,163
 Less: deposits in transit	 (118,601)
Plus: outstanding checks	<u>298,940</u>
 Bank balance of deposits	 <u><u>\$ 3,009,502</u></u>

**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, 2017, \$92,747 of the Charter School's bank balances of \$342,747 was exposed to custodial credit risk. \$92,747 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.

	<u>US Bank</u>
Amount of deposits	\$ 342,747
FDIC Coverage	<u>(250,000)</u>
Total uninsured public funds	<u>92,747</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Charter School's name	<u>92,747</u>
Uninsured and uncollateralized	<u><u>\$ -</u></u>
 Collateral requirement (50% of uninsured funds)	 \$ 46,374
Pledged Collateral	<u>266,321</u>
Over (Under) collateralized	<u><u>\$ 219,947</u></u>

The collateral pledged is listed on Schedule V of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, school district or political subdivision of the State of New Mexico.

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, 2017.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Notes to the Financial Statements  
 June 30, 2017

**NOTE 3. Deposits and Investments (continued)**

**Component Unit (continued):**

The following individual funds had negative cash balances as of June 30, 2017:

Title I- IASA - 24101	\$ 729
2012 G.O. Bond Student Library Fund - 27107	3,140
Capital Improvements SB-9 Capital Projects Fund - 31700	<u>8,602</u>
Total	<u>\$ 12,471</u>

As of June 30, 2017, the Charter School did not have any investment balances.

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 Exhibit A-1	<u>\$ 335,912</u>
Total cash and cash equivalents	<u>335,912</u>
Add: outstanding checks	<u>6,835</u>
Bank balance of deposits	<u>\$ 342,747</u>

**NOTE 4. Accounts Receivable**

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

	<u>General Fund</u>	<u>Gear Up NM</u>	<u>Bond Building</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes receivable	\$ 3,671	\$ -	\$ -	\$ 82,517	\$ 36,094	\$ 122,282
Due from other governments:						
Federal sources	-	53,584	-	-	79,822	133,406
State sources	-	-	-	-	67,141	67,141
Other receivables:						
Bond proceeds	-	-	1,200,000	-	-	1,200,000
	<u>\$ 3,671</u>	<u>\$ 53,584</u>	<u>\$ 1,200,000</u>	<u>\$ 82,517</u>	<u>\$ 183,057</u>	<u>\$ 1,522,829</u>

The above receivables are deemed 100% collectible.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Notes to the Financial Statements  
 June 30, 2017

**NOTE 4. Accounts Receivable (continued)**

In accordance with GASB Statement No. 33, property tax revenues for the District in the amount of \$97,006 were not collected within the period of availability 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 \$2,281 from federal sources, and \$11,742 from state and local sources. In addition, the Charter School has a receivable of \$1,037 due from the Primary Government, and E-Rate receivables of \$15,609. All receivables are considered 100% collectible.

**NOTE 5. Interfund Receivables, Payables, and Transfers**

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

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund - 11000	IDEA-B Entitlement - 24106	\$ 281
General Fund - 11000	Teacher/Principal Training/Recruiting - 24154	35,365
General Fund - 11000	USDA School Equipment Grant - 24183	11,382
General Fund - 11000	Gear Up - 25205	56,885
General Fund - 11000	2012 G.O. Bond Student Library Fund - 27107	632
General Fund - 11000	New Mexico Reads to Lead - 27114	20,764
General Fund - 11000	Pre-K Initiative - 27149	12,223
General Fund - 11000	Indian Education Initiative - 27150	3,884
General Fund - 11000	Kindergarten - Three Plus - 27166	14,416
	Total	<u>\$ 155,832</u>

The District also recorded non-cash basis "due to/due from's" in order to move the revenues and/or expenditures that were posted in one fund to another fund during the year. The District intends to record permanent cash transfers in the coming year in order to properly allocate the cash balances. The non-cash basis "due to/due from" balances at June 30, 2017 are as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund - 11000	Title I IASA - 24101	\$ 50,552
General Fund - 11000	IDEA-B Entitlement - 24106	10,170
Gear Up - 25205	General Fund - 11000	5,074
Food Service Fund - 21000	Elementary Breakfast in Classroom - 27155	120
	Total	<u>\$ 65,916</u>

**STATE OF NEW MEXICO**  
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 Notes to the Financial Statements  
 June 30, 2017

**NOTE 5. Interfund Receivables, Payables, and Transfers (continued)**

**Component Unit:**

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund - 11000	Title I- IASA - 24101	\$ 729
General Fund - 11000	2012 G.O. Bond Student Library Fund - 27107	3,140
General Fund - 11000	Capital Improvements SB-9 Capital Projects Fund - 31700	<u>8,602</u>
	Total	<u>\$ 12,471</u>

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

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows for the year ended June 30, 2017:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Capital Improvements SB-9 - State 31700	Capital Improvements SB-9 - Local 31701	<u>\$ 35,134</u>
	Total	<u>\$ 35,134</u>

**Component Unit:**

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Indian Education Formula Grant - 25184	Private Grant - 29102	<u>\$ 7,238</u>
	Total	<u>\$ 7,238</u>

**STATE OF NEW MEXICO**  
**Jemez Valley Public School District No. 31**  
**Notes to the Financial Statements**  
**June 30, 2017**

**NOTE 6. Capital Assets**

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

Capital assets, net of accumulated depreciation, at June 30, 2017 appear in the Statement of Net Position as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 162,011	\$ -	\$ -	\$ 162,011
Construction in progress	1,000,387	-	(1,000,387)	-
Total capital assets not being depreciated	<u>1,162,398</u>	<u>-</u>	<u>(1,000,387)</u>	<u>162,011</u>
Capital assets being depreciated:				
Infrastructure	1,804,534	1,000,387	-	2,804,921
Buildings and improvements	15,630,597	400,969	-	16,031,566
Land improvements	3,587,523	-	-	3,587,523
Equipment and vehicles	3,091,612	142,673	(784,462)	2,449,823
Total capital assets being depreciated	<u>24,114,266</u>	<u>1,544,029</u>	<u>(784,462)</u>	<u>24,873,833</u>
Less accumulated depreciation:				
Infrastructure	348,541	132,945	-	481,486
Buildings and improvements	5,556,628	448,031	-	6,004,659
Land improvements	684,247	171,661	-	855,908
Equipment and vehicles	2,119,046	222,943	(784,462)	1,557,527
Total accumulated depreciation	<u>8,708,462</u>	<u>975,580</u>	<u>(784,462)</u>	<u>8,899,580</u>
Total capital assets, net of depreciation	<u>\$ 16,568,202</u>	<u>\$ 568,449</u>	<u>\$ (1,000,387)</u>	<u>\$ 16,136,264</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following functions:

Instruction	\$ 2,917
Support Services - Students	2,421
Support Services - School Administration	3,744
Central services	763,863
Operation and maintenance of plant	129,909
Student Transportation	70,775
Food services operations	1,951
Total	<u>\$ 975,580</u>

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**NOTE 6. Capital Assets (continued)**

**Component Unit:**

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

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Component unit:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 95,135	\$ -	\$ 95,135
Total capital assets not being	-	95,135	-	95,135
Capital assets being depreciated:				
Buildings and improvements	527,024	-	-	527,024
Furniture, fixtures, and equipment	224,121	-	64,504	159,617
Total capital assets being depreciated	751,145	-	64,504	686,641
Less accumulated depreciation:				
Buildings and improvements	303,688	25,297	-	328,985
Furniture, fixtures, and equipment	197,720	4,873	63,568	139,025
Total accumulated depreciation	501,408	30,170	63,568	468,010
Total capital assets, net of depreciation	<u>\$ 249,737</u>	<u>\$ 64,965</u>	<u>\$ 936</u>	<u>\$ 313,766</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following functions:

Instruction	\$ 11,568
Operations and maintenance of plant	532
Food service operations	18,070
Total	<u>\$ 30,170</u>

**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, 2017 are for governmental activities.



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**NOTE 7. Long-term Debt (continued)**

Bonds outstanding at June 30, 2017 are comprised of the following:

	<u>Series 2006</u>	<u>Series 2013</u>	<u>Series 2014</u>	<u>Series 2017</u>
Original Issue:	\$ 750,000	\$ 3,000,000	\$ 2,000,000	\$ 1,200,000
Principal:	August 1	August 1	August 1	August 1
Interest:	August 1	August 1	August 1	August 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%
Maturity Date:	August 2019	August 2024	August 2024	August 2029

During the year ended June 30, 2017, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
General Obligation					
Series 2006	\$ 450,000	\$ -	\$ 150,000	\$ 300,000	\$ 100,000
General Obligation					
Series 2013	2,290,000	-	190,000	2,100,000	350,000
General Obligation					
Series 2014	1,800,000	-	325,000	1,475,000	270,000
General Obligation					
Series 2017	-	1,200,000	-	1,200,000	-
Total Bonds	<u>4,540,000</u>	<u>1,200,000</u>	<u>665,000</u>	<u>5,075,000</u>	<u>720,000</u>
Compensated Absences	<u>42,472</u>	<u>34,848</u>	<u>23,640</u>	<u>53,680</u>	<u>23,640</u>
Total Long-Term Debt	<u>\$ 4,582,472</u>	<u>\$ 1,234,848</u>	<u>\$ 688,640</u>	<u>\$ 5,128,680</u>	<u>\$ 743,640</u>

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

The annual requirements to amortize the general obligation bonds outstanding as of June 30, 2017, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 720,000	\$ 81,187	\$ 801,187
2019	555,000	77,572	632,572
2020	580,000	65,911	645,911
2021	550,000	55,690	605,690
2022	600,000	46,267	646,267
2023-2027	1,690,000	103,305	1,793,305
2028-2030	380,000	11,300	391,300
	<u>\$ 5,075,000</u>	<u>\$ 441,232</u>	<u>\$ 5,516,232</u>

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**NOTE 7. Long-term Debt (continued)**

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences increased \$11,208 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, 2017, compensated absences decreased by \$4,894 to a balance of \$0 as of June 30, 2017. 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.

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, 2017, 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.

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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

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.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

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

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

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

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB.

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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

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

**Contributions.** The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2017 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2017 employers contributed 13.90%, and employees earning 20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 continued contributing at an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District and component unit were \$439,149 for the year ended June 30, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016. At June 30, 2017, the District and Charter School reported a liability of \$6,984,858 and \$1,652,301 respectively, for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, the District's and Charter School's proportion was 0.0971 and 0.0230 percent respectively, which was an increase of 0.0033 and 0.0013 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District and Charter School recognized pension expense of \$740,518 and \$153,189, respectively.

**STATE OF NEW MEXICO**  
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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

At the June 30, 2017, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 30,305	\$ 66,435
Net difference between expected and actual investments on pension plan investments	416,937	-
Change in assumptions	142,184	-
Change in proportion	418,407	71,894
District's contributions subsequent to the measurement date	352,379	-
Total	\$ 1,360,212	\$ 138,329

\$352,379 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

Year ended June 30:	
2018	\$ (222,735)
2019	(304,647)
2020	(240,447)
2021	(101,675)
2022	-
Thereafter	-

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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

**Component Unit:**

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 7,168	\$ 15,715
Net difference between projected and actual earnings on pension plan investments	98,629	-
Change in assumptions	33,634	-
Change in proportion	148,424	56,092
Charter School's contributions subsequent to the measurement date	86,770	-
Total	\$ 374,625	\$ 71,807

\$86,770 reported as deferred outflows of resources related to pensions resulting from Charter School contributions subsequent to the measurement date of June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

Year ended June 30:		
2018	\$	(35,960)
2019		(93,248)
2020		(62,787)
2021		(24,053)
2022		-
Thereafter		-

**Actuarial assumptions.** The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2015. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2016 using generally accepted actuarial principals. The liabilities reflect the impact of Senate Bill 115, signed into law March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2016 and 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2016 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.

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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

5. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. ERB’s investment allocation policy was reviewed and amended by the Board of Trustees on August 26, 2016. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted on August 26, 2016, as well as the prior allocation policy targets.

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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

**Comparative Schedule of Target Investment Allocation**

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>After 8/26/2016</u>	<u>Prior to 8/26/2016</u>
<b>Equities</b>		
<i>Domestic Equities</i>		
Large cap equities	16%	18%
Small- mid cap equities	3%	2%
<i>Total domestic</i>	19%	20%
<i>International Equities</i>		
Developed	5%	5%
Emerging markets	9%	10%
<i>Total international</i>	14%	15%
<b>Total equities</b>	33%	35%
<b>Fixed Income</b>		
Opportunistic credit	18%	20%
Core bonds	6%	6%
Emerging market debt	2%	2%
<b>Total fixed income</b>	26%	28%

**Comparative Schedule of Target Investment Allocation**

<u>Asset Class</u>	<u>Target Allocation (continued)</u>	
	<u>After 6/14/2014</u>	<u>Prior to 6/14/2014</u>
<b>Total from above</b>	63%	66%
<b>Alternatives</b>		
Real estate - REITS	7%	7%
Real assets	8%	8%
Private equity	13%	11%
Global asset allocation	4%	5%
Risk parity	3%	5%
Other	5%	0%
<b>Total alternatives</b>	40%	36%
<b>Cash</b>	1%	1%

For the years ended June 30, 2016 and 2015, the annual money-weighted rates of return on pension plan investments were 2.68% and 4.06%, respectively.



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**NOTE 9. Pension Plan – Educational Retirement Board (continued)**

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2016 and June 30, 2015. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.** The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2016. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
District’s proportionate share of the net pension liability	\$ 9,251,283	\$ 6,984,858	\$ 5,104,367

**Component Unit:**

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Charter School’s proportionate share of the net pension liability	\$ 2,188,434	\$ 1,652,301	\$ 1,207,462

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued audited financial statements as of and for the year ended June 30, 2016, which is publicly available at [www.nmerb.org](http://www.nmerb.org).

**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, 2017, neither the District or Charter school had any contributions withheld and owed to ERB.

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan**

**Plan Description.** The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978).

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**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District’s and the Charter School’s contribution to the RHCA for the years ended June 30, which equal the required contributions for each year:

	<u>District</u>	<u>Charter School</u>
2017	\$ 50,715	\$ 12,496
2016	55,443	\$ 12,805
2015	53,367	12,350

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**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.

**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. There were no funds which had a deficit fund balance at June 30, 2017.
- 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, 2017.
- C. Designated cash appropriations in excess of available balance. The following funds had designated cash appropriations in excess of available balances as of June 30, 2017:

**Primary Government:**

Impact Aid Indian Education - 25147	\$ 9,606
Title XIX Medicaid - 25153	830
	<u>\$ 10,436</u>

**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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 15. Commitments**

The District had no construction projects nor any other commitments ongoing as of the year ended June 30, 2017.

The Charter entered into agreements with contractors and architects in the amount of \$2,500,000 for the new school building construction. As of June 30, 2017, the Charter had a remaining obligation of \$2,404,865 for this contract.

**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 administrative support in all billing functions that must be performed for the Medicaid School-based Services Reimbursement Program

Beginning Date – July 1, 2016

Ending Date – June 30, 2017

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

**NOTE 17. Restricted Net Position**

The government-wide statement of net position for the District and the Charter School reports \$1,849,916 and \$120,118 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 32 and 72-75.

**NOTE 18. Subsequent Events**

The date to which events occurring after June 30, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 8, 2017, which is the date on which the financial statements were issued.

The District closed on General Obligation Bonds, Series 2017 on June 23, 2017. Proceeds for the bond were not received until July of 2017 in the amount of \$1,200,000, and were recorded as receivable at June 30, 2017.

The District closed on Educational Technology Notes, Series 2017 on August 25, 2017 in the amount of \$420,000.

**NOTE 19. Subsequent Pronouncements**

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District expects this pronouncement to have a material effect on the financial statements.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to the Financial Statements  
June 30, 2017

**NOTE 19. Subsequent Pronouncements (continued)**

In December 2015, GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

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 March 2017, GASB Statement No. 85 *Omnibus 2017* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86 *Certain Debt Extinguishment Issues* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**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>2017 Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<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>
Jemez Valley Public School District No. 31 proportion of the net pension liability (asset)	0.0971%	0.0938%	0.0852%
Jemez Valley Public School District No. 31 proportionate share of the net pension liability (asset)	\$ 6,984,858	\$ 6,073,733	\$ 4,863,556
Jemez Valley Public School District No. 31 covered-employee payroll	2,767,762	2,666,187	2,349,544
Jemez Valley Public School District No. 31 proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	252%	228%	207%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	63.97%	66.54%

\* 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.



**STATE OF NEW MEXICO**  
 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>2017 Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<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>
San Diego Riverside Charter School proportion of the net pension liability (asset)	0.0230%	0.0217%	0.0188%
San Diego Riverside Charter School proportionate share of the net pension liability (asset)	\$ 1,652,301	\$ 1,407,510	\$ 1,072,669
San Diego Riverside Charter School covered-employee payroll	655,183	617,647	518,316
San Diego Riverside Charter School proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	252%	228%	207%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	63.97%	66.54%

\* 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.

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

	<b>As of and for the Year Ended June 30, 2017</b>	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contribution	\$ 352,379	\$ 384,719	\$ 370,600
Contributions in relation to the contractually required contribution	<u>352,379</u>	<u>384,719</u>	<u>370,600</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Jemez Valley Public School District No. 31 covered-employee payroll	2,535,098	2,767,762	2,666,187
Contribution as a percentage of covered-employee payroll	13.90%	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.

**STATE OF NEW MEXICO**  
 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\*

	<b>As of and for the Year Ended June 30, 2017</b>	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contribution	\$ 86,770	\$ 91,070	\$ 85,853
Contributions in relation to the contractually required contribution	<u>86,770</u>	<u>91,070</u>	<u>85,853</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
San Diego Riverside Charter School covered-employee payroll	624,245	655,183	617,647
Contribution as a percentage of covered-employee payroll	13.90%	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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Notes to Required Supplementary Information  
June 30, 2017

*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, 2015 as a result of the changes of assumptions described above.

See independent auditors' report.

## **SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**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 IASA (24101)** – This fund is used 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

**Charter School Dissemination (24142)** (Charter School only) – This fund is used to increase the national understanding of the charter school model by expanding the number of high-quality charter schools available to students across the Nation by providing financial assistance for the planning, program design, and initial implementation of charter schools and by evaluating the effects of charter schools, including their effects on students, student academic achievement, staff and parents. Authority for creation of this fund is the Elementary and Secondary Education Act of 1965, as amended, Title V Part B, Subpart 1.

**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.

**Title VII Indian Education (24155)** (Charter School only) – To account for program funding by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93- 638, 25 U.S.C. 2601-2606

**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.



**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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.

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

**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.

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

**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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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.

**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.

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

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

**2013 School Bus (27178)** – This funding is to be used to allow the District to purchase 2 school buses. The Authority by Law of 2015, First Special Session, Chapter 3, section 75, Paragraph 2.

**Gear Up CHE (28178)** (Charter School only) – (Gaining Early Awareness and Readiness for Undergraduate Programs). The purpose of this grant is to increase the number of low-income students who, upon graduation from high school, have the skills and knowledge to succeed in college.

**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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

**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)** – 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.

**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.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	<b>Special Revenue</b>			
	<b>Food Services 21000</b>	<b>Athletics 22000</b>	<b>Non Instructional Support 23000</b>	<b>Title I IASA Special Revenue Fund 24101</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 68,619	\$ 8,732	\$ 968	\$ 33,327
Receivables:				
Property taxes	-	-	-	-
Due from other governments	-	-	-	18,800
Inventory	327	-	-	-
Due from other funds	120	-	-	-
<i>Total assets</i>	<u>\$ 69,066</u>	<u>\$ 8,732</u>	<u>\$ 968</u>	<u>\$ 52,127</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to PED	-	-	-	-
Due to Charter School	-	-	-	1,037
Accrued payroll	-	-	-	507
Due to other funds	-	-	-	50,552
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,096</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	327	-	-	-
Spendable:				
Restricted for:				
Food services	68,739	-	-	-
Extracurricular activities	-	8,732	968	-
Education	-	-	-	31
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>69,066</u>	<u>8,732</u>	<u>968</u>	<u>31</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 69,066</u>	<u>\$ 8,732</u>	<u>\$ 968</u>	<u>\$ 52,127</u>

See independent auditors' report.

**Special Revenue**

<b>IDEA-B Entitlement 24106</b>	<b>IDEA-B Preschool 24109</b>	<b>Goals 2000 24127</b>	<b>Teacher/ Principal Training /Recruiting 24154</b>	<b>Title I School Improvement 24162</b>
\$ -	\$ 454	\$ 13,255	\$ -	\$ -
-	-	-	-	-
13,483	-	-	36,157	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,483</u>	<u>\$ 454</u>	<u>\$ 13,255</u>	<u>\$ 36,157</u>	<u>\$ -</u>
\$ 1,898	\$ -	\$ -	\$ 792	\$ -
-	-	13,255	-	-
-	-	-	-	-
1,134	-	-	-	-
10,451	-	-	35,365	-
<u>13,483</u>	<u>-</u>	<u>13,255</u>	<u>36,157</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	454	-	-	-
-	-	-	-	-
-	-	-	-	-
-	454	-	-	-
<u>\$ 13,483</u>	<u>\$ 454</u>	<u>\$ 13,255</u>	<u>\$ 36,157</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2017

	<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>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 22,505	\$ 178,408	\$ 168,441
Receivables:				
Property taxes	-	-	-	-
Due from other governments	11,382	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 11,382</u>	<u>\$ 22,505</u>	<u>\$ 178,408</u>	<u>\$ 168,441</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to PED	-	-	-	-
Due to Charter School	-	-	-	-
Accrued payroll	-	2,485	3,779	238
Due to other funds	11,382	-	-	-
<i>Total liabilities</i>	<u>11,382</u>	<u>2,485</u>	<u>3,779</u>	<u>238</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	-	-	-	-
Spendable:				
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	-	20,020	174,629	168,203
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>20,020</u>	<u>174,629</u>	<u>168,203</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,382</u>	<u>\$ 22,505</u>	<u>\$ 178,408</u>	<u>\$ 168,441</u>

See independent auditors' report.

**Special Revenue**

<b>LANL Foundation 26113</b>	<b>Golden Apple Foundation 26163</b>	<b>2012 G.O. Bond Student Library Fund 27107</b>	<b>New Mexico Reads to Lead 27114</b>	<b>Computers in Schools 27131</b>
\$ 3,663	\$ 1	\$ -	\$ -	\$ 1,350
-	-	-	-	-
-	-	632	22,454	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,663</u>	<u>\$ 1</u>	<u>\$ 632</u>	<u>\$ 22,454</u>	<u>\$ 1,350</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,350
-	-	-	-	-
113	-	-	1,690	-
-	-	632	20,764	-
<u>113</u>	<u>-</u>	<u>632</u>	<u>22,454</u>	<u>1,350</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,550	1	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,550</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,663</u>	<u>\$ 1</u>	<u>\$ 632</u>	<u>\$ 22,454</u>	<u>\$ 1,350</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	<b>Special Revenue</b>			
	<b>Pre-K Initiative 27149</b>	<b>Indian Education Initiative 27150</b>	<b>Beginning Teacher Mentoring Program 27154</b>	<b>Elementary Breakfast in Classroom 27155</b>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 87	\$ 120
Receivables:				
Property taxes	-	-	-	-
Due from other governments	25,060	4,579	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<b>\$ 25,060</b>	<b>\$ 4,579</b>	<b>\$ 87</b>	<b>\$ 120</b>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to PED	-	-	87	-
Due to Charter School	-	-	-	-
Accrued payroll	6,112	695	-	-
Due to other funds	12,223	3,884	-	120
<i>Total liabilities</i>	<b>18,335</b>	<b>4,579</b>	<b>87</b>	<b>120</b>
<i>Deferred inflows of resources</i>				
Unavailable revenue - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund balances</i>				
<i>Nonspendable:</i>				
Inventory	-	-	-	-
<i>Spendable:</i>				
<i>Restricted for:</i>				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	6,725	-	-	-
Capital acquisitions and improvements	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balances</i>	<b>6,725</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<b>\$ 25,060</b>	<b>\$ 4,579</b>	<b>\$ 87</b>	<b>\$ 120</b>

See independent auditors' report.



**Special Revenue**

<b>Kindergarten - Three Plus 27166</b>	<b>School Bus 2013 27178</b>	<b>Natural Helpers 28195</b>	<b>Private Dir. Grants 29102</b>	<b>City/County Grants 29107</b>
\$ -	\$ -	\$ 16,946	\$ 50,006	\$ 18,247
-	-	-	-	-
14,416	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 14,416</u>	<u>\$ -</u>	<u>\$ 16,946</u>	<u>\$ 50,006</u>	<u>\$ 18,247</u>
\$ -	\$ -	\$ -	\$ -	\$ 142
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
14,416	-	-	-	-
<u>14,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16,946	50,006	18,105
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>16,946</u>	<u>50,006</u>	<u>18,105</u>
<u>\$ 14,416</u>	<u>\$ -</u>	<u>\$ 16,946</u>	<u>\$ 50,006</u>	<u>\$ 18,247</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>School Based Health Center 29130</u>	<u>Special Capital Outlay Federal 31500</u>	<u>Capital Improvements SB-9- State 31700</u>	<u>Capital Improvements SB-9- Local 31701</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 22,895	\$ 24,925	\$ -	\$ 60,652
Receivables:				
Property taxes	-	-	-	21,681
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 22,895</u>	<u>\$ 24,925</u>	<u>\$ -</u>	<u>\$ 82,333</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,980
Due to PED	-	-	-	-
Due to Charter School	-	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,980</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - property taxes	-	-	-	17,154
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,154</u>
<i>Fund balances</i>				
Nonspendable:				
Inventory	-	-	-	-
Spendable:				
Restricted for:				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	22,895	-	-	-
Capital acquisitions and improvements	-	24,925	-	60,199
Debt service	-	-	-	-
<i>Total fund balances</i>	<u>22,895</u>	<u>24,925</u>	<u>-</u>	<u>60,199</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 22,895</u>	<u>\$ 24,925</u>	<u>\$ -</u>	<u>\$ 82,333</u>

See independent auditors' report.

<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Education Technology Equipment Act 31900</u>	<u>Ed Tech Debt Service 43000</u>	<u>Total Governmental Funds</u>
\$ 164,811	\$ 118,621	\$ 977,033
-	14,413	36,094
-	-	146,963
-	-	327
-	-	120
<u>\$ 164,811</u>	<u>\$ 133,034</u>	<u>\$ 1,160,537</u>
\$ 715	\$ -	\$ 8,527
-	-	14,692
-	-	1,037
-	-	16,753
-	-	159,789
<u>715</u>	<u>-</u>	<u>200,798</u>
-	14,117	31,271
-	14,117	31,271
-	-	327
-	-	68,739
-	-	9,700
-	-	481,565
164,096	-	249,220
-	118,917	118,917
<u>164,096</u>	<u>118,917</u>	<u>928,468</u>
<u>\$ 164,811</u>	<u>\$ 133,034</u>	<u>\$ 1,160,537</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 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, 2017

	<b>Special Revenue</b>			
	<b>Food Services 21000</b>	<b>Athletics 22000</b>	<b>Non Instructional Support 23000</b>	<b>Title I IASA Special Revenue Fund 24101</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	207,823	-	-	98,431
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	10,532	13,228	-	-
<b>Total revenues</b>	<b>218,355</b>	<b>13,228</b>	<b>-</b>	<b>98,431</b>
<i>Expenditures</i>				
Current:				
Instruction	-	12,967	-	39,490
Support services - students	-	-	-	37,003
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	3,932
Support services - school administration	-	-	-	-
Central services	-	-	-	17,975
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	208,759	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>208,759</b>	<b>12,967</b>	<b>-</b>	<b>98,400</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>9,596</b>	<b>261</b>	<b>-</b>	<b>31</b>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>9,596</b>	<b>261</b>	<b>-</b>	<b>31</b>
<b>Fund balances - beginning</b>	<b>59,470</b>	<b>8,471</b>	<b>968</b>	<b>-</b>
<b>Fund balances - end of year</b>	<b>\$ 69,066</b>	<b>\$ 8,732</b>	<b>\$ 968</b>	<b>\$ 31</b>

See independent auditors' report.

**Special Revenue**

<b>IDEA-B Entitlement 24106</b>	<b>IDEA-B Preschool 24109</b>	<b>Goals 2000 24127</b>	<b>Teacher/ Principal Training /Recruiting 24154</b>	<b>Title I School Improvement 24162</b>
\$ -	\$ -	\$ -	\$ -	\$ -
85,662	1,232	-	40,873	553
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>85,662</u>	<u>1,232</u>	<u>-</u>	<u>40,873</u>	<u>553</u>
37,629	-	-	39,119	553
4,952	778	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,754	-
8,081	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,000	-	-	-	-
<u>85,662</u>	<u>778</u>	<u>-</u>	<u>40,873</u>	<u>553</u>
-	454	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	454	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 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, 2017

	<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>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	11,382	25,413	280,562	119,683
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>11,382</u>	<u>25,413</u>	<u>280,562</u>	<u>119,683</u>
<i>Expenditures</i>				
Current:				
Instruction	-	77,424	16,083	-
Support services - students	-	-	79,848	36,197
Support services - instruction	-	-	23,893	-
Support services - general administration	-	2,626	52,959	-
Support services - school administration	-	-	-	-
Central services	-	2,520	138,825	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	11,382	-	-	-
<i>Total expenditures</i>	<u>11,382</u>	<u>82,570</u>	<u>311,608</u>	<u>36,197</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(57,157)</u>	<u>(31,046)</u>	<u>83,486</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	(57,157)	(31,046)	83,486
<i>Fund balances - beginning</i>	<u>-</u>	<u>77,177</u>	<u>205,675</u>	<u>84,717</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 20,020</u>	<u>\$ 174,629</u>	<u>\$ 168,203</u>

See independent auditors' report.

**Special Revenue**

<b>LANL Foundation 26113</b>	<b>Golden Apple Foundation 26163</b>	<b>2012 G.O. Bond Student Library Fund 27107</b>	<b>New Mexico Reads to Lead 27114</b>	<b>Computers in Schools 27131</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	9,387	71,976	-
-	-	-	-	-
-	-	-	-	-
-	-	9,387	71,976	-
-	-	-	71,976	-
-	-	-	-	-
15,983	-	9,387	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,983	-	9,387	71,976	-
(15,983)	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(15,983)	-	-	-	-
19,533	1	-	-	-
\$ 3,550	\$ 1	\$ -	\$ -	\$ -

See independent auditors' report.

**STATE OF NEW MEXICO**  
 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, 2017

	<b>Special Revenue</b>			
	<b>Pre-K Initiative 27149</b>	<b>Indian Education Initiative 27150</b>	<b>Beginning Teacher Mentoring Program 27154</b>	<b>Elementary Breakfast in Classroom 27155</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	100,640	24,182	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<b>100,640</b>	<b>24,182</b>	<b>-</b>	<b>-</b>
<i>Expenditures</i>				
Current:				
Instruction	95,640	-	-	-
Support services - students	-	24,182	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	5,000	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>100,640</b>	<b>24,182</b>	<b>-</b>	<b>-</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Net change in fund balances</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund balances - beginning</i>	<b>6,725</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - end of year</b>	<b>\$ 6,725</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors' report.



**Special Revenue**

<b>Kindergarten - Three Plus 27166</b>	<b>School Bus 2013 27178</b>	<b>Natural Helpers 28195</b>	<b>Private Dir. Grants 29102</b>	<b>City/County Grants 29107</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
34,686	83,959	-	49,358	-
-	-	5,000	-	-
-	-	-	-	-
<u>34,686</u>	<u>83,959</u>	<u>5,000</u>	<u>49,358</u>	<u>-</u>
30,094	-	-	-	-
-	-	-	-	-
-	-	-	-	5,980
-	-	-	-	-
1,005	-	-	-	-
-	-	-	-	-
-	-	-	-	9,073
3,587	-	-	-	-
-	-	-	-	-
-	83,959	-	-	-
<u>34,686</u>	<u>83,959</u>	<u>-</u>	<u>-</u>	<u>15,053</u>
-	-	5,000	49,358	(15,053)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,000	49,358	(15,053)
-	-	11,946	648	33,158
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,946</u>	<u>\$ 50,006</u>	<u>\$ 18,105</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
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, 2017

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>School Based Health Center 29130</u>	<u>Special Capital Outlay Federal 31500</u>	<u>Capital Improvements SB-9- State 31700</u>	<u>Capital Improvements SB-9- Local 31701</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ 185,573
Intergovernmental revenue:				
Federal flowthrough	-	30,825	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	13,374	-
State direct	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,825</u>	<u>13,374</u>	<u>185,573</u>
<i>Expenditures</i>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	1,849
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	13,373	155,595
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	6,696	-	3,064
<i>Total expenditures</i>	<u>-</u>	<u>6,696</u>	<u>13,373</u>	<u>160,508</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>24,129</u>	<u>1</u>	<u>25,065</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	35,134
Transfers (out)	-	-	(35,134)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(35,134)</u>	<u>35,134</u>
<i>Net change in fund balances</i>	-	24,129	(35,133)	60,199
<i>Fund balances - beginning</i>	<u>22,895</u>	<u>796</u>	<u>35,133</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 22,895</u>	<u>\$ 24,925</u>	<u>\$ -</u>	<u>\$ 60,199</u>

See independent auditors' report.

<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Education Technology Equipment Act 31900</u>	<u>Ed Tech Debt Service 43000</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 4,325	\$ 189,898
-	-	465,399
-	-	437,040
-	-	387,562
-	-	5,000
-	-	23,760
<u>-</u>	<u>4,325</u>	<u>1,508,659</u>
-	-	420,975
-	-	182,960
-	-	55,243
-	46	61,412
-	-	2,759
-	-	167,401
65,902	-	243,943
-	-	8,587
-	-	208,759
403,541	-	543,642
<u>469,443</u>	<u>46</u>	<u>1,895,681</u>
<u>(469,443)</u>	<u>4,279</u>	<u>(387,022)</u>
-	-	35,134
<u>-</u>	<u>-</u>	<u>(35,134)</u>
<u>-</u>	<u>-</u>	<u>-</u>
(469,443)	4,279	(387,022)
<u>633,539</u>	<u>114,638</u>	<u>1,315,490</u>
<u>\$ 164,096</u>	<u>\$ 118,917</u>	<u>\$ 928,468</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Combining Balance Sheet  
 General Fund  
 June 30, 2017

Statement B-1

	<b>Operating 11000</b>	<b>Teacherage 12000</b>	<b>Pupil Transportation 13000</b>	<b>Instructional Materials 14000</b>	<b>Total</b>
<i>Assets</i>					
Cash and cash equivalents	\$ 803,709	\$ 60,633	\$ 39,508	\$ 18,647	\$ 922,497
Receivables:					
Property taxes	3,671	-	-	-	3,671
Due from other funds	216,554	-	-	-	216,554
<b>Total assets</b>	<b>\$ 1,023,934</b>	<b>\$ 60,633</b>	<b>\$ 39,508</b>	<b>\$ 18,647</b>	<b>\$ 1,142,722</b>
<i>Liabilities, deferred inflows of resources, and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 38,689	\$ 139	\$ 189	\$ -	\$ 39,017
Accrued payroll	97,142	-	4,099	-	101,241
Due to other funds	5,074	-	-	-	5,074
<b>Total liabilities</b>	<b>140,905</b>	<b>139</b>	<b>4,288</b>	<b>-</b>	<b>145,332</b>
<i>Deferred inflows of resources</i>					
Unavailable revenue - property taxes	3,001	-	-	-	3,001
<b>Total deferred inflows of resources</b>	<b>3,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,001</b>
<i>Fund Balances</i>					
<i>Spendable:</i>					
<i>Restricted for:</i>					
Transportation	-	-	35,220	-	35,220
Teacherage	-	60,494	-	-	60,494
Instructional materials	-	-	-	18,647	18,647
<i>Committed for:</i>					
Subsequent year's expenditures	580,743	-	-	-	580,743
Unassigned	299,285	-	-	-	299,285
<b>Total fund balances</b>	<b>880,028</b>	<b>60,494</b>	<b>35,220</b>	<b>18,647</b>	<b>994,389</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,023,934</b>	<b>\$ 60,633</b>	<b>\$ 39,508</b>	<b>\$ 18,647</b>	<b>\$ 1,142,722</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 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, 2017

Statement B-2

	<b>Operating 11000</b>	<b>Teacherage 12000</b>	<b>Pupil Transportation 13000</b>	<b>Instructional Materials 14000</b>	<b>Total</b>
<i>Revenues</i>					
Property taxes	\$ 29,209	\$ -	\$ -	\$ -	\$ 29,209
Intergovernmental revenue:					
Federal flowthrough	29,383	-	-	-	29,383
Federal direct	1,122,650	-	-	-	1,122,650
State flowthrough	6,274	246	-	21,804	28,324
State direct	2,358,617	-	-	-	2,358,617
Transportation distribution	-	-	264,548	-	264,548
Charges for services	55,582	-	-	-	55,582
Miscellaneous	11,201	13,863	-	-	25,064
<b>Total revenues</b>	<b>3,612,916</b>	<b>14,109</b>	<b>264,548</b>	<b>21,804</b>	<b>3,913,377</b>
<i>Expenditures</i>					
Current:					
Instruction	1,671,070	-	-	22,366	1,693,436
Support services - students	217,730	-	-	-	217,730
Support services - instruction	56,930	-	-	-	56,930
Support services - general administration	247,692	-	-	-	247,692
Support services - school administration	272,909	-	-	-	272,909
Central services	149,422	-	-	-	149,422
Operation and maintenance plant	676,675	5,237	-	-	681,912
Student transportation	-	-	243,134	-	243,134
<b>Total expenditures</b>	<b>3,292,428</b>	<b>5,237</b>	<b>243,134</b>	<b>22,366</b>	<b>3,563,165</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>320,488</b>	<b>8,872</b>	<b>21,414</b>	<b>(562)</b>	<b>350,212</b>
<i>Other financing sources (uses)</i>					
Remittal to PED	-	-	(13,806)	(30,321)	(44,127)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(13,806)</b>	<b>(30,321)</b>	<b>(44,127)</b>
<i>Net change in fund balances</i>	320,488	8,872	7,608	(30,883)	306,085
<i>Fund balances - beginning</i>	559,540	51,622	27,612	49,530	688,304
<i>Fund balances - end of year</i>	<b>\$ 880,028</b>	<b>\$ 60,494</b>	<b>\$ 35,220</b>	<b>\$ 18,647</b>	<b>\$ 994,389</b>

See independent auditors' report.

## STATE OF NEW MEXICO

Statement B-3

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, 2017

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 26,568	\$ 26,568	\$ 29,160	\$ 2,592
Intergovernmental revenue:				
Federal flowthrough	5,237	5,237	29,383	24,146
Federal direct	907,749	1,122,270	1,122,650	380
State flowthrough	1,500	1,500	6,274	4,774
State direct	2,454,743	2,340,796	2,358,617	17,821
Transportation distribution	-	-	-	-
Charges for services	1,500	19,168	55,582	36,414
Investment income	-	-	-	-
Miscellaneous	25	5,847	11,201	5,354
<i>Total revenues</i>	<u>3,397,322</u>	<u>3,521,386</u>	<u>3,612,867</u>	<u>91,481</u>
<i>Expenditures</i>				
Current:				
Instruction	1,890,275	1,997,869	1,669,313	328,556
Support services - students	290,304	290,304	217,168	73,136
Support services - instruction	74,189	77,119	56,930	20,189
Support services - general administration	202,584	263,692	231,924	31,768
Support services - school administration	322,672	314,626	272,128	42,498
Central services	147,400	167,162	149,303	17,859
Operation and maintenance of plant	848,395	907,175	656,973	250,202
Student transportation	573	573	-	573
Other support services	5,885	5,885	-	5,885
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,782,277</u>	<u>4,024,405</u>	<u>3,253,739</u>	<u>770,666</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(384,955)</u>	<u>(503,019)</u>	<u>359,128</u>	<u>862,147</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	384,955	503,019	-	(503,019)
Remittal to PED	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>384,955</u>	<u>503,019</u>	<u>-</u>	<u>(503,019)</u>
<i>Net change in fund balance</i>	-	-	359,128	359,128
<i>Fund balance - beginning of year</i>	-	-	503,271	503,271
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 862,399</u>	<u>\$ 862,399</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 359,128
Adjustments to revenues for taxes and intergovernmental revenue				49
Adjustments to expenditures for supplies and payroll expenditures				(38,689)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 320,488</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 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, 2017

Statement B-4

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	246	246
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	15,600	15,600	13,863	(1,737)
<b>Total revenues</b>	<b>15,600</b>	<b>15,600</b>	<b>14,109</b>	<b>(1,491)</b>
<i>Expenditures</i>				
Current:				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	62,217	67,222	5,098	62,124
Student transportation	-	-	-	-
<b>Total expenditures</b>	<b>62,217</b>	<b>67,222</b>	<b>5,098</b>	<b>62,124</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(46,617)</b>	<b>(51,622)</b>	<b>9,011</b>	<b>60,633</b>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	46,617	51,622	-	(51,622)
Remittal to PED	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>46,617</b>	<b>51,622</b>	<b>-</b>	<b>(51,622)</b>
<i>Net change in fund balance</i>	-	-	9,011	9,011
<i>Fund balance - beginning of year</i>	-	-	51,622	51,622
<i>Fund balance - end of year</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,633</b>	<b>\$ 60,633</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 9,011
No adjustments to revenues				-
Adjustments to expenditures for operation and maintenance of plant				(139)
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ 8,872</b>

See independent auditors' report.

**STATE OF NEW MEXICO**

Statement B-5

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	274,937	264,548	264,548	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>274,937</u>	<u>264,548</u>	<u>264,548</u>	<u>-</u>
<i>Expenditures</i>				
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	274,937	278,354	242,945	35,409
Other support services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>274,937</u>	<u>278,354</u>	<u>242,945</u>	<u>35,409</u>
<i>Excess (deficiency) of revenues</i> <i>over expenditures</i>	<u>-</u>	<u>(13,806)</u>	<u>21,603</u>	<u>35,409</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	13,806	-	(13,806)
Remittal to PED	-	-	(13,806)	(13,806)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>13,806</u>	<u>(13,806)</u>	<u>(27,612)</u>
<i>Net change in fund balance</i>	-	-	7,797	7,797
<i>Fund balance - beginning of year</i>	-	-	27,612	27,612
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,409</u>	<u>\$ 35,409</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 7,797
No adjustments to revenues				-
Adjustments to expenditures for student transportation				(189)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 7,608</u>

See independent auditors' report.



**STATE OF NEW MEXICO**  
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, 2017

Statement B-6

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	17,369	17,369	21,804	4,435
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>17,369</b>	<b>17,369</b>	<b>21,804</b>	<b>4,435</b>
<i>Expenditures</i>				
Current:				
Instruction	17,369	36,577	22,366	14,211
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>17,369</b>	<b>36,577</b>	<b>22,366</b>	<b>14,211</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>-</b>	<b>(19,208)</b>	<b>(562)</b>	<b>18,646</b>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	19,208	-	(19,208)
Remittal to PED	-	-	(30,321)	(30,321)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>19,208</b>	<b>(30,321)</b>	<b>(49,529)</b>
<i>Net change in fund balance</i>	<b>-</b>	<b>-</b>	<b>(30,883)</b>	<b>(30,883)</b>
<i>Fund balance - beginning of year</i>	<b>-</b>	<b>-</b>	<b>49,530</b>	<b>49,530</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,647</b>	<b>\$ 18,647</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (30,883)
No adjustments to revenues				-
No adjustments to expenditures				-
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ (30,883)</b>

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**SAN DIEGO RIVERSIDE CHARTER SCHOOL**

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Combining Balance Sheet  
Governmental Funds  
June 30, 2017

	<b>General Fund - Operational 11000</b>	<b>General Fund - Instructional 14000</b>	<b>Special Revenue</b>	
			<b>Food Services 21000</b>	<b>Non Instructional Support 23000</b>
<i>Assets</i>				
Cash	\$ 207,740	\$ 1,933	\$ 24,402	\$ 4,730
Receivables:				
Due from other governments	-	-	-	-
Other	15,609	-	-	-
Due from Primary Government	-	-	-	-
Due from other funds	12,471	-	-	-
<i>Total assets</i>	<u>\$ 235,820</u>	<u>\$ 1,933</u>	<u>\$ 24,402</u>	<u>\$ 4,730</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accrued payroll	\$ 34,985	\$ -	\$ 930	\$ -
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>34,985</u>	<u>-</u>	<u>930</u>	<u>-</u>
<i>Fund balances</i>				
Spendable:				
Restricted for:				
Food services	-	-	23,472	-
Extracurricular activities	-	-	-	4,730
Education	-	1,933	-	-
Committed for:				
Subsequent year's expenditures	54,674	-	-	-
Unassigned	146,161	-	-	-
<i>Total fund balances</i>	<u>200,835</u>	<u>1,933</u>	<u>23,472</u>	<u>4,730</u>
<i>Total liabilities and fund balances</i>	<u>\$ 235,820</u>	<u>\$ 1,933</u>	<u>\$ 24,402</u>	<u>\$ 4,730</u>

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**Special Revenue**

<b>Title I IASA 24101</b>	<b>IDEA-B Entitlement 24106</b>	<b>Impact Aid Special Education 25145</b>	<b>Impact Aid Indian Education 25147</b>	<b>Title XIX Medicaid 25153</b>	<b>Indian Education Formula Grant 25184</b>
\$ -	\$ -	\$ 4,526	\$ 4,109	\$ 14,449	\$ -
-	-	-	-	2,281	-
-	-	-	-	-	-
1,037	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,037</u>	<u>\$ -</u>	<u>\$ 4,526</u>	<u>\$ 4,109</u>	<u>\$ 16,730</u>	<u>\$ -</u>
\$ 308	\$ -	\$ -	\$ 4,109	\$ -	\$ -
729	-	-	-	-	-
<u>1,037</u>	<u>-</u>	<u>-</u>	<u>4,109</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,526	-	16,730	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>4,526</u>	<u>-</u>	<u>16,730</u>	<u>-</u>
<u>\$ 1,037</u>	<u>\$ -</u>	<u>\$ 4,526</u>	<u>\$ 4,109</u>	<u>\$ 16,730</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 San Diego Riverside Charter School  
 Combining Balance Sheet  
 Governmental Funds  
 June 30, 2017

	<b>Special Revenue</b>			
	<b>LANL Foundation 26113</b>	<b>Save the Children 26143</b>	<b>2012 G.O. Bond Student Library Fund 27107</b>	<b>New Mexico Reads to Lead 27114</b>
<i>Assets</i>				
Cash	\$ -	\$ -	\$ -	\$ -
Receivables:				
Due from other governments	-	-	3,140	-
Other	-	-	-	-
Due from Primary Government	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ 3,140	\$ -
 <i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accrued payroll	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	3,140	-
<i>Total liabilities</i>	-	-	3,140	-
 <i>Fund balances</i>				
<i>Spendable:</i>				
<i>Restricted for:</i>				
Food services	-	-	-	-
Extracurricular activities	-	-	-	-
Education	-	-	-	-
<i>Committed for:</i>				
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	-	-	-
<i>Total liabilities and fund balances</i>	\$ -	\$ -	\$ 3,140	\$ -

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<u>Special Revenue</u>			<u>Capital Projects</u>		<u>Total Governmental Funds</u>
<u>Incentives for School Improvement 27138</u>	<u>Gear Up CHE 28178</u>	<u>Private Grant 29102</u>	<u>Public School Capital Outlay 31200</u>	<u>Capital Improvements SB-9 31700</u>	
\$ -	\$ -	\$ 74,023	\$ -	\$ -	\$ 335,912
-	-	-	-	8,602	14,023
-	-	-	-	-	15,609
-	-	-	-	-	1,037
-	-	-	-	-	12,471
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,023</u>	<u>\$ -</u>	<u>\$ 8,602</u>	<u>\$ 379,052</u>
\$ -	\$ -	\$ 3,363	\$ -	\$ -	\$ 43,695
-	-	-	-	8,602	12,471
-	-	3,363	-	8,602	56,166
-	-	-	-	-	23,472
-	-	70,660	-	-	75,390
-	-	-	-	-	23,189
-	-	-	-	-	54,674
-	-	-	-	-	146,161
-	-	70,660	-	-	322,886
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,023</u>	<u>\$ -</u>	<u>\$ 8,602</u>	<u>\$ 379,052</u>

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**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 San Diego Riverside Charter School  
 Governmental Funds  
 Reconciliation of the Combining Balance Sheet to the Statement of Net Position  
 June 30, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds	\$	322,886
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		313,766
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:		
Deferred outflows related to changes in proportion		148,424
Deferred outflows related to changes of assumptions		33,634
Deferred outflows related to differences between expected and actual experience		7,168
Deferred outflows related to net difference between expected and actual investment earnings		98,629
Deferred outflows related to employer contribution subsequent to measurement date		86,770
Deferred inflows related to changes in proportion		(56,092)
Deferred inflows related to differences between expected and actual experience		(15,715)
Liabilities, including accrued compensation and net pension 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		-
Net pension liability		(1,652,301)
		(1,652,301)
<i>Total net position - governmental funds</i>	\$	(712,831)

See independent auditors' report.

**STATE OF NEW MEXICO**  
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, 2017

	<b>Special Revenue</b>			
	<b>General Fund - Operational 11000</b>	<b>General Fund - Instructional 14000</b>	<b>Food Services 21000</b>	<b>Non Instructional Support 23000</b>
<i>Revenues</i>				
Intergovernmental revenue:				
Federal flowthrough	\$ -	\$ -	\$ 71,920	\$ -
Federal direct	-	-	-	-
State flowthrough	15,609	5,268	-	-
State direct	791,607	-	-	-
Charges for services	-	-	-	373
Miscellaneous income	54,978	-	-	1,079
<b>Total revenues</b>	<b>862,194</b>	<b>5,268</b>	<b>71,920</b>	<b>1,452</b>
<i>Expenditures</i>				
Current:				
Instruction	501,034	5,735	-	2,508
Support services - students	35,691	-	-	-
Support services - instruction	303	-	-	-
Support services - general administration	26,709	-	-	-
Support services - school administration	135,269	-	-	-
Central services	66,465	-	-	-
Operation and maintenance of plant	135,694	-	-	-
Food services operations	-	-	75,313	-
Capital outlay	95,135	-	-	-
<b>Total expenditures</b>	<b>996,300</b>	<b>5,735</b>	<b>75,313</b>	<b>2,508</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(134,106)</b>	<b>(467)</b>	<b>(3,393)</b>	<b>(1,056)</b>
<i>Other financing sources (uses)</i>				
Remittal of prior year fund balance	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(134,106)</b>	<b>(467)</b>	<b>(3,393)</b>	<b>(1,056)</b>
<b>Fund balances - beginning</b>	<b>334,941</b>	<b>2,400</b>	<b>26,865</b>	<b>5,786</b>
<b>Fund balances - end of year</b>	<b>\$ 200,835</b>	<b>\$ 1,933</b>	<b>\$ 23,472</b>	<b>\$ 4,730</b>

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**Special Revenue**

<b>Title I IASA 24101</b>	<b>IDEA-B Entitlement 24106</b>	<b>Impact Aid Special Education 25145</b>	<b>Impact Aid Indian Education 25147</b>	<b>Title XIX Medicaid 25153</b>	<b>Indian Education Formula Grant 25184</b>
\$ 17,974	\$ 8,081	\$ -	\$ -	\$ -	\$ -
-	-	2,580	83,911	17,845	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,974</u>	<u>8,081</u>	<u>2,580</u>	<u>83,911</u>	<u>17,845</u>	<u>-</u>
17,985	-	-	120,185	-	-
-	8,081	-	-	2,307	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,985</u>	<u>8,081</u>	<u>-</u>	<u>120,185</u>	<u>2,307</u>	<u>-</u>
<u>(11)</u>	<u>-</u>	<u>2,580</u>	<u>(36,274)</u>	<u>15,538</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(7,238)
-	-	-	-	-	(7,238)
<u>(11)</u>	<u>-</u>	<u>2,580</u>	<u>(36,274)</u>	<u>15,538</u>	<u>(7,238)</u>
<u>11</u>	<u>-</u>	<u>1,946</u>	<u>36,274</u>	<u>1,192</u>	<u>7,238</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,526</u>	<u>\$ -</u>	<u>\$ 16,730</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
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, 2017

	<b>Special Revenue</b>			
	<b>LANL Foundation 26113</b>	<b>Save the Children 26143</b>	<b>2012 G.O. Bond Student Library Fund 27107</b>	<b>New Mexico Reads to Lead 27114</b>
<i>Revenues</i>				
Intergovernmental revenue:				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State flowthrough	-	-	3,140	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,140</b>	<b>-</b>
<i>Expenditures</i>				
Current:				
Instruction	1,228	1,631	-	1
Support services - students	-	-	-	-
Support services - instruction	-	-	3,140	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,228</b>	<b>1,631</b>	<b>3,140</b>	<b>1</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(1,228)</b>	<b>(1,631)</b>	<b>-</b>	<b>(1)</b>
<i>Other financing sources (uses)</i>				
Remittal of prior year fund balance	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,228)</b>	<b>(1,631)</b>	<b>-</b>	<b>(1)</b>
<b>Fund balances - beginning</b>	<b>1,228</b>	<b>1,631</b>	<b>-</b>	<b>1</b>
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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<u>Special Revenue</u>			<u>Capital Projects</u>		<u>Total Governmental Funds</u>
<u>Incentives for School Improvement 27138</u>	<u>Gear Up CHE 28178</u>	<u>Private Grant 29102</u>	<u>Public School Capital Outlay 31200</u>	<u>Capital Improvements SB-9 31700</u>	
\$ -	\$ -	\$ 102,505	\$ -	\$ -	\$ 200,480
-	-	-	-	-	104,336
-	-	-	56,677	8,602	89,296
-	-	-	-	-	791,607
-	-	-	-	-	373
-	-	-	-	-	56,057
-	-	102,505	56,677	8,602	1,242,149
-	3,261	39,083	-	-	692,651
-	-	-	-	-	46,079
-	-	-	-	-	3,443
-	-	-	-	-	26,709
-	-	-	-	-	135,269
-	-	-	-	-	66,465
-	-	-	56,678	8,602	200,974
-	-	-	-	-	75,313
-	-	-	-	-	95,135
-	3,261	39,083	56,678	8,602	1,342,038
-	(3,261)	63,422	(1)	-	(99,889)
(888)	-	-	(2,407)	-	(3,295)
-	-	7,238	-	-	7,238
-	-	-	-	-	(7,238)
(888)	-	7,238	(2,407)	-	(3,295)
(888)	(3,261)	70,660	(2,408)	-	(103,184)
888	3,261	-	2,408	-	426,070
\$ -	\$ -	\$ 70,660	\$ -	\$ -	\$ 322,886

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**STATE OF NEW MEXICO**  
 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, 2017

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

Net change in fund balances - total governmental funds	\$ (103,184)
--	--------------

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	95,135
Depreciation expense	(30,170)
Loss on disposition of assets	(936)

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

Charter School pension contribution	86,770
Pension expense	(153,189)

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:

Decrease in accrued compensated absences not due and payable	<u>4,894</u>
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<i>Change in net position of governmental activities</i>	<u><u>\$ (100,680)</u></u>
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STATE OF NEW MEXICO

Statement C-3

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, 2017

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	821,155	792,086	791,607	(479)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	55,158	55,158	54,978	(180)
<b>Total revenues</b>	<b>876,313</b>	<b>847,244</b>	<b>846,585</b>	<b>(659)</b>
<i>Expenditures</i>				
Current:				
Instruction	660,493	544,076	508,599	35,477
Support services	217,425	215,949	197,972	17,977
Central services	112,949	69,207	66,465	2,742
Operation and maintenance of plant	184,288	161,573	135,694	25,879
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	190,270	95,135	95,135
<b>Total expenditures</b>	<b>1,175,155</b>	<b>1,181,075</b>	<b>1,003,865</b>	<b>177,210</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(298,842)</b>	<b>(333,831)</b>	<b>(157,280)</b>	<b>176,551</b>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	298,842	333,831	-	(333,831)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>298,842</b>	<b>333,831</b>	<b>-</b>	<b>(333,831)</b>
<i>Net change in fund balance</i>	-	-	(157,280)	(157,280)
<i>Fund balance - beginning of year</i>	-	-	342,506	342,506
<i>Fund balance - end of year</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 185,226</b>	<b>\$ 185,226</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (157,280)
Adjustments to revenues for accruals of state grants				15,609
Adjustments to expenditures for payroll expenditures				7,565
<b>Net change in fund balance (GAAP Basis)</b>				<b>\$ (134,106)</b>

See independent auditors' report.



**STATE OF NEW MEXICO**  
 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, 2017

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances Favorable (Unfavorable) Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	5,145	3,964	5,268	1,304
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,145</u>	<u>3,964</u>	<u>5,268</u>	<u>1,304</u>
<i>Expenditures</i>				
Current:				
Instruction	8,249	6,364	5,735	629
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>8,249</u>	<u>6,364</u>	<u>5,735</u>	<u>629</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,104)</u>	<u>(2,400)</u>	<u>(467)</u>	<u>1,933</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,104	2,400	-	(2,400)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,104</u>	<u>2,400</u>	<u>-</u>	<u>(2,400)</u>
<i>Net change in fund balance</i>	-	-	(467)	(467)
<i>Fund balance - beginning of year</i>	-	-	2,400	2,400
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,933</u>	<u>\$ 1,933</u>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ (467)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (467)</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 San Diego Riverside Charter School  
 Private 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, 2017

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue:				
Federal flowthrough	-	93,119	102,505	9,386
Federal direct	-	-	-	-
Local sources	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>93,119</b>	<b>102,505</b>	<b>9,386</b>
<i>Expenditures</i>				
Current:				
Instruction	-	93,119	39,083	54,036
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>93,119</b>	<b>39,083</b>	<b>54,036</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>-</b>	<b>-</b>	<b>63,422</b>	<b>63,422</b>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	7,238	7,238
Transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,238</b>	<b>7,238</b>
<i>Net change in fund balance</i>	<b>-</b>	<b>-</b>	<b>70,660</b>	<b>70,660</b>
<i>Fund balance - beginning of year</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund balance - end of year</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,660</b>	<b>\$ 70,660</b>
Net change in fund balance (Non-GAAP Budgetary Basis)				\$ 70,660
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<b>\$ 70,660</b>

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## **SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Schedule of Deposits  
 June 30, 2017

Schedule III

<b>Bank Account Type/ Name</b>	<b>New Mexico Bank &amp; Trust</b>
Accounts Payable Clearing - Checking	\$ 37,494
Payroll Clearing - Checking	261,558
Federal - Checking	356,582
Student Activity - Checking	58,392
Operating Account - Checking	2,295,476
 Total	 3,009,502
 Reconciling items	 (180,339)
 <i>Reconciled balance June 30, 2017</i>	 <i>\$ 2,829,163</i>
 Reconciliation to financial statements:	
Cash and cash equivalents:	
Government-wide statement of net position - Exhibit A-1	\$ 1,781,004
Restricted cash and cash equivalents:	
Government-wide statement of net position - Exhibit A-1	989,763
Statement of fiduciary assets and liabilities - Exhibit D-1	58,396
	\$ 2,829,163

**Component Unit:**

<b>Bank Account Type/ Name</b>	<b>US Bank</b>
Operational - Checking	\$ 342,747
 Total	 342,747
 Reconciling items	 (6,835)
 Reconciled balance at June 30, 2017	 <i>\$ 335,912</i>
<i>Component Unit cash - Exhibit A-1</i>	<i>\$ 335,912</i>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Cash Reconciliation  
 For the Year Ended June 30, 2017

	<b>Operational 11000</b>	<b>Teacherage 12000</b>	<b>Transportation 13000</b>	<b>Instructional Materials 14000</b>	<b>Food Services 21000</b>
PED Cash, June 30, 2016	\$ 502,924	\$ 51,622	\$ 27,612	\$ 49,530	\$ 54,570
Add:					
2016-2017 receipts	3,612,867	14,109	264,540	21,804	203,730
Total cash available	4,115,791	65,731	292,152	71,334	258,300
Less:					
2016-2017 expenditures	(3,253,659)	(5,098)	(242,937)	(22,366)	(189,681)
Adjustments	91	-	(13,806)	(30,321)	-
PED Cash, June 30, 2017	862,223	60,633	35,409	18,647	68,619
Add / Less:					
Audit adjustment	176	-	-	-	-
Negative cash loans from (to)	(155,832)	-	-	-	-
Held checks	97,142	-	4,099	-	-
<i>Cash per financial statement</i>	<u>\$ 803,709</u>	<u>\$ 60,633</u>	<u>\$ 39,508</u>	<u>\$ 18,647</u>	<u>\$ 68,619</u>

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<b>Athletics 22000</b>	<b>Non-Instructional Support 23000</b>	<b>Federal Flowthrough 24000</b>	<b>Federal Direct 25000</b>	<b>Local Grants 26000</b>	<b>State Flowthrough 27000</b>
\$ 8,471	\$ 968	\$ (12,312)	\$ 321,962	\$ 19,534	\$ (225,016)
13,228	-	249,827	652,545	-	490,988
21,699	968	237,515	974,507	19,534	265,972
(12,967)	-	(235,994)	(669,075)	(15,983)	(324,831)
-	-	(3,154)	(2)	-	-
8,732	968	(1,633)	305,430	3,551	(58,859)
-	-	-	-	-	-
-	-	47,028	56,885	-	51,919
-	-	1,641	7,039	113	8,497
<u>\$ 8,732</u>	<u>\$ 968</u>	<u>\$ 47,036</u>	<u>\$ 369,354</u>	<u>\$ 3,664</u>	<u>\$ 1,557</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Cash Reconciliation  
For the Year Ended June 30, 2017

	<b>State Direct 28000</b>	<b>Local or state 29000</b>	<b>Bond Building 31100</b>	<b>Special Capital Outlay Federal 31500</b>
PED Cash, June 30, 2016	\$ 11,946	\$ 58,085	\$ 95	\$ 796
Add:				
2016-2017 receipts	5,000	49,359	-	30,825
Total cash available	<u>16,946</u>	<u>107,444</u>	<u>95</u>	<u>31,621</u>
Less:				
2016-2017 expenditures	-	(16,296)	-	(6,696)
Adjustments	-	-	-	-
PED Cash, June 30, 2017	<u>16,946</u>	<u>91,148</u>	<u>95</u>	<u>24,925</u>
Add / Less:				
Audit adjustment	-	-	-	-
Negative cash loans from (to)	-	-	-	-
Held checks	-	-	-	-
<i>Cash per financial statement</i>	<u><u>\$ 16,946</u></u>	<u><u>\$ 91,148</u></u>	<u><u>\$ 95</u></u>	<u><u>\$ 24,925</u></u>

See independent auditors' report.



<b>Capital Improvements SB-9- State 31700</b>	<b>Capital Improvements SB-9- Local 31701</b>	<b>Education Technology Equipment Act 31900</b>	<b>Debt Service 41000</b>	<b>Ed Tech Debt Service 43000</b>	<b>Total</b>
\$ 7,297	\$ -	\$ 364,891	\$ 809,835	\$ 114,127	\$ 2,166,937
13,374	208,883	-	816,230	4,540	6,651,849
20,671	208,883	364,891	1,626,065	118,667	8,818,786
(13,374)	(155,528)	(477,344)	(754,923)	(46)	(6,396,798)
(7,297)	7,297	277,264	-	-	230,072
-	60,652	164,811	871,142	118,621	2,652,060
-	-	-	-	-	176
-	-	-	-	-	-
-	-	-	-	-	118,531
<u>\$ -</u>	<u>\$ 60,652</u>	<u>\$ 164,811</u>	<u>\$ 871,142</u>	<u>\$ 118,621</u>	<u>\$ 2,770,767</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
San Diego Riverside Charter School  
Cash Reconciliation  
For the Year Ended June 30, 2017

	<b>Operational 11000</b>	<b>Instructional Materials 14000</b>	<b>Food Services 21000</b>	<b>Non-Instructional Support 23000</b>
PED Cash, June 30, 2016	\$ 337,113	\$ 2,400	\$ 26,865	\$ 5,786
Add:				
2016-2017 receipts	846,585	5,268	71,920	1,452
Current year accrued payroll	34,985	-	930	-
Unadjusted accounts payable	(2,172)	-	-	-
Loans from other funds	-	-	-	-
Permanent cash transfers	-	-	-	-
Reversions	-	-	-	-
Total cash available	<u>1,216,511</u>	<u>7,668</u>	<u>99,715</u>	<u>7,238</u>
Less:				
2016-2017 expenditures	(996,300)	(5,735)	(75,313)	(2,508)
Loans to other funds	<u>(12,471)</u>	<u>-</u>	<u>-</u>	<u>-</u>
PED Cash, June 30, 2017	<u>207,740</u>	<u>1,933</u>	<u>24,402</u>	<u>4,730</u>
<i>Cash per financial statement</i>	<u><u>\$ 207,740</u></u>	<u><u>\$ 1,933</u></u>	<u><u>\$ 24,402</u></u>	<u><u>\$ 4,730</u></u>

See independent auditors' report.

<b>Federal Flowthrough 24000</b>	<b>Federal Direct 25000</b>	<b>Local Grants 26000</b>	<b>State Flowthrough 27000</b>	<b>State Direct 28000</b>	<b>Local or state 29000</b>
\$ 1,768	\$ 46,650	\$ 2,858	\$ 905	\$ 3,261	\$ -
25,018	102,055	-	-	-	102,505
308	4,108	-	-	-	3,363
-	-	-	-	-	-
729	-	-	3,140	-	-
-	(7,238)	-	-	-	7,238
(1,768)	-	-	(905)	-	-
<u>26,055</u>	<u>145,575</u>	<u>2,858</u>	<u>3,140</u>	<u>3,261</u>	<u>113,106</u>
(26,055)	(122,491)	(2,858)	(3,140)	(3,261)	(39,083)
-	-	-	-	-	-
-	23,084	-	-	-	74,023
<u>\$ -</u>	<u>\$ 23,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,023</u>

See independent auditors' report.

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**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 San Diego Riverside Charter School  
 Cash Reconciliation  
 For the Year Ended June 30, 2017

	<b>Public School Capital Outlay 31200</b>	<b>Capital Improvements SB-9 31700</b>	<b>Total</b>
PED Cash, June 30, 2016	\$ 2,408	\$ -	\$ 430,014
Add:			
2016-2017 receipts	56,678	-	1,211,481
Current year accrued payroll	-	-	43,694
Unadjusted accounts payable	-	-	(2,172)
Loans from other funds	-	8,602	12,471
Permanent cash transfers	-	-	-
Reversions	(2,408)	-	(5,081)
	56,678	8,602	1,690,407
Total cash available			
Less:			
2016-2017 expenditures	(56,678)	(8,602)	(1,342,024)
Loans to other funds	-	-	(12,471)
	-	-	335,912
PED Cash, June 30, 2017			
	-	-	335,912
<i>Cash per financial statement</i>	\$ -	\$ -	\$ 335,912

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Schedule of Collateral Pledged by Depository for Public Funds  
 June 30, 2017

Schedule V

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2017</u>
<b>Primary Government:</b>				
<b>New Mexico Bank &amp; Trust</b>				
	BURLESON TX WTR & SWR REV	3/1/2030	121410QB3	\$ 573,354
	BURLESON TX WTR & SWR REV	3/1/2032	121410QD9	619,028
	CHEROKEE COLO MET DIST WTR & W REV BDS	8/1/2029	16415TAS0	602,192
	METROPOLITAN TRANSN AUTH N Y R REV BDS	11/15/2034	59261AJU2	79,568
	Neosho Cnty KANS UNI SCH DIST GO REF BDS	9/1/2029	640575GM2	358,945
	PHILADELPHIA PA AUTH for INDL DEV	4/15/2022	71781LBP3	1,246,641
	WARREN MICH CONS SCH DIST	5/1/2030	935341B63	332,076
	WESTERN VA REGL JAIL AUTH VA R REV REF BDS	12/1/2034	95984RCC2	<u>901,155</u>
	<b>Total New Mexico Bank &amp; Trust</b>			<u>4,712,959</u>
Name and location of safekeeper for above pledged collateral: Suntrust Bank, Atlanta				
<i>Total Primary Government</i>				<u><u>\$ 4,712,959</u></u>

**Component Unit:**

**US Bank**

	FHLMC GOLD POOL G18549	4/1/2030	3128MMTF0	\$ 44,618
	FHLMC GOLD POOL G18556	6/1/2030	3128MMTN3	113,935
	FHLMC GOLD REMIC 4193 AP	4/15/2043	3137B1H21	<u>107,768</u>
	<b>Total US Bank</b>			<u>266,321</u>
Name and location of safekeeper for above pledged collateral: US Bank Minneapolis, MN				
<i>Total Component Unit</i>				<u><u>\$ 266,321</u></u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2017

Schedule VI

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
JVPS Funds	\$ 12,365	\$ 142	\$ 21	\$ 12,486
Elementary Schools Funds	5,177	13,113	10,787	7,503
Middle School Funds	6,666	7,902	4,318	10,250
High School Funds	25,605	19,029	16,477	28,157
<i>Totals</i>	<u>\$ 49,813</u>	<u>\$ 40,186</u>	<u>\$ 31,603</u>	<u>58,396</u>
				<i>Total agency assets per Exhibit D-1</i> <u>\$ 58,396</u>
				Due to student organizations <u>\$ 58,396</u>
				<i>Total agency liabilities per Exhibit D-1</i> <u>\$ 58,396</u>

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**

Timothy Keller  
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, 2017, 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 8, 2017.

**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.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

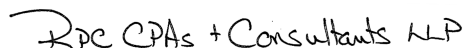
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items NM 2014-001, NM 2017-001, NM 2017-002, CU NM 2017-001, and CU NM 2017-002.

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



RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 8, 2017

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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**

Timothy Keller  
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 Each 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 each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are 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 each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements 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 Each 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 each of its major federal programs for the year ended June 30, 2017.

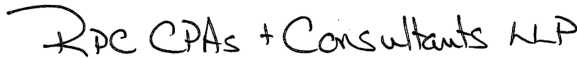
## Report on Internal Control Over Compliance

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.



RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 8, 2017

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

<b>Federal Grantor or Pass-Through Grantor / Program Title</b>	<b>Pass Thru Number</b>	<b>Federal CFDA Number</b>		<b>Federal Expenditures</b>	<b>Funds Provided to Subrecipients</b>	<b>Noncash Assistance</b>
<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		\$ 98,400	\$ -	\$ -
School Improvement	24162	84.010		553	-	-
IDEA-B Special Education Grants to States	24106	84.027	(1)	85,662	-	-
IDEA-B Special Education Preschool Grants	24109	84.173	(1)	778	-	-
Teacher/ Principal Training /Recruiting	24154	84.367A		40,873	-	-
GEAR-UP	25205	84.334	*	235,830	-	-
<i>Subtotal - Passed through New Mexico Public Education Department</i>				<u>462,096</u>	<u>-</u>	<u>-</u>
Direct U.S. Department of Education						
Impact Aid - General Fund	11000	84.041	*	1,122,270	-	-
Impact Aid - Special Education	25145	84.041	*	82,570	-	-
Impact Aid - Indian Education	25147	84.041	*	311,608	-	-
<i>Subtotal - Direct U.S. Department of Education</i>				<u>1,516,448</u>	<u>-</u>	<u>-</u>
<i>Total U.S. Department of Education</i>				<u>1,978,544</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Agriculture</b>						
<i>Federal Direct Payments</i>						
Forest Reserve	11000	10.665		380	-	-
School Equipment Grant	24183	10.579		11,382	-	-
<i>Passed through New Mexico Public Education Department</i>						
Child Nutrition Cluster	21000	10.555	(2)	14,625	-	14,625
Child Nutrition Cluster	21000	10.553	(2)	77,921	-	-
Child Nutrition Cluster	21000	10.555	(2)	116,213	-	-
<i>Subtotal - Passed through New Mexico Public Education Department</i>				<u>208,759</u>	<u>-</u>	<u>14,625</u>
<i>Total U.S. Department of Agriculture</i>				<u>220,521</u>	<u>-</u>	<u>14,625</u>
<i>Total Federal Financial Assistance</i>				<u>\$ 2,199,065</u>	<u>\$ -</u>	<u>\$ 14,625</u>

\* Denotes Major Federal Financial Assistance Program

() Denotes Cluster

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



## 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	\$ 2,199,065
Total expenditures funded by other sources	<u>4,283,233</u>
<i>Total expenditures (Exh B-2)</i>	<u><u>\$ 6,482,298</u></u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Jemez Valley Public School District No. 31  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2017

**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?   | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 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:

CFDA Number	Federal Program
84.041	Impact Aid
84.334	GEAR-UP

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Primary Government – None noted**

**Component Unit – None noted**

**SECTION III – FEDERAL AWARD FINDINGS**

**Primary Government – None noted**

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

**Primary Government**

**NM 2014-001 (FA 2014-001) — Inadequate Controls over Eligibility Determinations (Repeated and Modified) – Finding that does not rise to the level of significant deficiency**

*Condition:* In 1 out of 40 applications tested, the District did not have proper review denoted on the application form to comply with the District’s internal control processes and procedures.

According to inquiry with the District, during fiscal year ending June 30, 2017, the District implemented closer monitoring of applications for the food services employee and supervision by her supervisor. Additionally, we noted fewer exceptions (down from 17/40) as compared to the prior year, which reduced the severity of the finding for the 2017 fiscal year.

*Criteria:* 7 CFR sections 245.2, 245.3, and 245.6, sets out the requirements that the Local Educational Agency (LEA) (District) provide services to students based on the information provided in the applications. 2 CFR 200.303 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 eligibility documentation be retained and correctly filed, and that such determinations be reviewed.

*Effect:* If applications are not properly reviewed errors in eligibility determinations could be made and not timely corrected. Students could receive more or fewer benefits than they are entitled to. Additionally, intentional misclassification of students as eligible or ineligible might not be prevented or detected in a timely manner.

*Cause:* An application of a family member was stuck together and the District missed it during the application review process in place.

*Auditors’ Recommendations:* The District should continue to adjust the internal control structure surrounding eligibility determinations to ensure proper review of application calculations and status entry for the applications.

*Agency’s Response:*

Jemez Valley Public Schools implemented an internal control structure consisting of a review of student nutrition applications, including calculations, status entry, and verification that procedures were followed. The verification process was completed through the Skyward system, which determines which applications are pulled for verification. Superintendent Administrative Assistant entered applications using Skyward. Other central office staff, or designee reviewed results. Superintendent verified that procedures were followed. However, one application did not contain the verification signature. This issue will be resolved by of June 30, 2018. The Superintendent and other school personnel will review all applications to ensure that none are missed.

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

**Primary Government**

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

*Condition:* The District has not performed their annual submission of the School Athletic Equity Act data form for grades seven (7) and eight (8). The District did not include information from the San Diego Riverside Charter School in their School Athletic Equity Act reporting, despite being the responsible reporting entity.

*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 for grades seven (7) and eight (8), the District is not in compliance with the School Athletics Equity Act's reporting requirement to the New Mexico Public Education Department.

*Cause:* The District did not know of the requirement that the report needed to be submitted for grades seven (7) and eighth (8), as they were under the impression they only needed to submit the report for the High School athletics program.

*Auditors' Recommendations:* We recommend that the District submit their School Athletics Equity Act annually before the due date of August 31, annually. The District should also communicate the requirement at each level responsible for preparation and submission of the required information.

*Agency's Response:* The District did not have NMAA Athletics for the Middle School for the FY16/17 season, and when we submitted our high school data to PED, we were under the impression from them, that we had completed our requirement. Also, we were not aware that we were the responsible party for the Charter School as we have never reported for them in the past. In the future, the Athletic Director will ensure that the reporting requirement for all schools in the District will be gathered timely and strive to report as early as possible to PED on or before the due date of August 31, 2018.

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

**Primary Government**

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

*Condition:* The District maintained a deficit budget in excess of available cash balances in the following funds:

<b><u>Special Revenue Funds</u></b>	<u>Designated Cash</u>	<u>Beginning Year Cash &amp; AR Available</u>	<u>Cash Appropriation in Excess of Available Cash</u>
Impact Aid Indian Education (25147)	\$222,904	\$213,298	\$9,606
Title XIX Medicaid (25153)	\$86,336	\$85,506	\$830

In addition, the District had misclassified a federal revenue as a restricted cash balance when preparing their budget for fund 25233.

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

*Effect:* The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

*Cause:* The District’s cash per budget report did not match cash as indicated on the audited fiscal year ended June 30, 2016 Financial Statements and final budget revenues were less than actual received. A grant revenue account was misclassified as cash during budget preparation.

*Auditors’ Recommendations:* The District should adjust budget revenues to match actuals, ensure cash per the budget statements tie to the audited financial statements and ensure accurate account classification.

*Agency’s Response:* These two funds were not overspent. The Business Manager will correct this immediately, and ensure that all beginning budget balances agree with ending cash balance for prior year by entering BARS (if needed) by November 30, 2017. Also, the account that was classified as cash instead of revenue was an existing grant award that was in place before the current Business Manager came to the District. That fund was not utilized at all this fiscal year, as the District could not locate any information on the grant. However, once the information was located/verified, the object code was corrected and reflected as revenue. The Business Manager corrected this as of July 1, 2017.

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

**Component Unit**

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

*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.

*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. Also we recommend the Charter clarify with the District as to who is responsible for complying with various reporting requirements.

*Agency’s Response:* The Principal of San Diego Riverside Charter will get the necessary sign on credentials and ensure that the School Athletics Equity Act is submitted annually before the due date of August 31. This finding will be resolved by the next due date of August 31, 2018.

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

**Component Unit**

**CU NM 2017-002 Open public Meeting's 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 did not approve the meeting minutes for one month during the fiscal year: July 2016
- The Board could not provide the meeting minutes for three months: May, June, and July 2017

*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 Board of the Charter did not approve the draft minutes for two months and the Charter was unable to provide the official meeting minutes for two 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:* San Diego Riverside has instituted a procedure where Board President and Secretary will sign the previous meeting minutes at the current meeting and filed in the Principal's office for review and to have available for review of public records request moving forward. This procedure was implemented in August of 2017.

**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

Schedule VIII  
Page 7 of 7

**SECTION V – PRIOR YEAR AUDIT FINDINGS**

**Primary Government:**

FS 2014-002 – Maintenance of Capital Assets – Finding that does not rise to the level of significant deficiency – Resolved

FA 2014-001 – Inadequate Controls over Eligibility Determinations - Significant Deficiency - Repeated and Modified

NM 2014-007 (FS 2014-007) Budget Monitoring - Finding that does not rise to the level of significant deficiency – Resolved

NM 2015-002 (FS 2015-002)- Bank Reconciliation - Finding that does not rise to the level of significant deficiency - Resolved

NM 2016-001 Annual Inventory Certification - Finding that does not rise to the level of significant deficiency - Resolved

NM 2016-002 Preparation of Modified Accrual Balances at Year-End - Finding that does not rise to the level of significant deficiency - Resolved

**Component Unit:**

CU NM 2016-001 Annual Inventory Certification- Finding that does not rise to the level of significant deficiency- Resolved



**STATE OF NEW MEXICO**  
Jemez Valley Public School District No. 31  
Other Disclosures  
June 30, 2017

**OTHER DISCLOSURES**

**Exit Conference**

An exit conference was held on November 8, 2017 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  
Peter Madalena – Board Member  
Tanya Trujillo – Community Member

*San Diego Riverside Charter School:*

Manuel Lucero – Principal  
Diana Cordova, CPA – Business Manager  
Susan Baca – Board Member  
Teran Villa – Board Member  
Bobbie Shendo – Board Member

**Representing RPC CPAs + Consultants, LLP:**

Alan D. Bowers, Jr., CPA – Partner

**Auditor Prepared Financial Statements**

RPC CPAs + Consultants, LLP 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.