

**STATE OF NEW MEXICO**

**JEMEZ VALLEY PUBLIC SCHOOLS**

**FINANCIAL STATEMENTS**

**June 30, 2007**

**With Independent Auditor's Reports Thereon**

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS  
Year Ended June 30, 2007**

**INTRODUCTORY SECTION**

	<u>Page</u>
Table of Contents	1-10
Official Roster	11-13

**FINANCIAL SECTION**

Independent Auditor's Report	14-15a
Managements Discussion and Analysis	16-29

**BASIC FINANCIAL STATEMENTS**

Exhibit

A	Statement of Net Assets	30
B	Statement of Activities	31
C	Balance Sheet – Governmental Funds	32
	Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	33
D	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34-35
	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	36
	<u>Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)</u>	
E	General Fund	37
F	Non Instructional	38
G	Statement of Fiduciary Assets and Liabilities – Agency Funds	39

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 TABLE OF CONTENTS, continued  
 Year Ended June 30, 2007**

**BASIC FINANCIAL STATEMENTS, continued**

	<u>Page</u>
Notes to Financial Statements – Index	40-41
Notes to Financial Statements	42-79

**SUPPLEMENTARY INFORMATION**

**General Fund Details**

<u>Statement</u>		
A-1	General Fund – Combining Balance Sheet	80
A-2	General Fund – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – By Activity	81

**Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)**

**General Fund Details**

A-3	General Fund – Operational	82
A-4	General Fund – Teacherage	83
A-5	General Fund – Pupil Transportation	84
A-6	General Fund – Instructional Materials	85

**Major Capital Projects Funds**

C-1	Capital Projects Funds – Bond Building Fund	86
C-2	Capital Projects Funds – Public School Capital Outlay – 20%	87

**Major Debt Service Funds**

D-1	Debt Service Fund	88
-----	-------------------	----

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

<b><u>Non-Major Governmental Funds</u></b>		<b><u>Page</u></b>
<b><u>Statement</u></b>		
1	Combining Balance Sheet	89-95
2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	96-104
<b><u>Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)</u></b>		
<b><u>Special Revenue Funds</u></b>		
B-1	Food Services	105
B-2	Athletics	106
B-3	Title 1 - IASA	107
B-4	IDEA B Entitlement	108
B-5	IDEA B Preschool	109
B-6	TLCT/EETT	110
B-7	Preschool Inclusive	111
B-8	Title II-D Competitive Grant	112
B-9	Title V (A) Innovative Ed. Prog. Strategies	113
B-10	English Language Aquisition	114
B-11	Title II A Teacher/Principal	115
B-12	Title IV A Safe and Drug Free	116
B-13	Title I School Improvement	117
B-14	Impact Aid - Special Education	118
B-15	Impact Aid Indian Education	119

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Non-Major Governmental Funds, continued**

**Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)**

<u>Statement</u>	<u>Special Revenue Funds</u>	<u>Page</u>
B-16	Medicaid – Title XIX	120
B-17	Indian Education Formula Grant	121
B-18	Los Alamos National Lab Foundation	122
B-19	Center for Education and Study	123
B-20	Technology for Education	124
B-21	Incentives for School Improvement	125
B-22	Literacy, Technology and Study	126
B-23	G O Bond C Library	127
B-24	Pre Kindergarten Initiative	128
B-25	Breakfast in Schools	129
B-26	Laws of 2005 – HB 885	130
B-27	Pre Kindergarten Start up and Safety	131
B-28	School Based Health	132
B-29	NM Gear Up	133
B-30	School Based Health	134

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Non-Major Governmental Funds, continued**

**Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)**

		<b><u>Capital Project Funds</u></b>	
<b><u>Statement</u></b>			<b><u>Page</u></b>
C-3	Public School Capital Outlay - State		135
C-4	Special Local Capital Outlay		136
C-5	Special Capital Outlay - Federal		137
C-6	Capital Improvement – SB-9		138
		<b><u>Fiduciary Funds</u></b>	
E-1	Schedule of Changes in Assets and Liabilities Agency Funds – Student Activity		139

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Component Units  
San Diego Riverside Charter School**

<u>Statement</u>	<u>Page</u>
F-1 Balance Sheet – Governmental Funds	140
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	141
F-2 Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	142
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Statement of Activities	143
F-3 Non-Major Governmental Funds of Component Unit Combining Balance Sheet	144-146
F-4 Non-Major Governmental Funds of Component Unit Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	147-149
<u>Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)</u>	
F-5 General Funds	150
<u>Special Revenue Funds</u>	
F-6 ESEA Title 1	151
F-7 Physical Education	152
F-8 Food Services	153
F-9 Non Instructional Student Support	154
F-10 IDEA B Entitlement	155



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Component Units  
San Diego Riverside Charter School**

Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)

		<u>Special Revenue Funds, continued</u>	
<u>Statement</u>			<u>Page</u>
F-11	Partner in Charter Education		156
F-12	English Language Acquisition		157
F-13	Teacher/Principal Training and Recruiting		158
F-14	Impact Aid Special Education		159
F-15	Impact Aid Indian Education		160
F-16	Child and Adult Food Program		161
F-17	Title VII Indian Ed. Formula Grant		162
F-18	Indian Education Act		163
		<u>Capital Project Funds</u>	
F-19	Public School Capital Outlay		164

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Component Units  
Walatowa High Charter School**

<u>Statement</u>	<u>Page</u>
G-1 Balance Sheet – Governmental Funds	165
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	166
G-2 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	167
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Statement of Activities	168
G-3 Non-Major Governmental Funds of Component Unit Combining Balance Sheet	169-170
G-4 Non-Major Governmental Funds of Component Unit Statement of Revenues, Expenditures and Changes in Fund Balances	171-172
<u>Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)</u>	
G-5 General Funds	173
<u>Special Revenue Funds</u>	
G-6 Food Services	174
G-7 Impact Aid Indian Education	175
G-8 Athletics	176
G-9 IDEA B Entitlement	177
G-10 Indian Education Title VII	178
G-11 Impact Aid Special Education	179
G-12 Daniels Fund	180

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**SUPPLEMENTARY INFORMATION, continued**

**Component Units  
Walatowa High Charter School**

Statements of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis)

<u>Statement</u>	<u>Special Revenue Funds</u>	<u>Page</u>
G-13 Private Grants		181
	<u>Capital Project Funds</u>	
G-14 Public School Capital Outlay		182

**OTHER SUPPLEMENTARY INFORMATION**

Schedule 1	Schedule of Expenditures of Federal Awards	183-184
Schedule 2	Cash Reconciliation	185-187
Schedule 3	San Diego Riverside Charter School Cash Reconciliation	188
Schedule 4	Walatowa High Charter School Cash Reconciliation	189-190
Schedule 5	Bank Depositories	191
Schedule 6	San Diego Riverside Charter School Bank Depositories	192
Schedule 7	Walatowa High Charter School Bank Depositories	193
Schedule 8	Schedule of Pledged Collateral	194

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
TABLE OF CONTENTS, continued  
Year Ended June 30, 2007**

**COMPLIANCE SECTION**

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	195-197a
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	198-200

**FINDINGS AND QUESTIONED COSTS**

Findings and Questioned Costs	201-222
Exit Conference	223

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
OFFICIAL ROSTER  
Year Ended June 30, 2007**

**Board of Education**

Dennis Smith  
Anthony Delgarito  
Peter Magdalena  
Mary England  
Tina Trujillo

President  
Vice President  
Secretary  
Member  
Member

**School Officials**

Sandra Henson  
Frieda Solano

Superintendent  
Business Manager

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
OFFICIAL ROSTER  
Year Ended June 30, 2007**

**Board of Education**

David Toledo	Chairperson
Mary Cathy Sabado	Secretary/Treasurer
Geri Loretto	Member
Cathy Sabado	Member
Gloria Fragua Cota	Member
Irwin Pecos	Member
Matilda Shendo	Member

**School Officials**

Eugene Johnson	Principal
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**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
WALATOWA HIGH CHARTER SCHOOL  
OFFICIAL ROSTER  
Year Ended June 30, 2007**

**Board of Education**

Ryan Toya  
Prexie Lucero  
Carnell Chosa

President  
Member  
Member

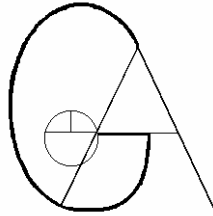
**School Officials**

Tony Archuleta  
Katherine Toya

Principal  
Business Manager

## **FINANCIAL SECTION**





Gary E. Gaylord, C.P.A.

**GARY E. GAYLORD, LTD.**  
CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas, New Mexico State Auditor  
Ms. Laura Mijares, Board President  
Members of the Board of Education  
Jemez Valley Public Schools  
Jemez, New Mexico

I have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, the budgetary comparison statements of each major fund, and the aggregate remaining fund information of Jemez Valley Public Schools, Jemez, New Mexico (the "District") as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. I have also audited the financial statements of each of the District's non-major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements, and the budgetary comparisons for the non-major funds and the major capital projects funds and debt service fund as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

Except as discussed in paragraph three, I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

## **INDEPENDENT AUDITOR'S REPORT, continued**

San Diego Riverside Charter School, a discretely presented component unit of Jemez Valley Public Schools, did not maintain adequate accounting records for transactions related to its financial statements. San Diego Riverside Charter School's financial activities are included in the Jemez Valley Public School's basic financial statements as a discretely presented component unit and represents 79 percent, 96 percent, 60 percent, and 79 percent of the assets, liabilities, net assets, and revenues, respectively of Jemez Valley Public School's aggregate discretely presented component units.

Because of the significance of the matter discussed in the preceding paragraph, I was unable to express, and do not express an opinion on the financial statements of San Diego Riverside Charter School, a discretely presented component unit of Jemez Valley Public Schools.

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the primary government and Walatowa High Charter School, each major fund of the primary government and Walatowa High Charter School, and the aggregate remaining fund information of the primary government and Walatowa High Charter School as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds of the primary government and Walatowa High Charter School for the year then ended in conformity with accounting principles generally accepted in the United State of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the primary government and Walatowa High Charter School as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the major Bond Building Fund, P/S Capital Outlay 20% Fund and Debt Service Fund and all nonmajor funds of the primary government and Walatowa High Charter School for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 30, 2009 on my consideration of the District's and its discretely presented component units' internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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* and should be read in conjunction with this report in considering the result of my audit.

**INDEPENDENT AUDITOR'S REPORT, continued**

The management's discussion and analysis on pages 16 through 29, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

The other supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The scope of my audit was limited due to the lack of accounting records for transactions relating to San Diego Riverside Charter School as discussed in the 3rd paragraph above and accordingly I express no opinion on the other supplementary information related to San Diego Riverside Charter School in Schedules 3 and 6. In addition, I express no opinion on the accompanying schedule of expenditures of federal awards as it relates to San Diego Riverside Charter School. The other supplementary information related to the primary government and Walatowa High Charter school has been subjected to the auditing procedures applied in the audit of the basic financial statements of the primary government and Walatowa High Charter Schools and, in my opinion is fairly stated in all material respects in relation to those statements taken as a whole.



Albuquerque, New Mexico  
December 30, 2009

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Fiscal Year Ending June 30, 2007**

The Management Discussion and Analysis of the fiscal performance of the Jemez Valley School District (the “District”) for the year ending June 30, 2007 represents the District’s fourth year of implementing the Governmental Accounting Standards Board Statement No. 34 (GASB 34). This written analysis is now a required part of the District’s audit report and is an objective and easily readable discussion of the District’s financial activities. The reader will see two statements; a Statement of Net Assets and a Statement of Activities that were added because of GASB 34.

This discussion and analysis, as well as the two new statements provide a review of the District’s overall financial activities, using the accrual basis of accounting. Fund financial statements continue to be reported on a modified accrual basis of accounting. Rather than look at specific areas of performance this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible, this discussion and analysis will provide the reader with a multi-year picture of financial performance and other pertinent information thorough the use of tables and other graphic information.

The Jemez Valley Public Schools includes the traditional School District as well as two Charter Schools.

**JEMEZ VALLEY PUBLIC SCHOOLS ACCOUNTING AND FINANCE**

Financial policies and procedures are in place to guide staff through the daily business routines.

As an integral part of the District accountability process, the District is active in monitoring of expenditures and budgets through a formal, monthly reporting process to the School Board. This reporting is provided at public meetings and becomes a part of the District’s Board’s permanent public record. Through this public process, the financial reporting information is provided in a manner that is open to public inspection.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts; Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements – district-wide and fund, the two kinds of statements present different views of the District:

The first two statements are *district-wide financial statements* that provide both *short term* and *long-term* information about the District's *overall* financial status.

The remaining statements although *district-wide financial statements*, provide limited financial information because focus in the statements is short-term and non-current assets and liabilities are not displayed. Also, the District's operations are presented in *more detail* than they are in the district-wide statements.

The *governmental funds statements* report on how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

*Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

This annual report consists of a series of detailed financial statements, and the notes to those statements. This annual report also includes the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with *OMB Circular A-133*, and the Schedule of Findings and Questioned Costs.

**District-Wide Financial Statements**

The Statement of Net Assets and Statement of Activities are presented on a district-wide basis and encompass all assets and liabilities of the District and its discretely presented component units. This section will look at the financial performance of the District as a whole rather than looking at individual components or areas of the District. These statements are prepared on the full accrual basis of accounting and include all assets and liabilities of the District.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Fund Financial Statements**

The District used fund accounting to ensure and demonstrate compliance with financial and legal requirements. Fund financial statements are based on a *modified accrual basis* of accounting. The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances guide the reader to a meaningful overall view for the District's assets, liabilities, revenues, expenditures, fund balances and changes to those fund balances.

**Budgetary Comparison Statements**

The District's budgets are adopted on the cash basis of accounting. The actual revenues and expenditures reported on the budgetary comparison statements included in this report are presented on the cash basis.

**SIGNIFICANT FINANCIAL HIGHLIGHTS FOR THE YEAR ENDING  
JUNE 30, 2007**

The District implemented a new financial reporting required by the Governmental Accounting Standards Board Statement No. 34 during the fiscal year ended June 30, 2004. The implementation included accumulated to date and current year reporting of depreciation on Capital Assets.

The District's net capital assets net of related debt decreased by \$282,998 in the year ending June 30, 2007. Capital assets are defined as long-lived assets with an acquisition cost greater than \$5,000. The renovation projects for the Elementary School facilities continued and moved from phase II to III during the year ended June 30, 2007. In addition, the alternative water project is still ongoing.

The net decrease of \$282,998 is primarily due to depreciation.

GASB 34 rules now require public entities to depreciate capital assets. This statement includes accumulated depreciation of the District's capital assets in the amount of \$4,426,559.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Statement of Net Assets**

The Statement of Net Assets is prepared using the *full accrual method* of accounting. The District's financial position is the product of several financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Total District wide (excluding component units) assets increased by \$894,603 primarily due to the increases in cash and cash equivalents and receivables. A comparison between the District's Statements of Net Assets follows:

	June 30, <u>2007</u>	June 30, <u>2006</u>	Increase (Decrease)
Assets:			
Cash and cash equivalents	\$ 4,329,497	3,880,712	448,785
Receivables:			
Due from grantor	87,552	71,604	15,948
Taxes	93,227	92,497	730
Other receivable	382,139		382,139
Net capital assets	<u>10,939,342</u>	<u>10,892,341</u>	<u>47,001</u>
 Total Assets	 \$ <u>15,831,757</u>	 <u>14,937,154</u>	 <u>894,603</u>
Liabilities:			
Accounts payable	\$ 388,863	99,435	289,428
Accrued interest payable	53,456	48,519	4,937
Deferred revenue	104,848	77,821	27,027
Other current liabilities	45,155	116,570	(71,415)
Noncurrent liabilities:			
Due in one year	504,288	455,744	48,544
Due in more than one year	<u>2,486,048</u>	<u>2,197,023</u>	<u>289,025</u>
 Total Liabilities	 \$ <u>3,582,658</u>	 <u>2,995,112</u>	 <u>587,546</u>
Net Assets:			
Invested in capital assets, Net of related debt	\$ 7,999,342	8,282,340	(282,998)
Restricted	3,727,385	1,317,405	2,409,980
Unrestricted	<u>522,372</u>	<u>942,297</u>	<u>(419,925)</u>
 Total Net Assets	 \$ <u>12,249,099</u>	 <u>11,942,042</u>	 <u>307,057</u>

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Statement of Net Assets, continued**

The large increase in cash and cash equivalents is partly because the District received half of the proceeds from the sale of a portion of the District's tax base to a developer who wanted to include his development in the Rio Rancho School District rather than in the Jemez Valley Public School District. In addition, bonds in the amount of \$750,000 were sold during the year for construction of school facilities and the proceeds had not been expended by the year end. The District received more than \$380,000 from the developer mentioned above during the year and a similar payment is due in the fiscal year ended June 30, 2008 and is shown as a receivable at June 30, 2007

**Changes in Net Assets**

The District's overall Net Assets did not change significantly during FYE June 30, 2007. During the year ended June 30, 2007 the District's total revenues exceeded total expenses by \$307,057. The District experienced an increase in overall expenses (\$950,865 more than 15%) but this was partially offset by an increase in revenues (\$637,494-up 9%). These two combined factors caused a small net growth in net assets. The single most significant factor contributing to the increase in net assets was the sale of a portion of the District's tax base mentioned above. The large increase in restricted net assets is due primarily to the proceeds from the sale that have not been budgeted yet and the increase in the amounts restricted for payments on the District's debt.

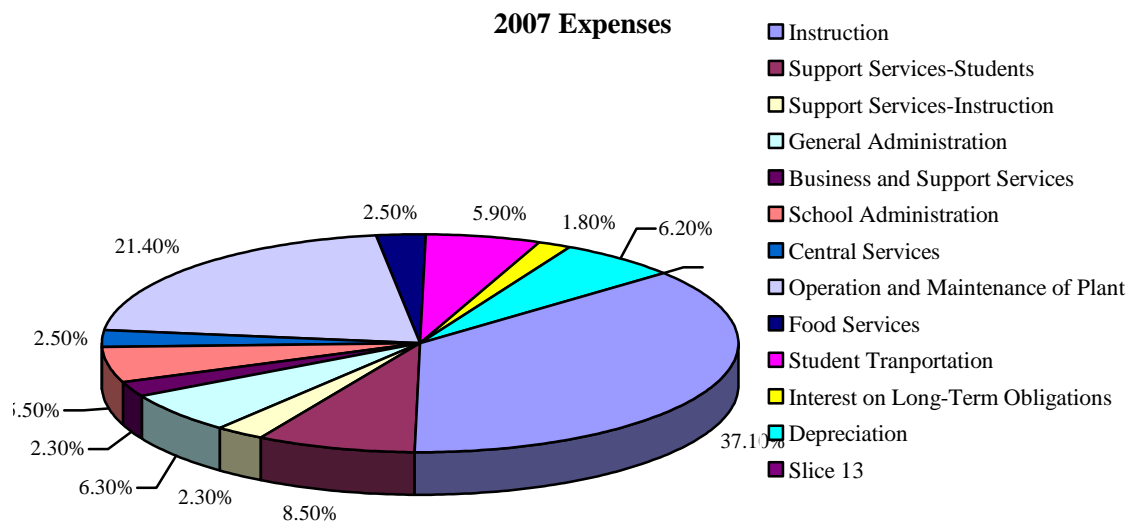
	FYE <u>06-30-07</u>	FYE <u>06-30-06</u>	Increase <u>(Decrease)</u>
Expenses	\$ <u>(6,928,268)</u>	<u>(5,977,403)</u>	<u>950,865</u>
Revenues			
Charges for services	212,560	140,819	71,741
Operating grants and contributions	1,823,643	2,056,097	(232,454)
Capital grants and contributions	130,692	191,694	(61,002)
General revenues	<u>5,068,430</u>	<u>4,209,221</u>	<u>859,209</u>
	<u>7,235,325</u>	<u>6,597,831</u>	<u>637,494</u>
Change in Net Assets	<u>307,057</u>	<u>620,428</u>	<u>(313,371)</u>
Net Assets, at beginning of year	<u>11,942,042</u>	<u>11,321,614</u>	
Net Assets, at end of year	\$ <u>12,249,099</u>	\$ <u>11,942,042</u>	



**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 MANAGEMENT DISCUSSION AND ANALYSIS, continued  
 For the Fiscal Year Ending June 30, 2007**

**Changes in Net Assets, continued**

During the year ended June 30, 2007 New Mexico Public Education Department (NMPED) implemented its new Uniform Chart of Accounts (UCOA) and a function by function comparison is impractical. The overall increase in expenses (\$950,865) was primarily due to an increase in the District's utility costs and the increases mandated in teacher's salaries and benefits.



One of the two charter schools in the District had a negative change in net assets as expenses were greater than revenues during the year. San Diego Riverside Charter Schools had expenses greater than its revenues in the amount of \$4,142 and Walatowa High Charter School went from having a loss of \$120,332 in 2006 to a positive gain from operations of \$69,881 in 2007.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Balance Sheet**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in the Balance Sheet as of June 30, 2007. As the District completed the year, it reported a combined fund balance of \$3,870,621 an increase of \$211,926. This increase is due to revenues in excess of expenditures. Cash and cash equivalents increased by \$448,784 and overall receivable increased by \$382,868. See earlier discussion about these changes.

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Total revenues from state, local and Federal sources were \$6,853,235, an increase of \$253,425 over the prior year.

The General fund is the principle operating fund of the District (Funds 11000-14000). The increase in fund balance of \$212,512, is a smaller increase than that experienced in the prior year. The District spent a greater portion of its authorized budget due to the new three-tiered licensure program.

**Budgetary and Operational Highlights**

The District has experienced the same growth in its budget as it has in its revenues and expenditures. The budgeting process for the State of New Mexico is defined under New Mexico State Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Additionally, the District develops its budget through input at site budget meetings from parents, community members, and staff members, finance department personnel and input from the local School Board and Superintendent. The District also has a facilities master plan for major construction and renovation that is constantly updated for major capital expenditures.

All major budgetary funds are reported as separate statements.

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 MANAGEMENT DISCUSSION AND ANALYSIS, continued  
 For the Fiscal Year Ending June 30, 2007**

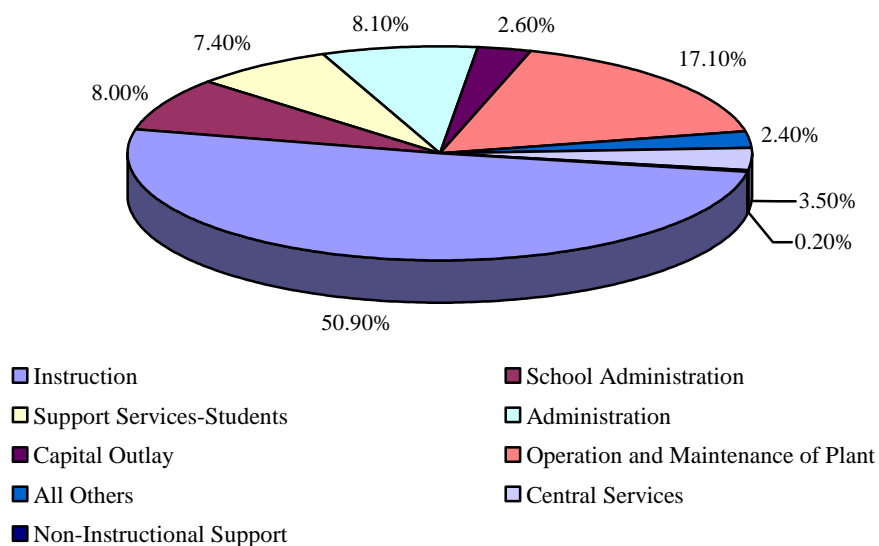
**Budgetary and Operational Highlights, continued**

Major budgetary funds in this report are the General Fund (Operational), Non-Instructional, Bond Building, Public School Capital Outlay-20%, and Debt Service. In addition thirty five (35) non-major Special Revenue funds and five (5) non-major Capital Projects funds are reported for their budgetary performance. Examples of non-major Special Revenue funds are Food Services, Title II A Teacher/Principal, Title I IASA, Title VIII Impact Aid-Special Education and Title VIII Impact Aid-Indian Education. Examples of non-major Capital Project funds include Capital Improvement SB-9 (Two Mill Levy) and Special Capital Outlay-Local, Public School Capital Outlay-State and :Public School Capital Outlay – Federal.

The following shows the fiscal relationship of the major funds and the combined non-major funds.

The General Operational Fund (fund 11000) represents the major expenditures for the education of the students within the District. During the year ended June 30, 2007, the General Operational Fund expended \$3,906,996 of which \$1,990,563 was expended on Instruction. This represents 50.9% of all General Operational Fund expenditures. Instruction expenditures include salaries for regular, bilingual, and special education teachers and educational assistants, payroll taxes, benefit costs, classroom supplies and equipment, employee training, student and teacher travel, and instructional related contract services. Employee salaries, payroll taxes, and benefit costs account for approximately 85% of all General Operational Fund expenditures.

**GENERAL OPERATIONAL EXPENDITURES BY FUNCTION**



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Budgetary and Operational Highlights, continued**

The second largest area of expenditures paid for out of fund 11000 is for Operation and Maintenance of Plant. The expenditures totaled \$669,779 17.1% of the General Operational fund 11000 expenditures. This includes salaries, payroll taxes, and benefits for maintenance staff and supervisors, school custodians, and maintenance. It also includes cost for maintenance and custodial supplies and equipment, maintenance and repairs of buildings, grounds, and equipment, utilities, internet access, travel and training for maintenance and custodial personnel, outside contract services, and property and liability insurance. The District also receives funding for maintenance costs from the voter approved Two Mill Levy Fund (Fund 31700) that is not reflected in the above numbers. An additional \$140,698 was expended in fund 31700.

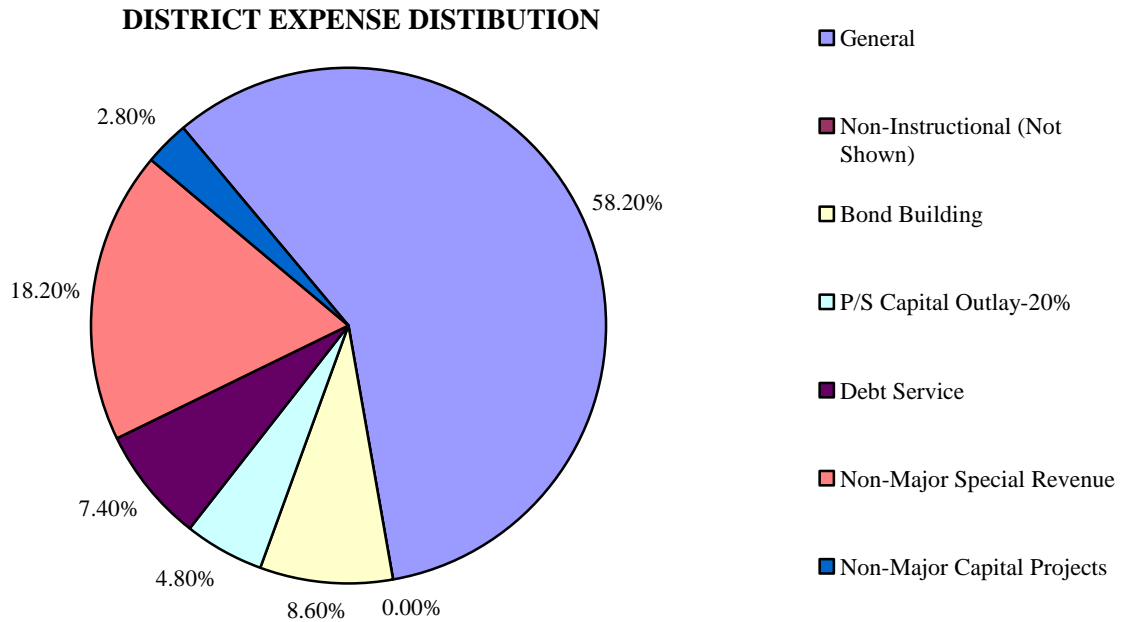
General administration expenditures totaled \$318,094 or 8.1% of General Operational fund 11000 expenditures. Included in this area are salaries, payroll taxes, and benefits for the superintendent, administrative secretaries and receptionist, and human resource personnel. In addition, supplies, equipment, travel, training, and outside contract services for the above individuals and the School Board are included in this function. Administrative costs like legal and auditing fees and costs related to board and bond elections are also included here. The percentage (8.1%) of expenditures did not change from the percentage for 2006.

The District expended an additional \$928,560, 23.8% of its expenditures on a variety of other functional costs.

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 MANAGEMENT DISCUSSION AND ANALYSIS, continued  
 For the Fiscal Year Ending June 30, 2007**

**Budgetary and Operational Highlights, continued**

The following graph shows the overall expenses (using the modified accrual basis of accounting), by major and non-major funds during the year ended June 30, 2007.



The General Fund (11000-14000) provides the salary and benefits for the significant majority of the instructional, instructional support, school support, maintenance, custodial, administrative, and business staffs as well as classroom materials, special education ancillary staff, insurance, student transportation and utility costs.

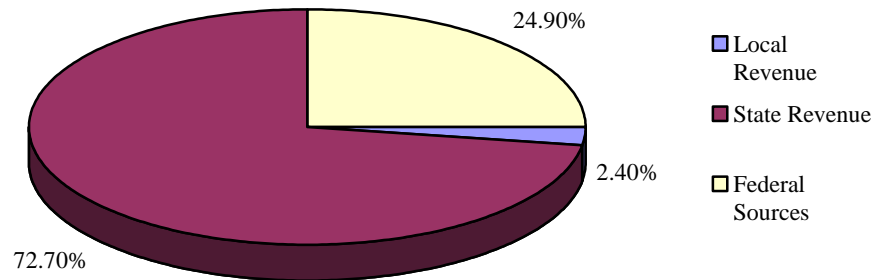
Revenue recognized in this fund is substantially derived from the State Equalization Guarantee (60.7%) and Title VIII Federal Impact Aid (24.2%). The State Equalization Guarantee is based upon a funding formula developed by the State. This formula includes taking a credit for the Title VIII funds received by the District.

The following pie chart shows the relative revenue sources of funds received from federal, state and local sources. Revenue received during the fiscal year were less than the budgeted amount by approximately \$105,000. Federal source revenues increased slightly while state and local source revenue decreased during the year.

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 MANAGEMENT DISCUSSION AND ANALYSIS, continued  
 For the Fiscal Year Ending June 30, 2007**

**Budgetary and Operational Highlights, continued**

**2006-2007 GENERAL FUND REVENUE (Funds 11000-14000)**



The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ended June 30, 2007. Detail budget performance is examined through the Statements of Revenues and Expenditures-Budget and Actual.

**Major Funds Expenditures to Budget Performance**

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General (11000-14000)	\$ 5,097,133	\$ 4,317,947	\$ 779,186
Non-Instructional	0	0	0
Bond Building	1,468,994	566,756	902,238
Public School Capital Outlay-Federal	369,422	57,484	311,938
Debt Service	546,754	546,753	1

**Combined Non-Major Funds Expenditures to Budget Performance**

<u>Fund</u>	<u>Final Combined</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue funds	\$ 2,331,389	\$ 1,381,735	\$ 949,654
Capital Projects funds	816,980	211,269	605,711

All expenditures within the major and non-major funds fell within the approved budget limits. No budgets had expenditures in excess of budgetary authority.

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 MANAGEMENT DISCUSSION AND ANALYSIS, continued  
 For the Fiscal Year Ending June 30, 2007**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2007, the District had a net investment in capital assets of \$10,939,342 (up from \$10,892,341 at June 30, 2006). This small change was due to the fact that purchases of capital assets (increase) were slightly larger than current year depreciation (decrease). Capital assets includes land, school buildings, athletic facilities, administrative offices, buses and other vehicles, computer and audio-visual equipment and other equipment.

Entity-Wide - The District had \$479,164 in new additions in the current fiscal year. Most of these additions were increases to Construction Work In Progress. For financial reporting purposes, the District will only capitalize and depreciate equipment with a value of \$5,000 or more. The District will continue to inventory and track all equipment additions in excess of \$1,000, in accordance with State law.

Entity-Wide - The accumulated depreciation for the District's capital assets amounts to \$4,735,729. Total depreciation expense for the year was \$482,360. The District utilizes a 'straight line' depreciation method in all cases and has established standardized lifetime table in calculating depreciation.

The following schedule presents entity wide capital assets balances, net of depreciation, for the fiscal year ended June 30, 2007.

	<u>Amount</u>
Land	\$ 162,011
Infrastructure	60,943
Land Improvements	93,382
Buildings and Improvements	9,948,728
Equipment and Vehicles	658,931
Construction in Progress	<u>551,357</u>
Total	\$ <u>11,481,352</u>

See footnote 4A through 4C for changes in capital assets during the year ended June 30, 2007.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**Long Term Debt**

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond the school year. The District can incur such debt for the “purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving schools grounds or purchasing computers software of hardware for student use in public classrooms or any combination of these purposes.”

The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

During the fiscal year ending June 30, 2007 the District paid \$420,000 on principal due on general obligation bonds and sold new bonds in the amount of \$750,000.

The School District has never defaulted on any of its debt or other obligations. Listed below is the District’s total general obligation debt as of June 30, 2007.

<u>Date of Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12-15-1998	\$ 200,000	\$ 11,588	\$ 211,588
07-01-1999	\$ 125,000	\$ 2,812	\$ 127,812
08-01-2000	\$ 650,000	\$ 85,969	\$ 735,969
01-01-2002	\$ 275,000	\$ 46,705	\$ 321,705
07-15-2002	\$ 335,000	\$ 58,831	\$ 393,831
01-15-2003	\$ 165,000	\$ 26,406	\$ 191,406
05-28-2004	\$ 440,000	\$ 94,092	\$ 534,092
09-26-2006	\$ <u>750,000</u>	\$ <u>280,541</u>	\$ <u>1,030,541</u>
Total	\$ <u>2,940,000</u>	\$ <u>606,944</u>	\$ <u>3,546,944</u>

See footnote 5 for current year changes in long-term debt.

**Agency Funds**

The School District, as a custodian, maintains and monitors special funds on behalf of schools and school activity groups. Agency funds maintained by the School District are to benefit a specific activity or interest and are generally raised by students for student use. While each school site is responsible for the administration of the agency funds, the custody and use of these funds are in accordance with State Department of Education Regulations. The total funds for the year ending June 30, 2007 were \$43,288.



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS, continued  
For the Fiscal Year Ending June 30, 2007**

**FUTURE TRENDS**

The Jemez Valley Public Schools has continued to work on the water system and renovations to the Elementary School.

The Continuous Improvement Goal Teams continue to monitor Educational Plan Student Success (EPSS) and components of literacy, math and parent involvement as well as Professional Development, Effective Operations.

Progress reports are now being mailed to parents on a weekly basis to inform them of their student's progress which has had good results. Two (2) parent conferences are scheduled each year for each student.

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Frieda Solano, Business Manager, at (575) 834-3303. Specific requests may be submitted to Jemez Valley Public Schools, 8501 Highway 4, Jemez Pueblo, New Mexico 87024.

# **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS AND COMPONENT UNITS  
**STATEMENT OF NET ASSETS**  
 June 30, 2007

	Primary Governmental Activities	Component Units	
		San Diego Riverside Charter School	Walatowa High Charter School
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,329,497	86,261	121,869
Due from grantor	87,552	101,133	
Accounts receivable	382,139		
Taxes receivable	93,227		
Capital assets not being depreciated:			
Land	162,011		
Construction in progress	557,357		
Capital assets, net of accumulated depreciation:			
Infrastructure	60,943		
Buildings and improvements	9,565,707	383,021	
Other improvements	93,382		
Equipment and vehicles	499,942	99,675	59,314
<b>Total Assets</b>	<u>15,831,757</u>	<u>670,090</u>	<u>181,183</u>
<b>LIABILITIES</b>			
Accounts payable	388,863		
Due to grantor			
Accrued interest payable	53,456		
Payroll payable	45,155	36,000	19,483
Accrued and withheld taxes and benefits		349,322	
Deferred revenue	104,848	150	
Noncurrent liabilities:			
Due within one year	504,288		
Due in more than one year	2,486,048	31,369	
<b>Total Liabilities</b>	<u>3,582,658</u>	<u>416,841</u>	<u>19,483</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7,999,342	482,696	59,314
Restricted for:			
Debt service	1,182,418		
Capital projects	1,423,097		16,051
Other purposes	1,121,870	30,405	62,614
Unrestricted	522,372	(259,851)	23,721
<b>Total net assets</b>	<u>\$ 12,249,099</u>	<u>253,250</u>	<u>161,700</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS AND COMPONENT UNITS  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2007

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Grants and Contributions	Capital Grants and Contributions	Total Primary Governmental Activities	San Diego Riverside Charter School	Walatowa High Charter School
<b>Governmental Activities</b>							
Education:							
Instruction	\$ 2,569,626	27,590	651,363		(1,890,673)		
Support Services - Students	585,556	834	272,190		(312,532)		
Support Services - Instruction	161,882		133,441		(28,441)		
General Administration	436,407	66,487	106,044	1,257	(262,619)		
School Administration	379,200	12,491	99,459		(267,250)		
Central Services	177,677		26,030		(151,647)		
Operation & Maintenance of Plant	1,484,521	82,338	24,797	129,435	(1,247,951)		
Student Transportation	405,363		387,677		(17,686)		
Food Service Operations	170,096	22,820	122,642		(24,634)		
Interest on Long-Term Obligations	125,778				(125,778)		
Undistributed:							
Depreciation	432,162				(432,162)		
<b>Total Governmental Activities</b>	<b>\$ 6,928,268</b>	<b>212,560</b>	<b>1,823,643</b>	<b>130,692</b>	<b>(4,761,373)</b>		
<b>Component Units</b>							
San Diego Riverside Charter School	\$ 1,340,079	136	386,849	28,499		(924,595)	
Walatowa High Charter School	540,665	8,259	155,483	36,226			(340,697)
<b>Total Component Units</b>	<b>\$ 1,880,744</b>	<b>8,395</b>	<b>542,332</b>	<b>64,725</b>		<b>(924,595)</b>	<b>(340,697)</b>
<b>General Revenue</b>							
Taxes							
Residential/Non residential taxes for operations					\$ 19,803		
Property taxes levied for capital projects					125,883		
Property taxes levied for debt service					591,735		
Other revenue							
Federal and State Aid Not Restricted to Specific Purpose					3,403,876	920,168	409,991
Sale of District Tax Base					764,278		
Interest					162,855	285	587
<b>Total General Revenue</b>					<b>5,068,430</b>	<b>920,453</b>	<b>410,578</b>
<b>Change in Net Assets</b>					<b>307,057</b>	<b>(4,142)</b>	<b>69,881</b>
Net assets beginning, as previously reported					11,942,042	257,392	91,819
Adjustment to prior year balances							
Net assets beginning, as restated					11,942,042	257,392	91,819
<b>Net assets ending</b>					<b>\$ 12,249,099</b>	<b>253,250</b>	<b>161,700</b>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
 June 30, 2007

	<u>Funds 11000-14000</u>	<u>Fund 23000</u>	<u>Fund 31100</u>	<u>Fund 32100</u>	<u>Fund 41000</u>	<u>Other Governmental Funds</u>	<u>Total Primary Governmental Funds</u>
	<u>General Fund</u>	<u>Non Instructional</u>	<u>Bond Building Fund</u>	<u>P/S Capital Outlay - 20%</u>	<u>Debt Service</u>		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 801,932	387,578	986,344	355,773	567,574	1,230,295	4,329,496
Due from grantor						87,551	87,551
Accounts receivable		382,139					382,139
Taxes receivable	2,670				74,302	16,255	93,227
Due from other funds	12,037					81,001	93,038
<b>Total Assets</b>	<u>\$ 816,639</u>	<u>769,717</u>	<u>986,344</u>	<u>355,773</u>	<u>641,876</u>	<u>1,415,102</u>	<u>4,985,451</u>
<b>LIABILITIES</b>							
Due to grantor	\$						
Accounts payable	7,090		68,791	298,356		24,627	398,864
Salaries and wages payable	33,395					11,760	45,155
Due to other funds	12,037					81,001	93,038
Compensated absences	33,839					10,449	44,288
Deferred revenue	1,500	382,139			45,000	104,847	533,486
<b>Total Liabilities</b>	<u>87,861</u>	<u>382,139</u>	<u>68,791</u>	<u>298,356</u>	<u>45,000</u>	<u>232,684</u>	<u>1,114,831</u>
<b>FUND BALANCES</b>							
Fund Balance:							
Reserved:							
For Debt Service					596,876		596,876
Unreserved reported in:							
General	728,778						728,778
Special Revenues						734,292	734,292
Capital Funds		387,578	917,553	57,418		448,126	1,810,675
<b>Total Fund Balances</b>	<u>728,778</u>	<u>387,578</u>	<u>917,553</u>	<u>57,418</u>	<u>596,876</u>	<u>1,182,418</u>	<u>3,870,621</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 816,639</u>	<u>769,717</u>	<u>986,344</u>	<u>355,774</u>	<u>641,876</u>	<u>1,415,102</u>	<u>4,985,452</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
 SHEET WITH THE STATEMENT OF NET ASSETS**  
 June 30, 2007

		<u>Primary Government</u>
Amounts reported in the Statement of Net Assets are different because:		
Total fund balances - Balance sheet governmental funds:	\$	3,870,621
Long-term assets are not available to pay for current period expenditures and are therefore deferred in the funds		
Property taxes receivable		56,500
Receivable from sale of District tax base		382,139
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Cost of Capital Assets	\$ 15,365,901	
Accumulated Depreciation on Capital Assets	<u>(4,426,559)</u>	10,939,342
Bond interest is not recognized until payable in the fund financial statements, but is accrued in the Statement of Net Assets		(53,456)
Decrease in deferred revenue in special revenue funds		
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term at year end consisted of:		
Bonds Payable	(2,940,000)	
Compensated Absences	<u>(6,048)</u>	(2,946,048)
Rounding		<u>1</u>
<b>Total net assets</b>	<b>\$</b>	<b><u>12,249,099</u></b>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2007

	<u>Funds 11000-14000</u>	<u>Fund 23000</u>	<u>Fund 31100</u>	<u>Fund 32100</u>	<u>Fund 41000</u>	<u>Other Governmental Funds</u>	<u>Total Primary Governmental Funds</u>
	<u>General Fund</u>	<u>Non Instructional</u>	<u>Bond Building Fund</u>	<u>P/S Capital Outlay 20%</u>	<u>Debt Service</u>		
<b>REVENUES</b>							
Local sources:							
Property taxes	\$ 19,803				591,735	125,883	737,421
Rents and leases	30,817						30,817
Interest	34,523	5,439	54,214	13,462	11,325	43,380	162,343
Fees - users and others	2,259					36,587	38,846
Grants						111,001	111,001
Refunds - reimbursements - donations	7,800					50,145	57,945
Sale of district tax base		382,139					382,139
Prior year checks voided	2,456					1,821	4,277
State sources:							
State equalization	2,433,191						2,433,191
Charter school fees	24,981						24,981
Gov't agency fees	834						834
Transportation distribution	372,677						372,677
Instructional materials	27,845						27,845
State Flowthrough	2,862						2,862
Grants	52,114					450,376	502,490
Federal sources:							
Grants						929,693	929,693
Impact aid	970,685						970,685
Forest reserve	1,376						1,376
Federal indirect	1,883						1,883
Special capital outlay						35,132	35,132
E-Rate	24,797						24,797
<b>Total Revenue</b>	<u>4,010,903</u>	<u>387,578</u>	<u>54,214</u>	<u>13,462</u>	<u>603,060</u>	<u>1,784,018</u>	<u>6,853,235</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT D, continued

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2007

	<u>Funds 11000-14000</u>	<u>Fund 23000</u>	<u>Fund 31100</u>	<u>Fund 32100</u>	<u>Fund 41000</u>	<u>Other Governmental Funds</u>	<u>Total Primary Governmental Funds</u>
	<u>General Fund</u>	<u>Non Instructional</u>	<u>Bond Building Fund</u>	<u>P/S Capital Outlay 20%</u>	<u>Debt Service</u>		
<b>EXPENDITURES</b>							
Current:							
Instruction	\$ 1,994,281					626,995	2,621,276
Support Services - Students	290,671					297,955	588,626
Support Services - Instruction	40,433					66,745	107,178
General Administration	321,500				5,912	105,487	432,899
School Administration	296,466					83,894	380,360
Central Services	152,297					25,380	177,677
Operation & Maintenance of Plant	662,912						662,912
Student Transportation	390,362					15,000	405,362
Food Service Operations	47,037					123,059	170,096
Noncurrent:							
Capital outlay	103,037		635,547	354,360		211,139	1,304,083
Debt service principal					420,000		420,000
Debt service interest and fiscal charges					120,841		120,841
<b>Total Expenditures</b>	<u>4,298,996</u>		<u>635,547</u>	<u>354,360</u>	<u>546,753</u>	<u>1,555,654</u>	<u>7,391,310</u>
<b>Revenues over (under) expenditures</b>	<u>(288,093)</u>	<u>387,578</u>	<u>(581,333)</u>	<u>(340,898)</u>	<u>56,307</u>	<u>228,364</u>	<u>(538,075)</u>
<b>Other financing sources (uses):</b>							
Proceeds from bonds			750,000				750,000
Operating transfers in	75,581					55	75,636
Operating transfers out						(75,636)	(75,636)
	<u>75,581</u>		<u>750,000</u>			<u>(75,581)</u>	<u>750,000</u>
<b>Net change in fund balances</b>	<u>(212,512)</u>	<u>387,578</u>	<u>168,667</u>	<u>(340,898)</u>	<u>56,307</u>	<u>152,783</u>	<u>211,925</u>
Fund balance, beginning of year, as previously reported	941,290		748,886	398,315	540,569	1,029,635	3,658,695
Adjustments to prior year balance							
Adjusted fund balances, beginning of the year	<u>941,290</u>		<u>748,886</u>	<u>398,315</u>	<u>540,569</u>	<u>1,029,635</u>	<u>3,658,695</u>
<b>Fund balances, end of year</b>	<u>\$ 728,778</u>	<u>387,578</u>	<u>917,553</u>	<u>57,417</u>	<u>596,876</u>	<u>1,182,418</u>	<u>3,870,620</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT D



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**  
 For the Year Ended June 30, 2007

	<u>Primary Government</u>
Amounts reported in the Statement of Activities are different because:	
Total net change in fund balances - governmental funds	\$ 211,925
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. The following is the net changes to the capital asset balance.</p>	
Capital Assets Acquired during the Year	\$ 479,164
Current Year Depreciation	<u>(432,162)</u>
	47,002
Receivables are recognized as revenue on the modified accrual basis of accounting if only if they meet the definition of a current financial resource (collected within 60 days of the year end). Under the full accrual method of accounting, receivables are recognized as revenue when the entity has satisfied all eligibility requirements	382,139
Proceeds from sale of bonds is treated as another financing source under to modified accrual basis and as an increase to long-term debt under the full accrual method	(750,000)
Repayment of long term liabilities is an expenditure in governmental funds but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.	
Payment on bonds payable during year	420,000
Increase in Accrued interest payable	<u>(4,937)</u>
	415,063
In the Statement of Activities, compensated absences are measured by the amount earned during the year, while in the governmental funds, these absences are measured by the amount of financial resources used (essentially, the amounts actually paid). The following is the increase in compensated absences:	
Accrued compensated absences decrease - Non current portion	975
Decrease in deferred revenue	(49)
Rounding	<u>2</u>
Change in net assets - statement of activities	\$ <u>307,057</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT D

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**FUNDS 11000, 12000, 13000 and 14000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances Positive (Negative)</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Original Budget To Final</u>	<u>Actual to Final Budget</u>
<b>REVENUES</b>					
Local sources:					
Property taxes	\$ 19,505	19,505	19,807		302
Rents and Leases	26,400	29,946	30,817	3,546	871
Interest	6,300	6,300	34,523		28,223
Fees - Users			2,259		2,259
Prior year checks voided			2,456		2,456
Refunds - reimbursements			7,800		7,800
State sources:					
State equalization	2,523,582	2,523,582	2,433,191		(90,391)
Transportation distribution	409,945	392,381	372,677	(17,564)	(19,704)
Instructional materials	27,845	27,845	27,845		
Charter school Admin. Reimb.	25,345	25,345	24,981		(364)
State flowthrough	2,862	43,580	2,862	40,718	(40,718)
Indirect costs	70,000	70,000	52,114		(17,886)
Fees - Gov't Agencies			834		834
Federal sources:					
Impact aid	941,331	941,331	970,685		29,354
Forest reserve	1,424	1,424	1,376		(48)
Federal Flowthrough indirect	8,000	8,000	1,883		(6,117)
E-Rate	27,000	27,000	24,797		(2,203)
<b>Total Revenue</b>	<u>4,089,539</u>	<u>4,116,239</u>	<u>4,010,907</u>	<u>26,700</u>	<u>(105,332)</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	2,205,540	2,351,588	2,005,321	(146,048)	346,267
Support Services:	1,869,438			1,869,438	
Support Services - Students		392,409	290,671	(392,409)	101,738
Support Services - Instruction	2,862	72,884	40,433	(70,022)	32,451
General Administration		404,653	318,094	(404,653)	86,559
School Administration		323,104	311,297	(323,104)	11,807
Central Services		149,604	137,599	(149,604)	12,005
Operation & Maintenance of Plant	19,741	795,912	674,482	(776,171)	121,430
Student Transportation	409,945	392,381	389,976	17,564	2,405
Other Support Services		2,598		(2,598)	2,598
Food Service Operations	62,000	87,000	47,037	(25,000)	39,963
Noncurrent:					
Capital outlay	40,000	125,000	103,037	(85,000)	21,963
<b>Total Expenditures</b>	<u>4,609,526</u>	<u>5,097,133</u>	<u>4,317,947</u>	<u>(487,607)</u>	<u>779,186</u>
Revenues over (under) expenditures	(519,987)	(980,894)	(307,040)	(460,907)	673,854
Other financing sources (uses)					
Operating transfers in		75,581	75,581	75,581	
Revenues and other financing sources over (under) expenditures and other financing uses	(519,987)	(905,313)	(231,459)	(385,326)	<u>673,854</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ 519,987	905,313		385,326	
Reconciliation to GAAP Basis Statement					
Decrease in taxes receivable			(5)		
Decrease in accounts payable			26,938		
Increase in accrued salaries & benefits			(5,662)		
Increase in compensated absences			(2,322)		
Rounding			(2)		
Net change in fund balance			\$ (212,512)		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**NON INSTRUCTIONAL**  
**FUND 23000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative)</u>	
				<u>Original Budget To Final</u>	<u>Actual to Final Budget</u>
<b>REVENUES</b>					
Sale of District Tax Base	\$		382,139		382,139
Interest Income			5,439		5,439
<b>Total Revenues</b>			<u>387,578</u>		<u>387,578</u>
<b>EXPENDITURES</b>					
Current:					
Instruction					
Support Services - Students					
General Administration					
<b>Total Expenditures</b>					
Revenues over (under) expenditures	\$		<u>387,578</u>		<u>387,578</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2007

**ASSETS**

Cash and cash equivalents:  
Student activities

\$ 43,288

**Total assets**

\$ 43,288

**LIABILITIES**

Accounts payable  
Deposits held in trust

\$ 191  
43,097

**Total Liabilities**

\$ 43,288

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part of These Financial Statements

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**INDEX**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - A. Reporting Entity
  - B. Function of Entity
  - C. Government-Wide and Fund Financial Statements
  - D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
  - E. Capital Assets and Long-Term Liabilities
  - F. Budgets and Budgetary Accounting
  - G. Cash and Cash Equivalents
  - H. Short-Term Inter-fund Receivables/Payables
  - I. Indirect Costs
  - J. Salaries and Wages
  - K. Estimates and Management Assumptions
  - L. Equity Classifications
  - M. Receivables
  - N. Property Taxes
  - O. Delinquent Property Taxes Receivable
  - P. Due from Grantor
  - Q. Interfund Transfer
  - R. Deferred Revenue
  - S. Accumulated Compensated Absences
  - T. Agency Funds
  - U. Expenditures of Restricted Sources
  - V. FASB Pronouncements
2. DEPOSITS AND INVESTMENTS
3. RECEIVABLES AND INTERFUND ACCOUNTS
4. CAPITAL ASSETS
  - A. Primary Government
  - B. Discretely Presented Component Units  
San Diego Riverside Charter School
  - C. Discretely Presented Component Units  
Walatowa High Charter School

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**INDEX, continued**

5. LONG-TERM DEBT
  - A. Changes in Long-Term Liabilities
  - B. General Obligation Bonds
  - C. Compensated Absences
  
6. REVENUES
  - A. Property Tax Levies
  - B. State Equalization Guarantee
  - C. Transportation Distribution
  - D. SB-9 State Match
  - E. Public School Capital Outlay
  - F. Instructional Materials
  - G. Federal Grants
  - H. Indirect Costs
  
7. RETIREMENT PLAN
  - A. Retirement Eligibility
  - B. Funding Policy
  
8. RETIREE HEALTH CARE ACT CONTRIBUTIONS
  
9. DEFICIT FUND BALANCES
  
10. RISK MANAGEMENT
  
11. CONTINGENT LIABILITIES
  
12. EXPENDITURES IN EXCESS OF BUDGET

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Jemez Valley Public School District's (primary government) and Component Units' (charter schools, within the primary government's district boundaries) financial statements include all funds over which the Jemez Valley Public School District Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

The financial reporting entity consists of (a) the primary government, (b) organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria for including a potential component unit within the reporting entity. The first 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, 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 District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to 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 District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were two component units during the year ended June 30, 2007.

**STATE OF NEW MEXICO**  
**JEMEZ VALLEY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**A. Reporting Entity, continued**

The District is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The District has two component units for which the elected School Board members are financially accountable. The Jemez Valley Public School Board (School Board) was created under the provisions of Chapter 22, Article 5, Paragraph 4, NMSA 1978. The School Board is comprised of five members who are elected for terms of four years.

The following discretely presented component units are included in the financial reporting entity of Jemez Valley Public Schools:

Discretely Presented Component Units

The San Diego Riverside School (Component Unit) was created under the provision of Chapter 281 of Laws of 1999 (1999 Charter Schools Act). The School operates under a Board of Education-Principle form of operations and provides free education to any person who is a resident of this state and has not received a high school diploma or its equivalent. The San Diego Riverside School is a charter school that operates within the Jemez Valley Public School District. Pursuant to Section 22-8B-4 NMSA, the Charter School is governed by the primary government in a manner set forth in the charter.

The Walatowa High Charter School (Component Unit) was created under the provisions of Chapter 281 of Laws of 1999 (1999 Charter Schools Act). The School operates under a Board of Education-Principle form of operations and provides free education to any person who is a resident of this state and has not received a high school diploma or its equivalent. The Walatowa High Charter School is a charter school that operates within the Jemez Valley Public School District. Pursuant to Section 22-8B-4 NMSA, the Charter School is governed by the primary government in a manner set forth in the charter.

Separate financial statements are provided for governmental fund 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.



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**B. Function of Entity**

The District provides kindergarten, elementary, and secondary high school education services to school age residents of the District. The District operates under the direction of a local school board, under provision of Charter 22, Article 5, Paragraph 4, NMSA 1978, Comp. The local school board is charged with the following powers and duties:

- (1) Subject to the rules of the department, develop educational policies for the District;
- (2) Employ a local superintendent for the District and fix his/her salary;
- (3) Review and approve the District budget;
- (4) Acquire, lease, and dispose of property;
- (5) Have capacity to sue and be sued;
- (6) Acquire real estate by eminent domain as pursuant to the procedures in the Eminent Domain Code;
- (7) Issue general obligation bonds of the District;
- (8) Provide for the repair and maintain all property belonging to the District;
- (9) For good cause and upon order of the district code, subpoena witnesses and documents in connections with a hearing concerning any powers or duties of the local school boards;
- (10) Contract for the expenditures of monies according to the provisions of the Procurement code, except for expenditures for salaries;
- (11) Adopt rules pertaining to the administration of all powers or duties of the local school board;
- (12) Accept or reject any charitable gift, grant, devise, or bequest. The particular gift, grant, devise or bequest accepted shall be considered as asset of the District or the public school to which it is given;
- (13) Offer and, upon compliance with the conditions of such offer, pay awards for the information leading to the arrest and conviction or other appropriate disciplinary disposition by the courts or juvenile authorities or offenders in cases of theft, defacement, or destruction of local District property. All such rewards shall be paid from District funds in accordance with rules promulgated by the department; and,

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**B. Function of Entity, continued**

- (14) Give prior approval for any educational program in a public school in the District that is to be conducted, sponsored, carried on or caused to be carried on by a private organization or agency.

The District operates under the auspices of the New Mexico Public Education Department (NMPED) and adheres to budgetary accounting principles and procedures promulgated by NMPED as approved by the State Board of Education and the Legislative Finance Committee in accordance with State Statute (Section 22-8-5 NMSA 1978, Comp.).

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

Government wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District and its Component Units. These statements include the financial activities of the overall government, except for fiduciary activities and component units that are fiduciary in nature. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different governmental-type activities of the District and its Component Units and for each function of the District's governmental activities. Direct and component unit expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the receipts of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Government-Wide and Fund Financial Statements, continued**

Fund Accounting

The accounts of the School District and Component Units are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

For financial statement presentation purposes the general fund is accounted for in four (4) sub funds.

The sub funds are:

- 1) General Operating - Fund 11000 – See definition above for general fund.
- 2) Teacherage – Fund 12000 – Used to account for rent charged to school employees who live in District owned property and the costs related to the housing.
- 3) Pupil Transportation – Fund 13000 – Used to account for state funding provided for student transportation to and from school and the costs related to this activity.
- 4) Instructional Materials – Fund 14000 – Used to account for state funds received for the acquisition of instructional materials.

**STATE OF NEW MEXICO**  
**JEMEZ VALLEY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Government-Wide and Fund Financial Statements, continued**

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenues sources which are legally restricted to expenditures for a specified purpose.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

The District is required to present certain of its governmental funds as major funds based upon certain specified criteria. In addition to the General Fund described above, the District has designated the following funds as major funds:

Major Special Revenue Fund

Non-Instructional (23000) – To account for resources received by the District that are not restricted for the education of students.

Other Major Funds

General Obligation Bond (31100) – To account for resources received from the sale of general obligation bonds for the purposes of construction and renovation school buildings, the purchase of equipment and acquisition or improvement of land.

Public School Capital Outlay – 20% (32100) – To account for resources received from earmarking 20% of local cash balances (11000 Operational) for the purpose of building, remodeling and equipping classroom facilities.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Government-Wide and Fund Financial Statements, continued**

Other Major Funds, continued

Debt Service (41000) – To account for monies designated for the payment of interest and principal due on general obligation bonds and notes. Financing is provided by special tax levies approved by the voters of the District and assessed by the County Assessor and collected and remitted to the District by the County Treasurer.

Fiduciary Funds

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals and/or other organizations. Fiduciary Funds are not included in the government wide financial statements.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Government-wide Statements

Government-wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Program revenues include *charges for services* such as: gate receipts at athletic events, facility rental charges and food service charges.

*Program-specific grants and contributions (operating and capital)* include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used *either* for operating expenses or for capital expenditures of the program at the discretion of the reporting government. During the year ended June 30, 2007, the District received numerous Federal and State grants that were deemed program-specific grants and contributions.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

Allocation of Indirect Expenses

In the government-wide financial statements, expenses are classified by function. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense that is specifically identified by function is included in the direct expense of the function. Depreciation that is identified as unallocated on the Statement of Activities is shown separately. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Inter-fund Transfers

For the purposes of the Statement of Activities, all inter-fund transfers between individual funds have been eliminated.

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

Governmental Fund Financial Statements

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be “available” when they are collected within the current period or soon enough there after to pay liabilities of the current period. For this purpose, the District and its component units consider all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, and interest are considered to be susceptible to accrual.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

Governmental Fund Financial Statements, continued

Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, which are recognized as expenditures when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements in which case, GASB prevails. For enterprise funds, GASB Statement No.'s 20 and 34 provided the District the option of electing to apply FASB pronouncements issued after November 30, 1989. The District has elected not to apply FASB pronouncements issued after November 30, 1989.

**E. Capital Assets and Long-Term Liabilities**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Therefore capital assets and long-term debt instruments are not shown on the balance sheets of the governmental funds. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**E. Capital Assets and Long-Term Liabilities, continued**

Capital assets and long-term debt obligations are shown on the Statement of Net Assets.

All capital assets are valued at historical cost, if available. If unavailable, historical values were estimated by determining current values and deflating these amounts to the year of acquisition using readily available deflation factors.

Capital assets costing \$5,000 or more are capitalized in compliance with the state law. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired after July 1, 2004 will be capitalized. The district does not capitalize library books as the net value was considered immaterial to the financial statements. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds, and the related assets are recorded at cost in the Statement of Net Assets.

The District and its component units do not develop any software. All purchased software is amortized (depreciated) over its estimated useful life.

Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. The District does not capitalize interest in regards to its capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Infrastructure	20-50 years
Land Improvements	20-50 years
Building and Building Improvements	20-50 years
Furniture, Fixtures, Equipment and Vehicles	5-10 years

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**E. Capital Assets and Long-Term Liabilities, continued**

The original School buildings and land occupied by the San Diego Riverside Charter School are owned by San Diego Riverside, Inc. The Corporation agreed to lease the School building and land to the Charter School. All capital assets subsequently purchased by the Charter School have been recorded as assets of the Charter School.

**F. Budgets and Budgetary Accounting**

Formal budgetary integration is employed as a management control device during the year. The budget is classified as a non-appropriated budget under governmental accounting standards. A non-appropriated budget is a financial plan for an organization approved in a manner consistent with a constitution, charter, statute or ordinance that is not subject to appropriation.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with Generally Accepted Accounting Principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on this non-GAAP budgetary basis. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Department of Education an estimated budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State Department of Public Education (SDPE) by the school district shall contain headings and details as prescribed by law.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**F. Budgets and Budgetary Accounting, continued**

- (2) Prior to June 20 of each year, the proposed "tentative" budget will be reviewed and approved by the SBPU 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 "tentative" budget will be used by the District until a "final" budget has been approved by SBPU 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.
- (4) The SBPU 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.
- (5) Prior to the first Monday of September of each year, SBPU shall approve and certify to each local school board a final budget for use by the local school board.
- (6) No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
- (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 SBPU.
- (8) Legal budget control for expenditures is by function.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**F. Budgets and Budgetary Accounting, continued**

- (9) Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Jemez Valley Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget statements included in the accompanying financial statements reflects the approved budget and amendments thereto.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end.

**G. Cash and Cash Equivalents**

Cash and cash equivalents include amounts on hand and in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District.

**H. Short-Term Inter-fund Receivables/Payables**

During the course of operations, some transactions may occur between individual funds for goods provided or services rendered. These receivables and payables as well as any short-term inter-fund loans are classified as "due from other funds" or "due to other funds" on the balance sheet.

**I. Indirect Costs**

The School District and Component Units received cost reimbursements from the various federal agencies for federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the federal programs. These indirect costs are shown as revenues and as expenditures of the special revenue funds. Federal projects indirect costs are budgeted in the operational fund.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**J. Salaries and Wages**

The School District pays all salaries and wages due teachers on or before June 20<sup>th</sup> of each year.

**K. Estimates and Management Assumptions**

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

**L. Equity Classifications**

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt:  
Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets:  
Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets:  
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**L. Equity Classifications, continued**

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserved for Debt Service

Amounts legally restricted for the payment of long-term debt.

Unreserved, Undesignated

Amounts which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the District.

**M. Receivables**

The receivables presented on the combined balance sheet are considered collectible, and are current.

**N. Property Taxes**

The School District's property taxes are levied each year, exception livestock, on the assessed valuation of property located in the school district as of the preceding January 1<sup>st</sup>. Mill levy rates are set by the State of New Mexico each year for the General Fund and Debt Service Fund. The 2 mill levy of the SB-9 Capital Improvement Fund is approved by the District's voters every 4 years for each four year period.

Property taxes are payable in two equal installments on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year. Property taxes are collected by the County Treasurer and remitted to the District in the month following collection.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**N. Property Taxes, continued**

The following mill levies were assessed during the fiscal year ended June 30, 2007:

	<u>Residential</u>	<u>Non-Residential</u>
Operating Purpose	.176	.400
SB-9	2.000	2.000
Debt Service	8.561	8.561

**O. Delinquent Property Taxes Receivable**

Property taxes are considered delinquent if not paid within 30 days of their due date. Delinquent property taxes receivable have been recognized and recorded in accordance with NCGA Interpretation 3, Revenue Recognition – Property Taxes. Property tax revenue is recognized in the year in which taxes are levied, provided the revenue is available that is, it has been collected within the current period or can be collected within 60 days after the current period ends. Delinquent taxes receivable that are not “available” are recorded as deferred revenue to indicate that these amounts are not “available spendable sources” on the fund financial statements. On the entity-wide statements (Statement of Net Assets and Statement of Activities) property taxes have been recognized on the full accrual method of accounting.

**P. Due From Grantor**

The amount shown as due from grantor represents amounts due on federal or state reimbursement type projects wherein allowable expenditures are in excess of revenues received to date. Most federal or state projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

**Q. Interfund Transfer**

Inter fund Transfers are recognized as other financing sources and uses in the fund financial statement but are eliminated in the Statement of Activities. During the year ended June 30, 2007 a budgeted transfer was made from the non-major Public School Capital Outlay Fund (31200) to the operating fund (11000) in the amount of \$75,581 and a \$55 transfer was made from one non-major special revenue fund to another non-major special revenue fund. These transfers were made to repay the respective funds for repayments of previously authorized transfers or for expenditures charged to the wrong funds in previous years.

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, *continued*  
June 30, 2007

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**R. Deferred Revenue**

The amounts reported as deferred revenue in the financial statements are financial resources receivable or received prior to the resource being earned.

**S. Accumulated Compensated Absences**

It is the policy of Jemez Valley Public Schools to permit certain employees to accumulate a limited amount of earned but unused vacation, which will be paid to employees upon separation from the school district's service. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expense and as a liability of the governmental fund that will pay it.

Sick pay does not vest and is recorded as an expenditure when it is paid.

**T. Agency Funds**

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the District held for others in an agency capacity.

During the year ended June 30, 2007 the District held student activity funds for which they acted as fiscal agent.

**U. Expenditures of Restricted Sources**

It is the District's policy to expend restricted sources prior to unrestricted sources when both sources are available for expenditure.

**V. FASB Pronouncements**

Financial Accounting Standards Board (FASB) pronouncements and Accounting Principals Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. GASB Statements No.'s 20 and 34 provided the District the option of electing to apply FASB pronouncements issued after November 30, 1989. The District elected not to apply FASB pronouncements issued after November 30, 1989.



**STATE OF NEW MEXICO**  
**JEMEZ VALLEY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**June 30, 2007**

**2. DEPOSITS AND INVESTMENTS**

Jemez Valley Public Schools is authorized under the provisions of Chapter 6, Article 10; paragraph 10 NMSA 1978, Comp. to deposit its money in banks, savings and loan associations, and/or credit unions whose accounts are insured by an agency of the United States.

All money not immediately necessary for the public uses of the Schools may be invested in:

(a) Bonds or negotiable securities of the United States, the State, or any country, municipality, or school district which has taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the preceding five years;

(b) Securities that are issued by the United States Government or by its agencies or instrumentalities that are either direct obligations of the United States or are backed by the full faith and credit of the United States Government or agencies guaranteed by the United States Government.

(c) Contracts with banks, savings and loan associations, or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred tow percent of the contract. The collateral required for investment in the contracts provided for in the subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**2. DEPOSITS AND INVESTMENTS, continued**

The deposits and investments of the School are subject to various risks as discussed below:

Custodial Credit Risk - The risk that in the event of a bank failure, all of the School's deposits and/or investments may not be returned. The School does not have a policy regarding custodial credit risk.

A. Deposits- The risk exists when a portion of the School's deposits are not covered by depository insurance and are:

1. Uncollateralized
2. Collateralized with securities held by the pledging financial institution, or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's name.

The bank balance of deposits in demand accounts and in savings accounts at June 30, 2007 was \$2,751,217. The amount collateralized and held by the pledging bank's trust department in the School's name, and subject to custodial credit risk was \$1,286,997.

B. Investments- The risk exists if the School's securities are uninsured, are not registered in the name of the School, and are held by either

1. The counterparty, or
2. The counterparty's trust department or agent but not in the School's name.

The bank balance of overnight investments at June 30, 2007 was \$1,883,045.

The amount held by the trust department in the District's name and subject to custodial credit risk was \$2,069,183.

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – State law limits investments to bonds or negotiable securities of the U.S., the State, municipalities, or school district, securities issued by the U.S. Government (or its agencies, either direct obligations or backed and guaranteed by the U.S. Government) and repurchase agreements with banks, savings and loan associations or credit unions. The District has no investment policy that would further limit its investment choices.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**2. DEPOSITS AND INVESTMENTS, continued**

**Concentration of Credit** – The District places no limit on the amount the District may invest in any one issuer.

**Collateralization Schedule** – The following disclosure is required by State Auditor Rule 2.2.2.10 N (4)(b).

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Primary Government:		
Wells Fargo Bank:		
Insured	\$ 200,000	200,000
Uninsured	<u>4,129,497</u>	<u>4,434,262</u>
	\$ <u>4,329,497</u>	4,634,262
50% collateralization required (50% of uninsured)		2,217,131
Actual collateralization held		<u>3,356,180</u>
Over collateralization		<u>\$1,139,049</u>

The account of San Diego Riverside Charter School was fully insured and the account of Walatowa High Charter School was over collateralized by \$167,181

**3. RECEIVABLES AND INTERFUND ACCOUNTS**

Accounts receivable are recorded in the various funds. They consist of amounts receivable from governments and private agencies relating to various grant agreements and property taxes receivable.

At June 30, 2007, the District had recorded a receivable from a housing developer who had agreed to pay the District \$764,278 in two installments of \$382,139 each for the right to change its housing development from the Jemez Valley Public Schools District to Rio Rancho School District. The first payment was received during the fiscal year ended June 30, 2007. The second payment was received in the fiscal year ended June 30, 2008.

Details of receivables as reflected on the Statement of Net Assets at June 30, 2007 are detailed hereunder:

	<u>General</u>	<u>Other Major</u>	<u>Other Governmental</u>	<u>Total</u>
Property Taxes	\$ 2,670	74,302	16,255	93,227
Due from Grantors Developer		<u>382,139</u>	87,551	87,551
Total	\$ <u>2,670</u>	<u>456,441</u>	<u>103,806</u>	<u>562,917</u>

All amounts are considered collectible at June 30, 2007.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**3. RECEIVABLES AND INTERFUND ACCOUNTS, continued**

The due to/due from accounts shown on the fund financial statements are the result of short-term borrowings between the funds that occur when expenses exceed available resources in a specific fund. These inter fund short-term borrowings have been eliminated in the Statement of Net Assets. At June 30, 2007 the following inter fund loans are shown:

	<u>Due from</u>	<u>Due to</u>
General Operating Account (11000)	\$ <u>12,037</u>	
General Pupil Transportation (13000)		\$ <u>12,037</u>

**4. CAPITAL ASSETS**

**A. Primary Government:**

Capital Assets Class	Balance at July 1, 2006	<u>Current Year</u>		Balance at June 30, 2007
		<u>Additions</u>	<u>Deletions</u>	
Not subject to Depreciation:				
Land	\$ 162,011			162,011
Work in progress	<u>171,946</u>	<u>385,411</u>	_____	<u>557,357</u>
Total non-depreciable assets	<u>333,957</u>	<u>385,411</u>	_____	<u>719,368</u>
Subject to Depreciation:				
Infrastructure	162,515			162,515
Buildings and improvements	12,480,467			12,480,467
Land improvements	159,947	88,345		248,292
Equipment and vehicles	<u>1,749,851</u>	<u>5,408</u>	_____	<u>1,755,259</u>
Total depreciable assets	<u>14,552,780</u>	<u>93,753</u>	_____	<u>14,646,533</u>
Total assets	<u>14,886,737</u>	<u>479,164</u>	_____	<u>15,365,901</u>
Less accumulated depreciation:				
Infrastructure	93,446	8,126		101,572
Buildings and improvements	2,672,133	242,627		2,914,760
Land improvements	151,426	3,484		154,910
Equipment and vehicles	<u>1,077,391</u>	<u>177,926</u>	_____	<u>1,255,317</u>
Total accumulated depreciation	<u>3,994,396</u>	<u>432,163</u>	_____	<u>4,426,559</u>
Governmental activities				
Capital assets, Net	<u>\$10,892,341</u>	<u>47,001</u>	_____	<u>10,939,342</u>

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**4. CAPITAL ASSETS, continued**

**A. Primary Government, continued:**

The District does not allocate depreciation by functional cost center.

The District's construction in progress included the following major projects:

	Project <u>Budget</u>	Construction <u>In Progress</u>	Project <u>Balance</u>	Estimated Completion <u>Date</u>
Water Project	\$ 250,000	190,211	59,789	06-30-08
Re-roof gymn.	175,000	68,791	106,209	09-30-07
Air Con./Heating	740,378	298,355	442,023	12-31-07

**B. Discretely Presented Component Units –  
San Diego Riverside Charter School**

Capital Assets Class	Balance at <u>July 1, 2006</u>	<u>Current Year</u>		Balance at <u>June 30, 2007</u>
		<u>Additions</u>	<u>Deletions</u>	
Not subject to Depreciation:				
Land	\$			
Construction in progress	_____	_____	_____	_____
Total non-depreciable assets	_____	_____	_____	_____
Subject to Depreciation:				
Buildings and improvements	480,261			480,261
Equipment and vehicles	<u>209,558</u>	_____	_____	<u>209,558</u>
Total depreciable assets	<u>689,819</u>	_____	_____	<u>689,819</u>
Total assets	<u>689,819</u>	_____	_____	_____
Less accumulated depreciation:				
Buildings and improvements	74,282	22,958		97,241
Equipment and vehicles	<u>96,946</u>	<u>12,936</u>	_____	<u>109,882</u>
Total accumulated depreciation	<u>171,228</u>	<u>35,895</u>	_____	<u>207,123</u>
Governmental activities				
Capital assets, Net	\$ <u>518,591</u>	<u>(35,895)</u>	_____	<u>482,696</u>
Current depreciation expense by function:				
Instruction		\$ 7,560		
Support Services - Instructional		8,896		
General Administration		639		
School Administration		639		
Food Services		<u>18,161</u>		
Total Current Depreciation Expense		\$ <u>35,895</u>		

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**4. CAPITAL ASSETS, continued**

**C. Discretely Presented Component Units -  
Walatowa High Charter School**

Capital Assets Class	Balance at July 1, 2006	<u>Current Year</u>		Balance at June 30, 2007
		<u>Additions</u>	<u>Deletions</u>	
Not subject to Depreciation:				
Land	\$			
Construction in progress	_____	_____	_____	_____
Total non-depreciable assets	_____	_____	_____	_____
Subject to Depreciation:				
Equipment and vehicles	<u>161,361</u>	_____	_____	<u>161,361</u>
Total depreciable assets	<u>161,361</u>	_____	_____	<u>161,361</u>
Total assets	<u>161,361</u>	<u>_____</u>	<u>_____</u>	<u>161,361</u>
Less accumulated depreciation:				
Equipment and vehicles	<u>87,745</u>	<u>14,302</u>	_____	<u>102,047</u>
Total accumulated depreciation	<u>87,745</u>	<u>14,302</u>	<u>_____</u>	<u>102,047</u>
Governmental activities				
Capital assets, Net	\$ <u>73,616</u>	<u>(14,302)</u>	<u>_____</u>	<u>59,314</u>
Current depreciation expense by function:				
Instruction		\$ 7,830		
Support Services - Instruction		1,325		
General Administration		1,686		
School Administration		2,587		
Food Services		<u>874</u>		
Total Current Depreciation Expense		\$ <u>14,302</u>		

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**5. LONG-TERM DEBT**

**A. Changes in Long-Term Liabilities**

During the year ended June 30, 2007, the following changes occurred in the long-term liabilities:

	Balance at June 30, <u>2006</u>	<u>Increase</u>	<u>Decrease</u>	Balance at June 30, <u>2007</u>	<u>Current Portion</u>
Primary Government:					
General Obligation Bonds	\$2,610,000	750,000	(420,000)	2,940,000	460,000
Compensated Absences	42,767	7,569		50,336	44,288
Component Unit:					
San Diego Riverside Charter School					
Compensated Absences	<u>29,869</u>	<u>1,500</u>		<u>31,369</u>	
	<u>\$2,682,636</u>	<u>759,069</u>	<u>420,000</u>	<u>3,021,705</u>	<u>504,288</u>

Typically, compensated absence liabilities are paid out of the general operating fund.

**B. General Obligation Bonds**

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds and are payable solely from general property taxes that are levied against all taxable property in the District. Interest rates on the outstanding bonds range from 1.48% to 6.15%. The bonds are payable out of the Debt Service Fund (Fund 41000). The following is a schedule of the debt service requirements for all general obligation bonds as of June 30, 2007.

Most of the bond issues are subject to prior redemption provisions.

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 460,000	120,450	580,450
2009	340,000	101,586	441,586
2010	325,000	86,202	411,202
2011	305,000	71,199	376,199
2012	305,000	56,828	361,828
2013-2017	905,000	105,895	1,010,895
2018-2020	<u>300,000</u>	<u>19,785</u>	<u>319,785</u>
Total	\$ <u>2,940,000</u>	<u>561,945</u>	<u>3,501,945</u>

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**5. LONG-TERM DEBT, continued**

**C. Compensated Absences**

All employees on Jemez Valley Public Schools who have 12 month contracts are granted 15 or more days (depending on longevity at the District). The Superintendent of the District is granted 20 days per annum. All twelve month employees of San Diego Riverside Charter School are granted 12 or 14 days annual leave, depending on longevity. Total accrued compensated absence are shown in the schedule above (A). Historically, the compensated absences have been paid out of the operating funds of the District and San Diego Riverside Charter School.

**6. REVENUES**

**A. Property Tax Levies**

Jemez Valley Public Schools receives property tax payments made by the property owner of the District from the Sandoval County Treasurer for operational, public school capital improvements, and debt service purposes.

Although there are no specific restrictions placed on the expenditure of property taxes collected for operational purposes, restrictions do exist on the amounts collected under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) and the amounts collected as a result of issuing general obligation bonds.

Under provision of the Public School Capital Improvements Act, any local school board may adopt a resolution to submit to the qualified electors of the school district the question of whether or not a property tax should be imposed on the net taxable value of property allocated to the school district for the purpose of capital improvements. The resolution shall:

- (1) Identify the capital improvements;
- (2) Specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each \$1,000 of net taxable value of property;
- (3) Specify the date an election will be held;
- (4) Limit the imposition of the tax to no more than four property tax years.



**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS, continued  
 June 30, 2007**

**6. REVENUES, continued**

**A. Property Tax Levies, continued**

If approved, any revenues produced by the tax and any state distribution resulting to the District under the act shall be expended only for the capital improvements specified in the authorized resolution. During the year ended June 30, 2003 the District's electorate approved the two-mill tax for an additional 4 years (2004, 2005, 2006 and 2007).

General obligation bonds may be issued for the purpose of electing, remodeling, making additions to, and the furnishing of school buildings, or purchasing or improving school grounds or any combination of these purposes. Such bonds shall be fully negotiable and constitute negotiable instruments.

The school board shall establish adequate budgetary provisions, approved by the School Management Division, to promptly pay, as it becomes due, all principal and interest on general obligation bonds issued by the school district. The full faith and credit of a school district shall be pledged to the payment of the principal and interest on general obligation bonds issued by the school district.

The Board of County Commissioners shall levy and collect upon all taxable property within a school district in the county such tax as is necessary to pay the interest and principal on general obligation bonds issued by the school district as the interest principal become due, without limitation as to rate or amount.

During the year ended June 30, 2007, property taxes were imposed upon the net taxable value of property allocated to the school district in the following amounts (rate per \$1,000 of net taxable value):

	<u>Residential</u>	<u>Non-Residential</u>
Operational	.176	.400
Capital Improvements	2,000	2,000
Debt Service	<u>8,561</u>	<u>8,561</u>
	<u>10,737</u>	<u>10,961</u>

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**6. REVENUES, continued**

**A. Property Tax Levies, continued**

Property tax revenue recognized by the District during the year ended June 30, 2007 on the fund financial statements amounted to the following:

Operational	\$ 19,803
Capital Improvements	125,883
Debt Service	<u>591,735</u>
	\$ <u>737,421</u>

**B. State Equalization Guarantee**

Each school district in the State of New Mexico receives 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, is at least equal to the school district’s program cost” (as defined in Chapter 22, Section 8-25, NMSA 1978).

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-multi cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$2,433,191 in state equalization guarantee distributions during the year ended June 30, 2007.

**C. Transportation Distribution**

Money in the transportation distribution of the public school fund 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 kindergarten through twelve attending public school within the school district, and the three and four year old children who meet the state board approved criteria and definition of developmentally disabled, and for transportation of students to and from their regular attendance centers and the place where vocational education programs are being offered.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**6. REVENUES, continued**

**C. Transportation Distribution, continued**

The transportation distribution is allocated to each school district according to an objective formula developed by the State Transportation Director and the Director of Public School Finance. In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, the allocation for each school district will be reduced in the proportion that the local school district allocation bears to the total statewide transportation distribution.

The Department shall make periodic installment payments to school districts during the school year from the transportation distributions, based upon the allocations certified by the state transportation director. The District received \$372,677 in transportation distributions during the fiscal year ended June 30, 2007.

**D. 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 Improvements fund to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**6. REVENUES, continued**

**E. Public School Capital Outlay**

Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the Public School Capital Outlay Council necessary for an adequate education program.

The Council shall approve an application for grant assistance from the fund when the Council determines that:

- (1) A critical capital outlay need exists;
- (2) The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
- (3) The school district has used its resources in a prudent manner;
- (4) The District is in a county or counties that have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division;
- (5) The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978;
- (6) The school district is indebted at not less than seventy-five percent of the total debt authorized by law;
- (7) The school district has submitted a five-year facilities master plan that includes enrollment projections.

During the year ended June 30, 2007 the District received financial assistance under the provisions of Chapter 22, Article 24 in the amount of \$24,991.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**6. REVENUES, continued**

**F. Instructional Materials**

The New Mexico State Department of Education shall establish a separate instructional materials account for each school district, state institution, private school, or adult basic education center in the state having students in attendance entitled to the free use of instructional materials pursuant to the Instructional Material Law (22-15-1 through 22-15-14 NMSA 1978).

On or before July 1 of each year, the Public Education Department shall allocate to each school district, state instruction, or private school not less than ninety percent of its estimated entitlement as determined from the estimated forty-day membership for the next school year. A school district's, state institution's, or private school's entitlement is that portion of the total amount of the annual appropriation less a deduction for a reasonable reserve for transportation charges and emergency expenses that its forty-day membership bears to the forty-day membership of the entire state. The allocation of adult basic education shall be based on a full-time equivalency obtained by multiplying the total previous year's enrollment by .25.

On or before January 15 of each year, the Public Education Department shall re-compute each entitlement using the forty-day membership for that year, except for adult basic education, and shall allocate the balance of the annual appropriation compensating for any over- or under-estimation of the first allocation.

An amount not to exceed thirty percent (50%, beginning in fiscal year 2006) of the allocation of each individual instructional materials account may be used for instructional materials not included on the multiple list provided for in Section 22-15-8 NMSA 1978. The districts are allowed to carry forward unused instructional materials funds from year to year.

The District recognized distributions in the amount of \$30,707 during the year ended June 30, 2007.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**6. REVENUES, continued**

**G. Federal Grants**

The District receives revenues under Federal programs that are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the New Mexico Public Education Department. This department also administers these funds. The District also receives reimbursements under the National School Lunch and Breakfast Programs for its food services operations and distributions of commodities through the New Mexico Human Services Department.

**H. Indirect Costs**

The District received cost reimbursements from the various Federal agencies for Federal programs it administers. The indirect costs are shown as expenditures of the Special Revenue Funds and as revenues in the General Operational Fund. Federal projects' indirect cost reimbursements are budgeted as revenue in the general operating account. The accompanying statements of budgeted and actual revenues and expenditures for Federal projects are based on the Federal budgets of each project, which included the budgeted indirect costs.

**7. RETIREMENT PLAN**

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustment to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. The ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**7. RETIREMENT PLAN, continued**

**A. Retirement Eligibility**

The benefit for retirement at age 60, or after 25 years of service before age 60, is an annual sum equal to the “final average salary” multiplied by the total number of years of service credit times 2.35%. A member is eligible to retire when:

- (1) The member’s age plus New Mexico earned service credit equal 75; or
- (2) The member has acquired a total of 25 years of earned and allowed service credit, regardless of age; or
- (3) The member has five years of earned service credit and is 65 years of age.

A further requirement to be eligible to retire is that one must be a “member” having at least one year of employment after July 1, 1957 and at least five years of contributory employment. Eligible members who have one year of employment after July 1, 1957, but less than the required five, may contribute to the fund for each year needed. The cost of such contributions is 15.2% of the average salary of the last five years for each year of contributory employment needed plus 3% compounded interest from July 1, 1957 to the date of payment.

When a member has completed five or more years of “earned service credit” and has made contributions for at least five years, the member may terminate employment, leave his/her contributions in the retirement fund, and retire.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**7. RETIREMENT PLAN, continued**

**B. Funding Policy**

During the FYE 06-30-07 plan members were required to contribute 7.75% of their gross salary. The District was required to contribute 10.15% of the gross covered salary. (These contribution amounts for both the plan members and the District will continue to increase over the next three years). The contribution requirements of plan members and the District are established in Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to ERB for the years ending June 30, 2007, 2006 and 2005 were \$249,983, \$222,464 and \$199,301 respectively, equal to the amount of the required contributions for each year.

The San Diego Riverside Charter School's liabilities to ERA for the year ended June 30, 2007, 2006 and 2005 were \$71,807, \$69,537, and \$63,204 respectively. The Walatowa High Charter School's contributions to ERA for the years ended June 30, 2007 and 2006 were \$26,927 and \$27,859 respectively. San Diego Riverside Charter School owed ERB \$47,267 in employee and employer contributions at June 30, 2007.

**8. RETIREE HEALTH CARE ACT CONTRIBUTIONS**

*Plan Description.* Jemez Valley Public Schools and its component units contribute 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 Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978) provides health care insurance and prescription drug benefits to retired employees of participation New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Car Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority and state agencies, state courts, magistrate courts, municipalities, or counties, which are affiliated to or covered by the Educational Retirement Act or the Magistrate Retirement Act.



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**8. RETIREE HEALTH CARE ACT CONTRIBUTIONS, continued**

Eligible retirees are:

- A. 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 Retiree Health Care Act on the person's behalf, unless that person retires on or before the employer's NMRHCA 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; or
- B. Retirees defined by the Act who retired prior to July 1, 1990, and
- C. Former governing authority members who served at least four years.

The Retiree Health Care Authority issues a separate, publicly available financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information may be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle Blvd 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 participation 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 RHCS 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 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. Each participating employer makes contributions to the fund in the amount of one and three-tenths percent (1.3%) of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to sixty-five hundredths of one percent (.65%) of the employee's annual salary.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act.

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS, continued  
 June 30, 2007**

**8. RETIREE HEALTH CARE ACT CONTRIBUTIONS, continued**

The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted the RHCS on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

Jemez Valley Public Schools contributions to the RHCA for the Years ended June 30, 2007, 2006 and 2005 were \$31,943, \$29,920, and \$29,945, respectively, which equal the required contributions for each year.

During the year ended June 30, 2007 San Diego Riverside Charter School incurred a liability of \$9,530 in employer contributions and \$4,765 in employee contributions to the Retiree Health Care Authority for wages paid during the fiscal year. An estimated \$34,126 in unpaid contributions were outstanding (due to RHCA) at June 30, 2007. No payments were made to RHCA during the years ended June 30, 2006 and 2007.

Walatowa High Charter School contributions to the RHCA for the years ended June 30, 2007, 2006 and 2005 were \$2,927, 2,794 and \$4,042, respectively, which equal the required contributions for each year.

**9. DEFICIT FUND BALANCES**

The District and its component units are supported by various Federal and State grant subsidies received under the authority of its various grant, and /or statute.

San Diego Riverside Charter School

General Fund:

Funds 11000 & 14000	General	\$228,483
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Special Revenue Funds:

Fund 21000	Food Services	\$ 8,350
Fund 23000	Non-Instructional	\$ 500
Fund 25147	Impact Aid – Indian Education	\$ 2,563

Walatowa High Charter School

Special Revenue Funds:

Fund 21000	Food Services	\$ 12,202
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**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**10. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The District has joined other local districts in a multi-line pool and a worker's compensation pool. These public entity risk pools operate as a common risk management and insurance program for worker's compensation and property and casualty coverage.

These pools are funded entirely by member contributions and are administered by the New Mexico Public Schools Insurance Authority (NMPSIA). The pools are authorized by joint powers agreements entered into by each district as a separate and independent government and legal entity pursuant to the provisions of NMSA 1978 Sections 11-1-1. Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

1. Worker's Compensation;
2. Property and automobile liability and physical damage;
3. Liability and civil rights and personal injury;
4. Contract school bus coverage; and
5. Crime

The District has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the District that exceeds the insurance coverage described above and should that claim be allowable under New Mexico State Statutes, the District would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Public Schools Insurance Authority assesses and estimated the potential for loss.

To the best of management's knowledge and belief, all known and unknown claims will be covered by insurance. However, information regarding incurred by not reported claims is not available on a school district-by school district basis.

New Mexico Public Schools Insurance Authority has not provided information that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year for a single school district within the pool.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2007**

**11. CONTINGENT LIABILITIES**

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

**Lawsuits** – The District is the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s counsel, the resolution of these matters will not have a material effect on the financial condition of the District.

**Arbitrage** – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditures prior to the disbursement of the proceeds must be rebated to the Internal Revenues Service (IRS). Management believes there is no significant tax arbitrage rebate liability at year-end.

**12. EXPENDITURES IN EXCESS OF BUDGET**

During the fiscal year ended June 30, 2007 the District and its component units made expenditures in excess of its budgetary authorization as follows:

<u>Entity</u>	<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
WHCS	11000	Operating	\$ 23,393
SDRCS	11000	General Operating	\$ 47,294
SDRCS	21000	Food Services	\$ 985
SDRCS	22000	Athletics	\$ 500
SDRCS	25147	Impact Aid-Indian Ed.	\$ 2,127
SDRCS	25184	Impact Aid-Formula Grant	\$ 19,181

## **SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2007

	General Fund				Total
	Fund 11000	Fund 12000	Fund 13000	Fund 14000	
	Operational	Teacherage	Pupil Transportation	Instructional Materials	
<b>ASSETS</b>					
Cash on deposit	\$ 711,595	44,184		46,153	801,932
Taxes receivable	2,670				2,670
Due from other funds	12,037				12,037
<b>Total Assets</b>	<u>\$ 726,302</u>	<u>44,184</u>	<u></u>	<u>46,153</u>	<u>816,639</u>
<b>LIABILITIES</b>					
Due to grantor	\$				
Accounts payable	7,090				7,090
Salaries and wages payable	33,028		367		33,395
Compensated absences	33,472		367		33,839
Deferred revenue	1,500				1,500
Due to Other Funds			12,037		12,037
<b>Total Liabilities</b>	<u>75,090</u>	<u></u>	<u>12,771</u>	<u></u>	<u>87,861</u>
<b>FUND BALANCES</b>					
Fund balances:					
Unreserved	651,212	44,184	(12,771)	46,153	728,778
<b>Total Fund Balances</b>	<u>651,212</u>	<u>44,184</u>	<u>(12,771)</u>	<u>46,153</u>	<u>728,778</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 726,302</u>	<u>44,184</u>	<u>0</u>	<u>46,153</u>	<u>816,639</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BY ACTIVITY**  
 For the Year Ended June 30, 2007

	<u>Fund 11000</u>	<u>Fund 12000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	
	<u>Operational</u>	<u>Teacherage</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Total</u>
<b>REVENUE</b>					
Local sources:					
Property taxes	\$ 19,803				19,803
Rents and Leases	13,275	17,542			30,817
Interest	32,923	1,600			34,523
Fees - Users	2,259				2,259
Refunds - reimbursements	7,800				7,800
Prior year checks voided	2,456				2,456
State sources					
State equalization	2,433,191				2,433,191
Charter school	24,981				24,981
Transportation distribution			372,677		372,677
State flowthrough				2,862	2,862
Instructional materials				27,845	27,845
Fees Govt Agency	834				834
Grants	52,114				52,114
Federal sources					
Impact aid	970,685				970,685
Forest reserve	1,376				1,376
Federal indirect	1,883				1,883
E-Rate	24,797				24,797
<b>Total Revenues</b>	<u>3,588,377</u>	<u>19,142</u>	<u>372,677</u>	<u>30,707</u>	<u>4,010,903</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	1,979,523			14,758	1,994,281
Support Services - Students	290,671				290,671
Support Services - Instruction	38,919			1,514	40,433
General Administration	321,500				321,500
School Administration	296,466				296,466
Central Services	152,297				152,297
Operation & Maintenance of Plant	660,533	2,379			662,912
Student Transportation			390,362		390,362
Food Service Operations	47,037				47,037
Noncurrent:					
Capital outlay	103,037				103,037
	<u>3,889,983</u>	<u>2,379</u>	<u>390,362</u>	<u>16,272</u>	<u>4,298,996</u>
Revenues over (under) expenditures	<u>(301,606)</u>	<u>16,763</u>	<u>(17,685)</u>	<u>14,435</u>	<u>(288,093)</u>
Other financing sources (uses)					
Operating transfers in	75,581				75,581
<b>Net change in Fund Balances</b>	<u>(226,025)</u>	<u>16,763</u>	<u>(17,685)</u>	<u>14,435</u>	<u>(212,512)</u>
Fund balance beginning of year	877,237	27,421	4,914	31,718	941,290
Fund balance, end of year	<u>\$ 651,212</u>	<u>44,184</u>	<u>(12,771)</u>	<u>46,153</u>	<u>728,778</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT A-2

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**OPERATIONAL**  
**FUND 11000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
Local sources:	\$				
Property taxes	19,505	19,505	19,807		302
Rents and Leases	14,400	14,400	13,275		(1,125)
Interest	6,000	6,000	32,923		26,923
Fees - users			2,259		2,259
Prior Year Checks Voided			2,456		2,456
Refund of Prior Year's Expenditures			7,800		7,800
State sources:					
State equalization	2,523,582	2,523,582	2,433,191		(90,391)
Charter School Admin Reimbursement	25,345	25,345	24,981		(364)
Other Grants Indirect Costs	70,000	70,000	52,114		(17,886)
Fees Govt Agency			834		834
Federal sources:					
Impact aid	941,331	941,331	970,685		29,354
Forest reserve	1,424	1,424	1,376		(48)
Federal Flowthrough indirect	8,000	8,000	1,883		(6,117)
Access Board (E-Rate)	27,000	27,000	24,797		(2,203)
Total Revenue	<u>3,636,587</u>	<u>3,636,587</u>	<u>3,588,381</u>		<u>(48,206)</u>
Expenditures:					
Current:					
Instruction	2,177,695	2,274,384	1,990,563	(96,689)	283,821
Support services:	1,869,438			1,869,438	
Support Services - Students		392,409	290,671	(392,409)	101,738
Support Services - Instruction		68,394	38,919	(68,394)	29,475
General Administration		404,653	318,094	(404,653)	86,559
School Administration		323,104	311,297	(323,104)	11,807
Central Services		149,604	137,599	(149,604)	12,005
Operation & Maintenance of Plant		777,625	669,779	(777,625)	107,846
Other Support		2,598		(2,598)	2,598
Food Service Operations	62,000	87,000	47,037	(25,000)	39,963
Noncurrent:					
Capital outlay	40,000	120,000	103,037	(80,000)	16,963
Total Expenditures	<u>4,149,133</u>	<u>4,599,771</u>	<u>3,906,996</u>	<u>(450,638)</u>	<u>692,775</u>
Revenues over (under) expenditures	(512,546)	(963,184)	(318,615)	(450,638)	644,569
Other Financing Sources (uses):					
Operating Transfers In			75,581		75,581
			<u>75,581</u>		<u>75,581</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(512,546)	(963,184)	(243,034)	(450,638)	<u>720,150</u>
Budgetary Notation - Cash Appropriated for Current Year Expenditure:	<u>512,546</u>	<u>963,184</u>		<u>450,638</u>	
Reconciliation to GAAP Basis Statement					
Decrease in taxes receivable			(5)		
Decrease in accounts payable			24,614		
Increase in salaries and wages payable			(5,643)		
Increase in compensated absences			(1,955)		
			<u>\$ (226,023)</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**TEACHERAGE**  
**FUND 12000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Local sources:					
Rents and leases	\$ 12,000	15,546	17,542	3,546	1,996
Interest	300	300	1,600		1,300
Total Revenue	<u>12,300</u>	<u>15,846</u>	<u>19,142</u>	<u>3,546</u>	<u>3,296</u>
Expenditures:					
Current:					
Operation and maintenance of plant	19,741	18,287	4,703	1,454	13,584
Noncurrent:					
Capital outlay		5,000		(5,000)	5,000
Total expenditures	<u>19,741</u>	<u>23,287</u>	<u>4,703</u>	<u>(3,546)</u>	<u>18,584</u>
Revenues over (under) expenditure	(7,441)	(7,441)	14,439		<u>21,880</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ <u>7,441</u>	<u>7,441</u>			
Reconciliation to GAAP Basis Statement					
Decrease in accounts payable			<u>2,324</u>		
Net change in fund balance			\$ <u>16,763</u>		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**PUPIL TRANSPORTATION**  
**FUND 13000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State sources:					
Transportation distribution	\$ 409,945	392,381	372,677	(17,564)	(19,704)
Total Revenue	<u>409,945</u>	<u>392,381</u>	<u>372,677</u>	<u>(17,564)</u>	<u>(19,704)</u>
Expenditures:					
Current:					
Student Transportation	409,945	392,381	389,976	17,564	2,405
Total Expenditures	<u>409,945</u>	<u>392,381</u>	<u>389,976</u>	<u>17,564</u>	<u>2,405</u>
Revenues over (under) expenditure	\$ <u>          </u>	<u>          </u>	(17,299)	<u>(35,128)</u>	<u>(22,109)</u>
Reconciliation to GAAP Basis Statement					
Increase in accrued salaries and benefits			(19)		
Increase in accrued compensated absences			<u>(367)</u>		
Net change in fund balance			\$ <u>(17,685)</u>		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**GENERAL FUND**  
**INSTRUCTIONAL MATERIALS**  
**FUND 14000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
State sources:					
State flow through grant	\$ 2,862	43,580	2,862	40,718	(40,718)
Instructional materials	<u>27,845</u>	<u>27,845</u>	<u>27,845</u>		
Total Revenues	<u>30,707</u>	<u>71,425</u>	<u>30,707</u>	<u>40,718</u>	<u>(40,718)</u>
Expenditures:					
Current:					
Instruction	27,845	77,204	14,758	(49,359)	62,446
Support Services - Instruction	<u>2,862</u>	<u>4,490</u>	<u>1,514</u>	<u>(1,628)</u>	<u>2,976</u>
Total Expenditures	<u>30,707</u>	<u>81,694</u>	<u>16,272</u>	<u>(50,987)</u>	<u>65,422</u>
Revenues over (under) expenditure	\$ <u>          </u>	(10,269)	<u>14,435</u>	(10,269)	<u>24,704</u>
Budgetary notation- cash appropriated from prior year for current years expenditures		\$ <u>10,269</u>		<u>10,269</u>	

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**MAJOR CAPITAL PROJECTS FUND**  
**BOND BUILDING FUND**  
**FUND 31100**

STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Local sources:					
Interest	\$ _____	_____	54,214	_____	54,214
Total Revenues	_____	_____	54,214	_____	54,214
Expenditures:					
Noncurrent:					
Capital outlay	718,994	1,468,994	566,756	(750,000)	902,238
Total Expenditures	718,994	1,468,994	566,756	(750,000)	902,238
Revenues over (under) expenditures	(718,994)	(1,468,994)	(512,542)	(750,000)	956,452
Other Financing Sources (Uses)					
Bond Proceeds	_____	750,000	750,000	750,000	750,000
Revenues and other financing sources over (under) expenditures and other financing uses	(718,994)	(718,994)	237,458		1,706,452
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ 718,994	718,994		718,994	
Reconciliation to GAAP Basis Statement					
Increase in account payable			(68,791)		
			168,667		

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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**MAJOR CAPITAL PROJECTS FUND**  
**PUBLIC SCHOOL CAPITAL OUTLAY - 20%**  
**FUND 32100**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Local sources:					
Interest		24,762	13,462	24,762	(11,300)
Total revenues		<u>24,762</u>	<u>13,462</u>	<u>24,762</u>	<u>(11,300)</u>
Expenditures:					
Noncurrent:					
Capital outlay	344,660	369,422	57,484	(24,762)	311,938
Total Expenditures	<u>344,660</u>	<u>369,422</u>	<u>57,484</u>	<u>(24,762)</u>	<u>311,938</u>
Revenues over (under) expenditures	(344,660)	(344,660)	(44,022)		<u>300,638</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	<u>\$ 344,660</u>	<u>344,660</u>			
Reconciliation to GAAP Basis Statement					
Increase in accounts payable			<u>(296,876)</u>		
			<u>\$ (340,898)</u>		

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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**MAJOR DEBT SERVICE FUND**  
**DEBT SERVICE FUND**  
**FUND 41000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive Original Budget To Final</u>	<u>(Negative) Actual to Final Budget</u>
Revenues:					
Local sources:	\$				
Property taxes	531,545	531,545	591,098		59,553
Interest			11,325		11,325
Total Revenues	<u>531,545</u>	<u>531,545</u>	<u>602,423</u>		<u>70,878</u>
Expenditures:					
Current:					
General Administration	5,913	5,913	5,912		1
Noncurrent:					
Principal payments	420,000	420,000	420,000		
Interest payments	<u>120,841</u>	<u>120,841</u>	<u>120,841</u>		
Total Expenditures	<u>546,754</u>	<u>546,754</u>	<u>546,753</u>		<u>1</u>
Revenues over (under) expenditures	(15,209)	(15,209)	55,670		<u>70,879</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ <u>15,209</u>	<u>15,209</u>			
Reconciliation to GAAP Basis Statement					
Increase in taxes			<u>637</u>		
			\$ <u>56,307</u>		

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STATEMENT D-1

## **NON MAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Food Services (21000)** - To account for funding provided pursuant to the Code of Federal Regulations, Title VII, Subtitle B, Sections 210, 215, and 220 designated for a school breakfast, lunch and summer lunch programs(s).

**Athletics (22000)** - To account for revenues and expenditures associated with the District's Athletic programs. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

**Title I IASA (24101)** – To account for a program funded by a Federal grant to support comprehensive state and local reforms to improve teaching and learning for all students and to assist the District in providing professional development, instructional materials, resources to support educational programs, and parental involvement promotion. Funding authorized by Educate America Act, Title III, Public Law 103-382.

**IDEA B Entitlement (24106)** - The IDEA-B Entitlement program is to provide grants to states that flow-through to schools to assist them in providing a free appropriate public education to all children with disabilities. Funding authorized by Individuals with Disabilities Education Act, Part B, Sections 611-617, and part D, Section 674, as amended, 20 U.S.C. 1411-1417 and 1420.

**IDEA B Preschool (24109)** - To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years and, at the State's discretion, to two year old children with disabilities who will reach age three during the school year. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 619, as amended.

**GOALS 2000 (24127)** - Goals 2000 State and Local Education Systematic Improvement fund is used to account for a program funded by a Federal grant to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. To support top down and bottom up reform through competitive subgrants by SEAs. In years two through five, of 90 percent of these funds are subgranted to local education agencies (LEAs) and through LEAs to individual schools. To support the establishment by States and localities of high standards in their core content areas. All aspects of the educational process are aligned including , but not limited to assessments, curriculum, professional development, and pre-service training. To provide discretionary grants to LEAs' participation in the program. These grants support the development and implementation of comprehensive local improvement plans directed at enabling all children to reach challenging academic standards: and professional development and pre-service training. Funding authorized by Educate America Act, Title III, Public Law 103-227.

## **NON-MAJOR SPECIAL REVENUE FUNDS, continued**

**TLCT/EETT (24133)** - To account for a Federal grant which provides funding to State Education Agencies (SEAs) on a formula basis to support the development and implementation of systemic technology plans at the State, local and school levels to improve the teaching and learning of all children. States are asked to address four goals: (1) All teachers will have the training and support they need to help all students learn through computers and through the information superhighway; (2) all teachers and students will have modern computers in their classrooms; (3) every classroom will be connected to the information superhighway; and (4) effective and engaging software and online resources will be an integral part of every school curriculum. To provide discretionary grants to LEAs in States that choose not to participate in the program. Funding is authorized by Elementary and Secondary Education Act, Title III, Part A, Subpart 2, Public Law 103-382.

**Preschool Inclusive (24136)** – To account for a Federal grant targeting at building capacity to improve services to preschool students with disabilities. Funds are used to improve inclusive services at Headstart and district classrooms by conducting parent focus groups to develop needs assessments for parent training and support.

**Class Size Reduction (24137)** – To account for monies received to help schools improve student achievement by reducing class size in grades one through three to a national average of 18 per class. Authority for this program is contained in Section 310 of the Department of Education Appropriations Act 2000, as enacted by Section 1000 (a) (4) of Division B of Public Law 106-113.

**Title II D Competitive Grant (24149)** – To account for a Federal grant used to: 1) improve student academic achievement through the use of technology in schools; 2) assist all students in becoming technologically literate by the end of the eighth grade; and 3) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. Funding is authorized by Elementary and Secondary Education Act of 1965, as amended, Executive Order Title II, Part D, Subparts 1 and 2.

**Title V (A) Innovative Ed. Strategies (24150)** – To account for Federal flow-through funds under the Elementary and Secondary Education Act as amended by the No Child Left Behind Act of 2001, Title V Part A designated for Innovative Education Program Strategies. Activities funded under this program include expansion and improvement of school-based mental health services, early identification of drug use and violence, and individual or group counseling services provided to students, parents, and school personnel.

**English Language Acquisition (24153)** – To account for a Federal grant which provides funds to support various activities relating to English language acquisition. Funding will be used to implement a District resource library of bilingual and English as-a-second language materials. Training regarding dual language, bilingual education, and indigenous language revitalization will be supported.



## **NON-MAJOR SPECIAL REVENUE FUNDS, continued**

**Title II A Teacher/Principal (24154)** – To account for a program funded by Federal grant to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Funding is authorized under the Elementary and Secondary Education Act, as amended, Title II, Part A.

**Title IV A Safe and Drug Free (24157)** – To account for a Federal grant which provides funds to support programs to meet the National Education Goal that, by the year 2000, every school in the United States will free of drugs, violence, and the unauthorized presence of firearms an alcohol and to offer a disciplined environment conducive to learning.

**Title I School Improvement – (24162)** – Federal grant that is to be used for allowable Title I purposes in order to assist with the implementation of approved school improvement or corrective action plans. Funding authorized by Elementary and Secondary Education Act of 1965, Title V, Part D, as amended.

**Impact Aid Special Education (25145)** - To account for a program funded by a Federal grant 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 8002, ESEA) where there are 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 (Sections 8003 and 8007, ESEA) where there a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA); To provide funding for certain federally connected children with disabilities to include disaster assistance for reduced or increased operating costs, for replacing or repairing damaged or destroyed support Equipment, and books, and for repairing minor damage to facilities. Funding is authorized by Elementary and Secondary Education Act, Title VIII, as amended.

**Impact Aid Indian Education (25147)** – 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.

## **NON-MAJOR SPECIAL REVENUE FUNDS, continued**

**Medicaid Title XIX (25153)** - To account for Federal funds which are provided to provide financial assistance to States for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, and the aged who meet income and resource requirements, and other categorically-eligible groups. In certain States that elect to provide such coverage, medically-needy persons, who, except for income and resources, would be eligible for cash assistance, may be eligible for medical assistance payments under this program. Financial assistance is provided to States to pay for Medicare premiums, co-payments and deductibles of qualified Medicare beneficiaries meeting certain income requirements. More limited financial assistance is available for certain Medicare beneficiaries with higher incomes. Funding is authorized by 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 Laws 92-223, 92-603, 93-66, 93-233, 96-499, 97-35, 97-248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-239, 101-508, 101-517, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

**Indian Education Formula Grant (25184)** – To account for a Federal program designed to support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students in order to ensure that programs are based on challenging State content standards and student performance standards that are used for all students and are designed to assist Indian students meet those standards in reaching the National Education Goals. Funding is authorized by the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 7, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2001.

**LANL Foundation (26113)** - 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.

**Center for Education and Study (26147)** – To account for a fund used for implementation and evaluation of the student leadership/self-advocacy program. Funding source is New Mexico Highlands University.

**Technology for Education (27117)** - To account for state funding which is to be used for the development of classroom technology, including furnishing classrooms with computer hardware and software. Authorizing legislation is found in the Technology for Education Act [22-15A-1 to 22-15A-10, NMSA 1978, Compilation].

**Computers in Schools (27131)** – To account for a state grant for computers in schools.

## **NON-MAJOR SPECIAL REVENUE FUNDS, continued**

**Incentives for School Improvement (27138)** - To account for the revenues and expenditures of District school location awards. The purpose is to improve results of the New Mexico Achievement Assessment or the New Mexico High School Competency Exam. The funds are provided in accordance with the Incentives for School Improvement Act (NMSA 22-13A-5).

**Literacy Technology & Study (27144)** – To account for funding used to provide professional development in literacy strategies for teachers. Funding is provided by 2005 Legislative Appropriations.

**G O Bond C Library (27145)** – To account for funding of public school and juvenile detention libraries statewide to acquire library books and equipment. Funding is provided by the Public Education Department and is based on per student unit value.

**Pre-Kindergarten Initiative (27149)** – To account for a program that provides early childhood education for 4 year olds in the district.

**Beginning Teacher Mentoring (27154)** – To account for funding authorized through the Joint Powers Agreement with the State Department of Public Education for a program to engage in activities to develop, implement, and evaluate a beginning teacher mentoring program to ensure that beginning teachers, especially those who seek educator licensure through alternative routes, have structured support from accomplished and experienced teachers to help them improve their skills and knowledge.

**Breakfast in Schools (27155)** - To account for funding to implement breakfast in the classroom as stipulated in the general appropriation act of 2005. The breakfast will be at not cost to the students. Funding is provided by the state student nutrition bureau.

**Laws of 2005 HB-885 (27156)** – To account for funding used for the purpose of purchasing and installing cameras and photographic editing equipment and for photographic consultation. Funding is provided by the Rural Education Bureau.

**Pre K Start-Up & Safety (27161)** – To account for a grant that will be used for start-up and to provide developmental age appropriate equipment and necessary safety improvements for the Pre-K Initiative (fund 27149).

**School Based Health (28106)** – To account for a state grant to provide services for behavioral mental health and primary care for students. Funding provided by the New Mexico Department of Health.

**NON-MAJOR SPECIAL REVENUE FUNDS, continued**

**NM Gear Up (28178)** – To account for the Gaining Early Awareness & Readiness for Undergraduate Program. This is the 1<sup>st</sup> year (2007) of the program for 7<sup>th</sup> graders. The program is used to increase the number of low-income students who graduate from high school to be better prepared to succeed in college.

**Private Grants (29102)** – To account for local grants awarded to provide additional funding for specific projects.

**School Based Health (29130)** - To account for a state and local grant to provide services for behavioral mental health and primary care for students. Funding provided by the New Mexico Department of Health.

## **NON-MAJOR CAPITAL PROJECTS FUNDS**

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

**Public School Capital Outlay - State (31200)** – To account for funding provided to the District by the State of New Mexico for capital improvement projects approved by the Public School Capital Outlay Council. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

**Special Local - Capital Outlay (31300)** – To account for District –Wide school building improvement projects. Funding has been provided by recoveries on insurance policy claims.

**Special Capital Outlay (31400)** – To account for District – Wide building improvement projects funded by the State. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

**Special Capital Outlay - Federal (31500)** – To account for funding provided by Federal sources designated for capital projects. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

**Capital Improvement SB-9 (31700)** - To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Fund 21000</b>	<b>Fund 22000</b>	<b>Fund 24101</b>	<b>Fund 24106</b>	<b>Fund 24109</b>	<b>Fund 24127</b>	<b>Fund 24133</b>
	<b>Food Services</b>	<b>Athletics</b>	<b>Title I IASA</b>	<b>IDEA-B Entitlement</b>	<b>IDEA-B Preschool</b>	<b>Goals 2000</b>	<b>TLCT/ EETT</b>
<b><u>ASSETS</u></b>							
Assets:							
Cash and cash equivalents	\$ 42,041	34,565	17,550	9,401	186	13,255	1,520
Due from grantor			13,751				
Due from other funds							
Taxes and accounts receivables, net							
<b>Total assets</b>	<b>\$ 42,041</b>	<b>34,565</b>	<b>31,301</b>	<b>9,401</b>	<b>186</b>	<b>13,255</b>	<b>1,520</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to grantor	\$						
Accounts payable			123				
Accrued salaries and benefits			4,261	3,317			
Due to other funds			23,494				
Compensated absences			3,423	2,515			
Deferred revenue				3,569	186	13,255	1,520
<b>Total liabilities</b>			<b>31,301</b>	<b>9,401</b>	<b>186</b>	<b>13,255</b>	<b>1,520</b>
Fund balances:							
Reserved for debt service							
Unreserved - undesignated	42,041	34,565					
<b>Total fund balance</b>	<b>42,041</b>	<b>34,565</b>					
<b>Total liabilities and fund balance</b>	<b>\$ 42,041</b>	<b>34,565</b>	<b>31,301</b>	<b>9,401</b>	<b>186</b>	<b>13,255</b>	<b>1,520</b>

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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Fund 24136</b>	<b>Fund 24137</b>	<b>Fund 24149</b>	<b>Fund 24150</b>	<b>Fund 24153</b>	<b>Fund 24154</b>	<b>Fund 24157</b>
	<b>Preschool Inclusive</b>	<b>Class Size Reduction</b>	<b>Title II-D Competitive Grant</b>	<b>Title V (A) Innovative Ed. Strategies</b>	<b>English Language Acquisition</b>	<b>Title II A Teacher/ Principal</b>	<b>Title IV A Safe &amp; Drug Free</b>
<b><u>ASSETS</u></b>							
Assets:							
Cash and cash equivalents	\$	3				272	
Due from grantor			6,184			4,498	4,166
Due from other funds							
Taxes and accounts receivables, net							
<b>Total assets</b>	<b>\$</b>	<b>3</b>	<b>6,184</b>			<b>4,770</b>	<b>4,166</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to grantor	\$						
Accounts payable						4,770	
Accrued salaries and benefits							
Due to other funds			6,184				4,166
Compensated absences							
Deferred revenue		3					
<b>Total liabilities</b>		<b>3</b>	<b>6,184</b>			<b>4,770</b>	<b>4,166</b>
Fund balances:							
Reserved for debt service							
Unreserved - undesignated							
<b>Total fund balance</b>							
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>3</b>	<b>6,184</b>			<b>4,770</b>	<b>4,166</b>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Fund 24162</b>	<b>Fund 25145</b>	<b>Fund 25147</b>	<b>Fund 25153</b>	<b>Fund 25184</b>	<b>Fund 26113</b>	<b>Fund 26147</b>
	<b>Title I School Improvement</b>	<b>Impact Aid Special Education</b>	<b>Impact Aid Indian Education</b>	<b>Medicaid Title XIX</b>	<b>Indian Education Formula Grant</b>	<b>LANL Foundation</b>	<b>Center for Education &amp; Study</b>
<b><u>ASSETS</u></b>							
Assets:							
Cash and cash equivalents	\$	56,838	296,287	68,924		160,101	
Due from grantor	9,380						
Due from other funds			81,001				
Taxes and accounts receivables, net							
<b>Total assets</b>	<b>\$ 9,380</b>	<b>56,838</b>	<b>377,288</b>	<b>68,924</b>		<b>160,101</b>	
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to grantor	\$						
Accounts payable	5,922					270	
Accrued salaries and benefits	1,743		2,024			415	
Due to other funds							
Compensated absences	1,715		2,388			408	
Deferred revenue							
<b>Total liabilities</b>	<b>9,380</b>		<b>4,412</b>			<b>1,093</b>	
Fund balances:							
Reserved for debt service							
Unreserved - undesignated		56,838	372,876	68,924		159,008	
<b>Total fund balance</b>		<b>56,838</b>	<b>372,876</b>	<b>68,924</b>		<b>159,008</b>	
<b>Total liabilities and fund balance</b>	<b>\$ 9,380</b>	<b>56,838</b>	<b>377,288</b>	<b>68,924</b>		<b>160,101</b>	

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<u>Fund 27117</u>	<u>Fund 27131</u>	<u>Fund 27138</u>	<u>Fund 27144</u>	<u>Fund 27145</u>	<u>Fund 27149</u>	<u>Fund 27154</u>
	<u>Technology for Education</u>	<u>Computers in Schools</u>	<u>Incentives for School Improvement</u>	<u>Literacy Technology &amp; Study</u>	<u>G.O. Bond C Library</u>	<u>Pre Kindergarten Initiative</u>	<u>Beginning Teacher Mentoring</u>
<b><u>ASSETS</u></b>							
Assets:							
Cash and cash equivalents	\$	1,350	5,802	4,454	763		148
Due from grantor	5,565					9,828	
Due from other funds							
Taxes and accounts receivables, net							
<b>Total assets</b>	<b>\$ 5,565</b>	<b>1,350</b>	<b>5,802</b>	<b>4,454</b>	<b>763</b>	<b>9,828</b>	<b>148</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to grantor	\$						
Accounts payable	2,415						
Accrued salaries and benefits							
Due to other funds	3,150					9,828	
Compensated absences							
Deferred revenue		1,350	5,802	4,454	763		148
<b>Total liabilities</b>	<b>5,565</b>	<b>1,350</b>	<b>5,802</b>	<b>4,454</b>	<b>763</b>	<b>9,828</b>	<b>148</b>
Fund balances:							
Reserved for debt service							
Unreserved - undesignated							
<b>Total fund balance</b>							
<b>Total liabilities and fund balance</b>	<b>\$ 5,565</b>	<b>1,350</b>	<b>5,802</b>	<b>4,454</b>	<b>763</b>	<b>9,828</b>	<b>148</b>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<u>Fund 27155</u>	<u>Fund 27156</u>	<u>Fund 27161</u>	<u>Fund 28106</u>	<u>Fund 28178</u>	<u>Fund 29102</u>	<u>Fund 29130</u>
	<u>Breakfast in Schools</u>	<u>Laws of 2005 HB-885</u>	<u>Pre K Start-Up &amp; Safety</u>	<u>School Based Health</u>	<u>NM Gear Up</u>	<u>Private Grants</u>	<u>School Based Health</u>
<b><u>ASSETS</u></b>							
Assets:							
Cash and cash equivalents	\$ 4			35,182		40	38,611
Due from grantor			13,279		20,900		
Due from other funds							
Taxes and accounts receivables, net							
<b>Total assets</b>	<b>\$ 4</b>		<b>13,279</b>	<b>35,182</b>	<b>20,900</b>	<b>40</b>	<b>38,611</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to grantor	\$						
Accounts payable							
Accrued salaries and benefits							
Due to other funds			13,279		20,900		
Compensated absences							
Deferred revenue	4			35,182			38,611
<b>Total liabilities</b>	<b>4</b>		<b>13,279</b>	<b>35,182</b>	<b>20,900</b>		<b>38,611</b>
Fund balances:							
Reserved for debt service							
Unreserved - undesignated						40	
<b>Total fund balance</b>						<b>40</b>	
<b>Total liabilities and fund balance</b>	<b>\$ 4</b>		<b>13,279</b>	<b>35,182</b>	<b>20,900</b>	<b>40</b>	<b>38,611</b>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

	Total Non-major Special Revenue Funds	CAPITAL FUNDS PROJECTS					Total Non-major Capital Projects Funds
		Fund 31200 Public School Capital Outlay	Fund 31300 Special Local - Capital Outlay	Fund 31400 Special Capital Outlay	Fund 31500 Special Capital Outlay - Federal	Fund 31700 Capital Improvement SB-9	
<b>ASSETS</b>							
Assets:							
Cash and cash equivalents	\$ 787,297		128,485	2,216	154,066	158,231	442,998
Due from grantor	87,551						
Due from other funds	81,001						
Taxes and accounts receivables, net						16,255	16,255
Total assets	\$ 955,849		128,485	2,216	154,066	174,486	459,253
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to grantor	\$						
Accounts payable	13,500	1,127				10,000	11,127
Accrued salaries and benefits	11,760						
Due to other funds	81,001						
Compensated absences	10,449						
Deferred revenue	104,847						
Total liabilities	221,557	1,127				10,000	11,127
Fund balances:							
Reserved for debt service							
Unreserved - undesignated	734,292	(1,127)	128,485	2,216	154,066	164,486	448,126
Total fund balance	734,292	(1,127)	128,485	2,216	154,066	164,486	448,126
Total liabilities and fund balance	\$ 955,849		128,485	2,216	154,066	174,486	459,253

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET, continued**  
 JUNE 30, 2007

<u>ASSETS</u>	<u>Total Other Governmental Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,230,295
Due from grantor	87,551
Due from other funds	81,001
Taxes and accounts receivables, net	<u>16,255</u>
Total assets	<u>\$ 1,415,102</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Due to grantor	\$
Accounts payable	24,627
Accrued salaries and benefits	11,760
Due to other funds	81,001
Compensated absences	10,449
Deferred revenue	<u>104,847</u>
Total liabilities	<u>232,684</u>
 Fund balances:	
Reserved for debt service	
Unreserved - undesignated	<u>1,182,418</u>
Total fund balance	<u>1,182,418</u>
Total liabilities and fund balance	<u>\$ 1,415,102</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
For the Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS				
	Fund 21000	Fund 22000	Fund 24101	Fund 24106	Fund 24109
	Food Services	Athletics	Title I IASA	IDEA-B Entitlement	IDEA-B Preschool
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults	4,684				
Fees - students	17,472				
Fees - users	665				
Fees- activities		13,766			
Refunds - reimbursements					
Interest	1,952	20,363			
Prior year checks voided		1,310			
State Sources:					
State grant					
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant	122,642		227,374	89,728	
Special capital outlay					
Total revenues	<u>147,415</u>	<u>35,439</u>	<u>227,374</u>	<u>89,728</u>	
Expenditures:					
Current:					
Instruction		10,432	81,935	10,879	
Support Services - Students			83,884		
Support Services - Instruction				12,539	
General Administration			24,561	52,225	
School Administration			36,994	14,085	
Central Services					
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations	123,059				
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures	<u>123,059</u>	<u>10,432</u>	<u>227,374</u>	<u>89,728</u>	
Revenues over (under) expenditures	<u>24,356</u>	<u>25,007</u>			
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Refund to grantor					
Net change in fund balances	<u>24,356</u>	<u>25,007</u>			
Fund balance, beginning of year, as previously reported	17,685	9,558			
Adjustments					
Fund balance, beginning of year, as restated	<u>17,685</u>	<u>9,558</u>			
Fund balance, end of year	\$ <u>42,041</u>	<u>34,565</u>			

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS				
	Fund 24127	Fund 24133	Fund 24136	Fund 24137	Fund 24149
	Goals 2000	TLCT/ EETT	Preschool Inclusive	Class Size Reduction	Title II-D Competitive Grant
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					
State Sources:					
State grant					
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant		5,808	707		10,566
Special capital outlay					
Total revenues		<u>5,808</u>	<u>707</u>		<u>10,566</u>
Expenditures:					
Current:					
Instruction		300	707		3,228
Support Services - Students		2,822			7,338
Support Services - Instruction					
General Administration					
School Administration		2,686			
Central Services					
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures		<u>5,808</u>	<u>707</u>		<u>10,566</u>
Revenues over (under) expenditures					
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Refund to grantor					
Net change in fund balances					
Fund balance, beginning of year, as previously reported					
Adjustments					
Fund balance, beginning of year, as restated					
Fund balance, end of year	\$				

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS				
	Fund 24150	Fund 24153	Fund 24154	Fund 24157	Fund 24162
	Title V (A) Innovative Ed. Strategies	English Language Acquisition	Title II A Teacher/ Principal	Title IV A Safe & Drug Free	Title I School Improvement
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					
State Sources:					
State grant					
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant	3,864	9,720	72,566	4,261	50,995
Special capital outlay					
Total revenues	<u>3,864</u>	<u>9,720</u>	<u>72,566</u>	<u>4,261</u>	<u>50,995</u>
Expenditures:					
Current:					
Instruction		9,720	46,697	4,206	37,780
Support Services - Students			25,869		
Support Services - Instruction					
General Administration					
School Administration	3,864				13,215
Central Services					
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures	<u>3,864</u>	<u>9,720</u>	<u>72,566</u>	<u>4,206</u>	<u>50,995</u>
Revenues over (under) expenditures				55	
Other financing sources (uses):					
Operating transfers in					
Operating transfers out				(55)	
Refund to grantor				<u>(55)</u>	
Net change in fund balances					
Fund balance, beginning of year, as previously reported					
Adjustments					
Fund balance, beginning of year, as restated					
Fund balance, end of year	\$				

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>				
	<b>Fund 25145</b>	<b>Fund 25147</b>	<b>Fund 25153</b>	<b>Fund 25184</b>	<b>Fund 26113</b>
	<b>Impact Aid Special Education</b>	<b>Impact Aid Indian Education</b>	<b>Medicaid Title XIX</b>	<b>Indian Education Formula Grant</b>	<b>LANL Foundation</b>
Revenues:					
Local sources:					
Local grant	\$				111,001
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					511
State Sources:					
State grant					
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant	48,258	242,671	33,988	65,594	
Special capital outlay					
Total revenues	<u>48,258</u>	<u>242,671</u>	<u>33,988</u>	<u>65,594</u>	<u>111,512</u>
Expenditures:					
Current:					
Instruction	38,796	184,946	38,370	62,524	829
Support Services - Students	210	8,256		3,070	
Support Services - Instruction	392	13,237			25,782
General Administration		20,478			6,966
School Administration					13,050
Central Services		25,380			
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures	<u>39,398</u>	<u>252,297</u>	<u>38,370</u>	<u>65,594</u>	<u>46,627</u>
Revenues over (under) expenditures	<u>8,860</u>	<u>(9,626)</u>	<u>(4,382)</u>		<u>64,885</u>
Other financing sources (uses):					
Operating transfers in		55			
Operating transfers out					
Refund to grantor					
		<u>55</u>			
Net change in fund balances	<u>8,860</u>	<u>(9,571)</u>	<u>(4,382)</u>		<u>64,885</u>
Fund balance, beginning of year, as previously reported	47,978	382,447	73,306		94,123
Adjustments					
Fund balance, beginning of year, as restated	<u>47,978</u>	<u>382,447</u>	<u>73,306</u>		<u>94,123</u>
Fund balance, end of year	\$ <u>56,838</u>	<u>372,876</u>	<u>68,924</u>		<u>159,008</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>				
	<b>Fund 26147</b>	<b>Fund 27117</b>	<b>Fund 27131</b>	<b>Fund 27138</b>	<b>Fund 27144</b>
	<b>Center For Education &amp; Study</b>	<b>Technology For Education</b>	<b>Computers in Schools</b>	<b>Incentives for School Improvement</b>	<b>Literacy Technology &amp; Study</b>
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					
State Sources:					
State grant		4,674		8,287	32,461
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant					
Special capital outlay					
Total revenues		4,674		8,287	32,461
Expenditures:					
Current:					
Instruction	1,058	3,303		5,467	
Support Services - Students		1,371		2,820	25,557
Support Services - Instruction					6,904
General Administration					
School Administration					
Central Services					
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures	1,058	4,674		8,287	32,461
Revenues over (under) expenditures	(1,058)				
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Refund to grantor					
Net change in fund balances	(1,058)				
Fund balance, beginning of year, as previously reported	1,058				
Adjustments					
Fund balance, beginning of year, as restated	1,058				
Fund balance, end of year	\$				

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS				
	Fund 27145	Fund 27149	Fund 27154	Fund 27155	Fund 27156
	G.O. Bond C Library	Pre Kindergarten Initiative	Beginning Teacher Mentoring	Breakfast in Schools	Laws of 2005 HB-885
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					
State Sources:					
State grant		59,263		7,376	4,878
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant					
Special capital outlay					
Total revenues		59,263		7,376	4,878
Expenditures:					
Current:					
Instruction		44,263		7,376	
Support Services - Students					
Support Services - Instruction					
General Administration					
School Administration					
Central Services					
Operation & Maintenance of Plant					
Student Transportation		15,000			
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures		59,263		7,376	
Revenues over (under) expenditures					4,878
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Refund to grantor					
Net change in fund balances					4,878
Fund balance, beginning of year, as previously reported					(4,878)
Adjustments					
Fund balance, beginning of year, as restated					(4,878)
Fund balance, end of year	\$				

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>				
	<u>Fund 27161</u>	<u>Fund 28106</u>	<u>Fund 28178</u>	<u>Fund 29102</u>	<u>Fund 29130</u>
	<u>Pre K Start-Up &amp; Safety</u>	<u>School Based Health</u>	<u>NM Gear Up</u>	<u>Private Grants</u>	<u>School Based Health</u>
Revenues:					
Local sources:					
Local grant	\$				
Property taxes					
Fees - adults					
Fees - students					
Fees - users					
Fees - activities					
Refunds - reimbursements					
Interest					
Prior year checks voided					
State Sources:					
State grant	13,279	44,354	20,900		100,295
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant					
Special capital outlay					
Total revenues	<u>13,279</u>	<u>44,354</u>	<u>20,900</u>		<u>100,295</u>
Expenditures:					
Current:					
Instruction	13,279		20,900		
Support Services - Students		36,463			100,295
Support Services - Instruction		7,891			
General Administration					
School Administration					
Central Services					
Operation & Maintenance of Plant					
Student Transportation					
Other Support Services					
Food Service Operations					
Noncurrent:					
Capital outlay					
Principal					
Interest and fiscal charges					
Total expenditures	<u>13,279</u>	<u>44,354</u>	<u>20,900</u>		<u>100,295</u>
Revenues over (under) expenditures					
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Refund to grantor					
Net change in fund balances					
Fund balance, beginning of year, as previously reported				40	
Adjustments					
Fund balance, beginning of year, as restated				<u>40</u>	
Fund balance, end of year	\$			<u>40</u>	

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
 For the Year Ended June 30, 2007

	<b>CAPITAL FUNDS PROJECTS</b>				
	<b>Total Non-major Special Revenue Funds</b>	<b>Fund 31200 Public School Capital Outlay</b>	<b>Fund 31300 Special Local-Capital Outlay</b>	<b>Fund 31400 Special Capital Outlay</b>	<b>Fund 31500 Special Capital Outlay - Federal</b>
Revenues:					
Local sources:					
Local grant	\$ 111,001				
Property taxes					
Fees - adults	4,684				
Fees - students	17,472				
Fees - users	665				
Fees - activities	13,766				
Refunds - reimbursements				50,145	
Interest	22,315		9,054		3,771
Prior year checks voided	1,821				
State Sources:					
State grant	295,767	24,991			
Special capital outlay					
SB-9 Flowthrough					
Federal Sources:					
Federal grant	988,742				
Special capital outlay					35,132
Total revenues	<u>1,456,233</u>	<u>24,991</u>	<u>9,054</u>		<u>89,048</u>
Expenditures:					
Current:					
Instruction	626,995				
Support Services - Students	297,955				
Support Services - Instruction	66,745				
General Administration	104,230				
School Administration	83,894				
Central Services	25,380				
Operation & Maintenance of Plant					
Student Transportation	15,000				
Other Support Services					
Food Service Operations	123,059				
Noncurrent:					
Capital outlay		21,553			50,145
Principal					
Interest and fiscal charges					
Total expenditures	<u>1,343,258</u>	<u>21,553</u>			<u>50,145</u>
Revenues over (under) expenditures	<u>112,975</u>	<u>3,438</u>	<u>9,054</u>		<u>38,903</u>
Other financing sources (uses):					
Operating transfers in	55				
Operating transfers out	(55)	(75,581)			
Refund to grantor					
		<u>(75,581)</u>			
Net change in fund balances	<u>112,975</u>	<u>(72,143)</u>	<u>9,054</u>		<u>38,903</u>
Fund balance, beginning of year, as previously reported	621,317	71,016	119,431	2,216	115,163
Adjustments					
Fund balance, beginning of year, as restated	<u>621,317</u>	<u>71,016</u>	<u>119,431</u>	<u>2,216</u>	<u>115,163</u>
Fund balance, end of year	<u>\$ 734,292</u>	<u>(1,127)</u>	<u>128,485</u>	<u>2,216</u>	<u>154,066</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE, continued**  
For the Year Ended June 30, 2007

	<u>Fund 31700</u>	<u>Total Non-major Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
	<u>Capital Improvement SB-9</u>		
Revenues:			
Local sources:			
Local grant	\$		111,001
Property taxes	125,883	125,883	125,883
Fees - adults			4,684
Fees - students			17,472
Fees - users			665
Fees - activities			13,766
Refunds - reimbursements		50,145	50,145
Interest	8,240	21,065	43,380
Prior year checks voided			1,821
State Sources:			
State grant	70,569	95,560	391,327
Special capital outlay SB-9 Flowthrough			
Federal Sources:			
Federal grant			988,742
Special capital outlay		35,132	35,132
Total revenues	<u>204,692</u>	<u>327,785</u>	<u>1,784,018</u>
Expenditures:			
Current:			
Instruction			626,995
Support Services - Students			297,955
Support Services - Instruction			66,745
General Administration	1,257	1,257	105,487
School Administration			83,894
Central Services			25,380
Operation & Maintenance of Plant			
Student Transportation			15,000
Other Support Services			
Food Service Operations			123,059
Noncurrent:			
Capital outlay	139,441	211,139	211,139
Principal			
Interest and fiscal charges			
Total expenditures	<u>140,698</u>	<u>212,396</u>	<u>1,555,654</u>
Revenues over (under) expenditures	<u>63,994</u>	<u>115,389</u>	<u>228,364</u>
Other financing sources (uses):			
Operating transfers in			55
Operating transfers out		(75,581)	(75,636)
Refund to grantor			
		<u>(75,581)</u>	<u>(75,581)</u>
Net change in fund balances	<u>63,994</u>	<u>39,808</u>	<u>152,783</u>
Fund balance, beginning of year, as previously reported	100,492	408,318	1,029,635
Adjustments			
Fund balance, beginning of year, as restated	<u>100,492</u>	<u>408,318</u>	<u>1,029,635</u>
Fund balance, end of year	<u>\$ 164,486</u>	<u>448,126</u>	<u>1,182,418</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**FOOD SERVICES**  
**FUND 21000**

STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
Local sources:					
Fees - Adults	\$	3,600	4,684	3,600	1,084
Fees - Students		15,000	17,472	15,000	2,472
Fees - Users		2,000	665	2,000	(1,335)
Refunds - Reimbursements					
Interest		500	1,952	500	1,452
Federal sources:					
Federal grant		125,000	122,642	125,000	(2,358)
Total Revenues		<u>146,100</u>	<u>147,415</u>	<u>146,100</u>	<u>1,315</u>
Expenditures:					
Current:					
Food Service Operations		<u>177,015</u>	<u>123,059</u>	<u>(177,015)</u>	<u>53,956</u>
Total Expenditures		<u>177,015</u>	<u>123,059</u>	<u>(177,015)</u>	<u>53,956</u>
Revenues over (under) expenditures		(30,915)	<u>24,356</u>	(30,915)	<u>55,271</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$	<u>30,915</u>		<u>30,915</u>	

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**ATHLETICS**  
**FUND 22000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Original Budget To Final</u>	<u>Positive (Negative) Actual to Final Budget</u>
Revenues:					
Local sources:					
Fees - Activities	\$ 12,000	20,300	13,766	8,300	(6,534)
Prior Year checks Voided			1,310		1,310
Interest	300	300	20,363		20,063
Total Revenues	<u>12,300</u>	<u>20,600</u>	<u>35,439</u>	<u>8,300</u>	<u>14,839</u>
Expenditures:					
Current:					
Instruction	<u>12,300</u>	<u>20,600</u>	<u>10,432</u>	<u>(8,300)</u>	<u>10,168</u>
Total Expenditures	<u>12,300</u>	<u>20,600</u>	<u>10,432</u>	<u>(8,300)</u>	<u>10,168</u>
Revenues over (under) expenditures	\$ <u>          </u>	<u>          </u>	<u>25,007</u>	<u>          </u>	<u>25,007</u>

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE I - IASA**  
**FUND 24101**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Federal sources					
Federal grant	\$ 261,622	261,622	260,617		(1,005)
Total Revenue	<u>261,622</u>	<u>261,622</u>	<u>260,617</u>		<u>(1,005)</u>
Expenditures:					
Current:					
Instruction	60,561	83,158	81,811	(22,597)	1,347
Support Services - Students	116,000	136,336	110,648	(20,336)	25,688
General Administration	24,500	26,883	24,717	(2,383)	2,166
School Administration	<u>60,561</u>	<u>83,135</u>	<u>33,287</u>	<u>(22,574)</u>	<u>49,848</u>
Total expenditures	<u>261,622</u>	<u>329,512</u>	<u>250,463</u>	<u>(67,890)</u>	<u>79,049</u>
Revenues over (under) expenditures	\$	(67,890)	10,154	(67,890)	<u>78,044</u>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$	<u>67,890</u>		<u>67,890</u>	
Reconciliation to GAAP Financial Statement					
Decrease in due from grantor			(33,243)		
Decrease in accounts payable			24,876		
Increase in salaries and wages payable			(1,081)		
Increase in accrued compensated absences			<u>(706)</u>		
			\$	<u></u>	



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**IDEA B ENTITLEMENT**  
**FUND 24106**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$	122,334	94,960	122,334	(27,374)
Total Revenue		122,334	94,960	122,334	(27,374)
Expenditures:					
Current:					
Instruction		42,225	10,879	(42,225)	31,346
Support Services - Students		12,600	12,539	(12,600)	61
General Administration		48,400	48,157	(48,400)	243
School Administration		19,109	14,085	(19,109)	5,024
Total Expenditures		122,334	85,660	(122,334)	36,674
Revenues over (under) expenditures			9,300		9,300
Reconciliation to GAAP Financial Statement					
Decrease in due from grantor			(1,663)		
Increase in accrued salaries & benefits			(3,569)		
Accrued in compensated absences			(1,860)		
Increase in deferred revenue			(2,208)		
			\$		

SEE INDEPENDENT AUDITORS' REPORTS  
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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**IDEA B PRESCHOOL**  
**FUND 24109**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Federal sources					
Federal grant	\$ _____	_____	_____	_____	_____
Total Revenues	_____	_____	_____	_____	_____
Expenditures:					
Current:					
Instruction		5,494		(5,494)	5,494
Support Services - General		500		(500)	500
Total Expenditures		<u>5,994</u>		<u>(5,994)</u>	<u>5,994</u>
Revenues over (under) expenditures		(5,994)	=====	(5,994)	===== 5,994
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ _____	<u>5,994</u>		<u>5,994</u>	

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TLCT/EETT**  
**FUND 24133**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$				
Total Revenues					
Expenditures:					
Current:					
Instruction		3,548	3,547	(3,548)	1
Support Services - Students		2,822	2,822	(2,822)	
School Administration		2,686	2,686	(2,686)	
Total Expenditures		9,056	9,055	(9,056)	1
Revenues over (under) expenditures		(9,056)	(9,055)	(9,056)	1
Other financing sources (uses)					
Operating transfers out					
Revenues and other financing sources over (under) expenditures and other financing uses	\$	(9,056)	(9,055)	(9,056)	1
Budgetary notation- cash appropriated from prior year for current years expenditures	\$	9,056		9,056	
Reconciliation to GAAP Basis Statement					
Decrease in deferred revenue			5,808		
Decrease in accounts payable			3,247		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**PRESCHOOL INCLUSIVE**  
**FUND 24136**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Federal sources:					
Federal grant	\$ _____	_____	_____	_____	_____
Total Revenues	_____	_____	_____	_____	_____
Expenditures:					
Current:					
Instruction	_____	2,849	2,849	(2,849)	_____
Total Expenditures	_____	2,849	2,849	(2,849)	_____
Revenues over (under) expenditures	\$ _____	(2,849)	(2,849)	(2,849)	_____
Reconciliation to GAAP Basis Statement					
Decrease in accounts payable			2,142		
Decrease in deferred revenue			707		
			\$ _____		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE II-D COMPETITIVE GRANT**  
**FUND 24149**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal sources:					
Federal grant	\$ _____	_____	10,018	_____	10,018
Total Revenues	_____	_____	10,018	_____	10,018
Expenditures:					
Current:					
Instruction		5,000	5,000	(5,000)	
Support Services - Students	_____	8,562	8,562	(8,562)	_____
Total Expenditures	_____	13,562	13,562	(13,562)	_____
Revenues over (under) expenditures	\$ _____	(13,562)	(3,544)	(13,562)	10,018
Other financing sources (uses)					
Operating transfers in	_____	_____	_____	_____	_____
Revenues and other financing sources over (under) expenditures and other financing uses	\$ _____	(13,562)	(3,544)	(13,562)	10,018
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			548		
Decrease in accounts payable			2,996		
			\$ _____		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE V (A) INNOVATIVE ED. PROG. STRATEGIES**  
**FUND 24150**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Federal sources					
Federal grant	\$ 3,560	3,560	3,864		304
Total Revenues	<u>3,560</u>	<u>3,560</u>	<u>3,864</u>		<u>304</u>
Expenditures:					
Current:					
School Administration	<u>3,560</u>	<u>3,864</u>	<u>3,864</u>	<u>(304)</u>	
Total Expenditures	<u>3,560</u>	<u>3,864</u>	<u>3,864</u>	<u>(304)</u>	
Revenues over (under) expenditures	\$ <u>          </u>	<u>(304)</u>	<u>          </u>	<u>(304)</u>	<u>304</u>
Budgetary notation - cash appropriated from last year for current year expenditures		<u>304</u>		<u>304</u>	

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**ENGLISH LANGUAGE ACQUISITION**  
**FUND 24153**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Federal sources					
Federal grant	\$ 12,507	12,507	9,720		(2,787)
Total Revenues	<u>12,507</u>	<u>12,507</u>	<u>9,720</u>		<u>(2,787)</u>
Expenditures:					
Current:					
Instruction	<u>12,507</u>	<u>12,507</u>	<u>9,720</u>		<u>2,787</u>
Total Expenditures	<u>12,507</u>	<u>12,507</u>	<u>9,720</u>		<u>2,787</u>
Revenues over (under) expenditures	\$ _____	_____	_____	_____	_____

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE II A TEACHER/PRINCIPAL**  
**FUND 24154**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Original Budget To Final</u>	<u>Positive (Negative) Actual to Final Budget</u>
Revenues:					
Federal sources					
Federal grant	\$	110,282	71,809	110,282	(38,473)
Total Revenues		<u>110,282</u>	<u>71,809</u>	<u>110,282</u>	<u>(38,473)</u>
Expenditures:					
Current:					
Instruction		71,101	46,243	(71,101)	24,858
Support Services - Students		<u>39,181</u>	<u>28,167</u>	<u>(39,181)</u>	<u>11,014</u>
Total Expenditures		<u>110,282</u>	<u>74,410</u>	<u>(110,282)</u>	<u>35,872</u>
Revenues over (under) expenditures	\$		(2,601)		(2,601)
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			757		
Decrease in accounts payable			<u>1,844</u>		
			\$		



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE IV A SAFE AND DRUG FREE**  
**FUND 24157**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original	Revised		Positive (Negative)	
	Budget	Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$				
Total Revenues					
Expenditures:					
Current:					
Instruction	4,235	4,275	4,206	(40)	69
Total Expenditures	4,235	4,275	4,206	(40)	69
Revenues over (under) expenditures	(4,235)	(4,275)	(4,206)	(40)	69
Other Financing Sources (uses):					
Operating Transfers In					
Operating Transfers Out			(55)		(55)
			(55)		(55)
Revenues and other financing sources over (under) expenditures and other financing uses	(4,235)	(4,275)	(4,261)	(40)	14
Budgetary Notation - Cash Appropriated for Current Year Expenditures	\$ 4,235	4,275		40	
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			4,166		
Decrease in deferred revenue			95		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TITLE I SCHOOL IMPROVEMENT**  
**FUND 24162**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$	52,122	27,497	52,122	(24,625)
Total Revenues		52,122	27,497	52,122	(24,625)
Expenditures:					
Current:					
Instruction		44,000	39,112	(44,000)	4,888
School Administration		8,122	6,245	(8,122)	1,877
Total Expenditures		52,122	45,357	(52,122)	6,765
Revenues over (under) expenditures	\$		(17,860)		(17,860)
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			9,380		
Decrease in deferred revenue			14,118		
Increase in accounts payable			(3,005)		
Increase in salaries and wages payable			(1,496)		
Increase in compensated absences			(1,137)		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**IMPACT AID - SPECIAL EDUCATION**  
**FUND 25145**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<b>Budgeted Amount</b>		<b>Actual (Budgetary Basis)</b>	<b>Variances</b>	
	<b>Original</b>	<b>Revised</b>		<b>Positive (Negative)</b>	
	<b>Budget</b>	<b>Budget</b>		<b>Original Budget To Final</b>	<b>Actual to Final Budget</b>
Revenues:					
Federal sources					
Federal grant	\$	25,000	48,258	25,000	23,258
Total Revenues		25,000	48,258	25,000	23,258
Expenditures:					
Current:					
Instruction		48,348	38,796	(48,348)	9,552
Support Services - Students		5,950	210	(5,950)	5,740
Support Services - Instruction		13,580	392	(13,580)	13,188
Support Services - School		23,840		(23,840)	23,840
Total Expenditures		91,718	39,398	(91,718)	52,320
Revenues over (under) expenditures	\$	(66,718)	8,860	(66,718)	75,578

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**IMPACT AID INDIAN EDUCATION**  
**FUND 25147**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$	350,000	242,671	350,000	(107,329)
Total Revenues		<u>350,000</u>	<u>242,671</u>	<u>350,000</u>	<u>(107,329)</u>
Expenditures:					
Current:					
Instruction		367,738	184,946	(367,738)	182,792
Support Services - Students		49,311	8,256	(49,311)	41,055
Support Services - Instruction		64,244	13,237	(64,244)	51,007
General Administration		60,304	19,124	(60,304)	41,180
Central Services		23,210	23,204	(23,210)	6
Support Services - School		61,248		(61,248)	61,248
Total Expenditures		<u>626,055</u>	<u>248,767</u>	<u>(626,055)</u>	<u>377,288</u>
Revenues over (under) expenditures		<u>(276,055)</u>	<u>(6,096)</u>	<u>(276,055)</u>	<u>269,959</u>
Other Financing Sources (uses):					
Operating Transfers In			55		55
Operating Transfers Out					
			<u>55</u>		<u>55</u>
Revenues and other financing sources over (under) expenditures and other financing uses		<u>(276,055)</u>	<u>(6,041)</u>	<u>(276,055)</u>	<u>270,014</u>
Budgetary Notation - Cash Appropriated for Current Year Expenditures	\$	<u>276,055</u>		<u>276,055</u>	
Reconciliation to GAAP Basis Statement					
Increase in salaries & wages payable			(1,142)		
Increase in compensated absences			<u>(2,388)</u>		
			<u>\$ (9,571)</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**MEDICAID - TITLE XIX**  
**FUND 25153**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative) Original Budget To Final	Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$	74,768	33,988	74,768	(40,780)
Total Revenues		74,768	33,988	74,768	(40,780)
Expenditures:					
Current:					
Support Services - Instruction		74,768	39,832	(74,768)	34,936
Total Expenditures		74,768	39,832	(74,768)	34,936
Revenues over (under) expenditures	\$		(5,844)		(5,844)
Reconciliation to GAAP Basis Statement					
Decrease in accounts payable			1,462		
			\$	(4,382)	

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**INDIAN EDUCATION FORMULA GRANT**  
**FUND 25184**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal sources					
Federal grant	\$	72,145	72,135	72,145	(10)
Total Revenues		72,145	72,135	72,145	(10)
Expenditures:					
Current:					
Instruction		67,145	67,145	(67,145)	
Support Services - Instruction		5,000	5,000	(5,000)	
Total Expenditures		72,145	72,145	(72,145)	
Revenues over (under) expenditures	\$		(10)		(10)
Reconciliation to GAAP Basis Statement					
Decrease in due from grantor			(6,541)		
Decrease in accounts payable			6,551		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**LOS ALAMOS NATIONAL LAB FOUNDATION**  
**FUND 26113**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Local Source:					
Local Grant	\$	90,000	111,512	90,000	21,512
Total Revenues		90,000	111,512	90,000	21,512
Expenditures:					
Current:					
Instruction		30,000	559	(30,000)	29,441
Support Services - Instruction		137,353	26,676	(137,353)	110,677
General Administration		10,000	6,965	(10,000)	3,035
School Administration		28,664	12,226	(28,664)	16,438
Total Expenditures		206,017	46,426	(206,017)	159,591
Revenues over (under) expenditures	\$	(116,017)	65,086	(116,017)	181,103
Reconciliation to GAAP Basis Statement					
Increase in accounts payable			(270)		
Increase in salaries and wages payable			(147)		
Decrease in compensated absences			217		
			\$		
					64,886

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**CENTER FOR EDUCATION AND STUDY**  
**FUND 26147**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Local sources					
Local grant	\$				
Other					
Total Revenues					
Expenditures:					
Current:					
Instruction		1,058	1,058	(1,058)	
Total Expenditures		1,058	1,058	(1,058)	
Revenues over (under) expenditures	\$	(1,058)	(1,058)	(1,058)	
 Budgetary notation- cash appropriated from prior year for current years expenditures		\$	1,058	1,058	

SEE INDEPENDENT AUDITORS' REPORTS  
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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**TECHNOLOGY FOR EDUCATION**  
**FUND 27117**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Local sources					
Interest	\$ _____	_____	_____	_____	_____
Total Revenues	_____	_____	_____	_____	_____
Expenditures:					
Current:					
Instruction		5,595	3,069	(5,595)	2,526
Support Services - Students	_____	2,982	1,371	(2,982)	1,611
Total Expenditures	_____	8,577	4,440	(8,577)	4,137
Revenues over (under) expenditures	\$ _____	(8,577)	(4,440)	(8,577)	4,137
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ _____	8,577		8,577	
Reconciliation to GAAP Basic Statement					
Increase in due from grantor			4,674		
Increase in accounts payable			(234)		
			_____		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**INCENTIVES FOR SCHOOL IMPROVEMENT**  
**FUND 27138**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State Grant	\$	9,323	5,769	9,323	(3,554)
Total Revenues		9,323	5,769	9,323	(3,554)
Expenditures:					
Current:					
Instruction		5,500	5,466	(5,500)	34
Support Services - Students		3,823	3,823	(3,823)	
Total Expenditures		9,323	9,289	(9,323)	34
Revenues over (under) expenditures	\$		(3,520)		(3,520)
Reconciliation to GAAP Basis Statement					
Decrease in account payable			1,003		
Decrease in deferred revenue			2,517		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**LITERACY, TECHNOLOGY AND STUDY**  
**FUND 27144**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
State Sources:					
State Grant	\$ _____	36,812	33,000	36,812	(3,812)
Total Revenues	_____	<u>36,812</u>	<u>33,000</u>	<u>36,812</u>	<u>(3,812)</u>
Expenditures:					
Current:					
Support Services - Students		26,408	26,408	(26,408)	
Support Services - Instruction	_____	10,404	10,404	(10,404)	_____
Total Expenditures	_____	<u>36,812</u>	<u>36,812</u>	<u>(36,812)</u>	_____
Revenues over (under) expenditures	\$ _____	_____	(3,812)	_____	<u>(3,812)</u>
Reconciliation to GAAP Basis Statement					
Decrease in accounts payable			4,351		
Increase in deferred revenue			<u>(539)</u>		
			\$ _____		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**G. O. BOND C - LIBRARY**  
**FUND 27145**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State grant	\$	4,356	6,901	4,356	2,545
Total Revenues		4,356	6,901	4,356	2,545
Expenditures:					
Current:					
Support Services - Instruction		4,356	3,593	(4,356)	763
Total Expenditures		4,356	3,593	(4,356)	763
Revenues over (under) expenditures	\$		3,308		3,308
Reconciliation to GAAP Basis Statement					
Decrease in due from grantor			(6,138)		
Increase in deferred revenue			(763)		
Decrease in accounts payable			3,593		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**PRE KINDERGARTEN INITIATIVE**  
**FUND 27149**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State grant	\$	72,999	49,435	72,999	(23,564)
Total Revenues		<u>72,999</u>	<u>49,435</u>	<u>72,999</u>	<u>(23,564)</u>
Expenditures:					
Current:					
Instruction		52,999	44,263	(52,999)	8,736
Student Transportation		<u>20,000</u>	<u>15,000</u>	<u>(20,000)</u>	<u>5,000</u>
Total Expenditures		<u>72,999</u>	<u>59,263</u>	<u>(72,999)</u>	<u>13,736</u>
Revenues over (under) expenditures	\$		(9,828)		(9,828)
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			9,828		
			<u>9,828</u>		
			\$		
			<u>9,828</u>		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**BREAKFAST IN SCHOOLS**  
**FUND 27155**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original</u>	<u>Revised</u>		<u>Positive (Negative)</u>	
	<u>Budget</u>	<u>Budget</u>		<u>Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
State sources:					
State grant	\$	7,376	7,376	7,376	
Total Revenues		7,376	7,376	7,376	
Expenditures:					
Current:					
Instruction		7,376	7,376	(7,376)	
Total Expenditures		7,376	7,376	(7,376)	
Revenues over (under) expenditures	\$				

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**LAWS OF 2005 - HB 885**  
**FUND 27156**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State grant	\$		4,878		4,878
Total Revenues			4,878		4,878
Expenditures:					
Current:					
Instruction					
Total Expenditures					
Revenues over (under) expenditures	\$		4,878		4,878
Reconciliation to GAAP Basis Statement					
Increase in deferred revenue					
Increase in accounts payable					
			\$		4,878

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**PRE KINDERGARTEN START UP AND SAFETY**  
**FUND 27161**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original	Revised		Positive (Negative)	
	Budget	Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State sources					
State grant	\$				
Total Revenues					
Expenditures:					
Current:					
Support Services - Instruction		15,000	13,279	(15,000)	1,721
Total Expenditures		15,000	13,279	(15,000)	1,721
Revenues over (under) expenditures	\$	(15,000)	(13,279)	(15,000)	1,721
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			13,279		
			\$		

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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**SCHOOL BASED HEALTH**  
**FUND 28106**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State grant	\$	90,313	51,094	90,313	(39,219)
Total Revenues		90,313	51,094	90,313	(39,219)
Expenditures:					
Current:					
Support Services - Students		60,000	38,334	(60,000)	21,667
Support Services - Instruction		30,313	7,891	(30,313)	22,422
Total Expenditures		90,313	46,225	(90,313)	44,088
Revenues over (under) expenditures	\$		4,869		4,869
Reconciliation to GAAP Basis Statement					
Decrease in accounts payable			1,871		
Increase in deferred revenue			(6,740)		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**NM GEAR UP**  
**FUND 28178**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State Source:					
State Grant	\$ _____	_____	_____	_____	_____
Total Revenues	_____	_____	_____	_____	_____
Expenditures:					
Current:					
Instruction	_____	20,900	20,900	(20,900)	_____
Total Expenditures	_____	20,900	20,900	(20,900)	_____
Revenues over (under) expenditures	\$ _____	(20,900)	(20,900)	(20,900)	_____
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			20,900		
			_____		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SPECIAL REVENUE FUND**  
**SCHOOL BASED HEALTH**  
**FUND 29130**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
State Grant	\$		138,906		138,906
Total Revenues			138,906		138,906
Expenditures:					
Current:					
Support Services - Students		130,000	100,295	(130,000)	29,705
Total Expenditures		130,000	100,295	(130,000)	29,705
Revenues over (under) expenditures	\$	(130,000)	38,611	(130,000)	168,611
Reconciliation to GAAP Basis Statement					
Increase in deferred revenue			(38,611)		
			\$		

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CAPITAL PROJECTS FUND**  
**PUBLIC SCHOOL CAPITAL OUTLAY-STATE**  
**FUND 31200**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances Positive (Negative)</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
State sources:					
Public school capital outlay committee	\$ _____	<u>308,107</u>	<u>24,991</u>	<u>308,107</u>	<u>(283,116)</u>
		<u>308,107</u>	<u>24,991</u>	<u>308,107</u>	<u>(283,116)</u>
Expenditures:					
Noncurrent:					
Capital outlay	_____	<u>308,107</u>	<u>20,426</u>	<u>(308,107)</u>	<u>287,681</u>
		<u>308,107</u>	<u>20,426</u>	<u>(308,107)</u>	<u>287,681</u>
Revenues over (under) expenditures	_____	_____	<u>4,565</u>	_____	<u>4,565</u>
Other Financing Sources (uses):					
Operating Transfers In					
Operating Transfers Out	_____	<u>(75,581)</u>	<u>(75,581)</u>	<u>(75,581)</u>	_____
		<u>(75,581)</u>	<u>(75,581)</u>	<u>(75,581)</u>	_____
Revenues and other financing sources over (under) expenditures and other financing uses	\$ _____	<u>(75,581)</u>	<u>(71,016)</u>	<u>(75,581)</u>	<u>4,565</u>
Budgetary Notation - Cash appropriated from prior year for current year expenditures		\$ <u>75,581</u>		<u>75,581</u>	
Reconciliation to GAAP Basis Statement					
Increase in accounts payable			<u>(1,127)</u>		
			\$ <u>(72,143)</u>		

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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CAPITAL PROJECTS FUND**  
**SPECIAL LOCAL CAPITAL OUTLAY**  
**FUND 31300**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances</u>	
	<u>Original Budget</u>	<u>Revised Budget</u>		<u>Positive (Negative) Original Budget To Final</u>	<u>Actual to Final Budget</u>
Revenues:					
Local sources:					
Interest			9,054		9,054
Total revenues			9,054		9,054
Expenditures:					
Noncurrent:					
Capital outlay	114,859	114,859			114,859
Total Expenditures	114,859	114,859			114,859
Revenues over (under) expenditures	(114,859)	(114,859)	9,054		123,913
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ 114,859	114,859			

SEE INDEPENDENT AUDITORS' REPORTS  
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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CAPITAL PROJECTS FUND**  
**SPECIAL CAPITAL OUTLAY - FEDERAL**  
**FUND 31500**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
State sources					
Investment Income			3,771		3,771
Federal Grant	\$	137,790	85,277	137,790	(52,513)
Total Revenues		137,790	89,048	137,790	(48,742)
Expenditures:					
Noncurrent:					
Capital outlay	6,046	143,836	50,145	(137,790)	93,691
Total Expenditures	6,046	143,836	50,145	(137,790)	93,691
Revenues over (under) expenditures	(6,046)	(6,046)	38,903		44,949
Budget Notation - cash appropriated from prior year for current year expenditure	\$ 6,046	6,046			

SEE INDEPENDENT AUDITORS' REPORTS  
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STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CAPITAL PROJECTS FUND**  
**CAPITAL IMPROVEMENT - SB-9**  
**FUND 31700**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Local sources:	\$				
Property taxes	122,263	122,263	125,786		3,523
Interest			8,240		8,240
State sources:					
SB-9 Grant Funds		65,202	70,569	65,202	5,367
Total Revenues	<u>122,263</u>	<u>187,465</u>	<u>204,595</u>	<u>65,202</u>	<u>17,130</u>
Expenditures:					
Current:					
General Administration		1,257	1,257	(1,257)	
Noncurrent:					
Capital outlay	<u>122,263</u>	<u>248,921</u>	<u>139,441</u>	<u>(126,658)</u>	<u>109,480</u>
Total Expenditures	<u>122,263</u>	<u>250,178</u>	<u>140,698</u>	<u>(127,915)</u>	<u>109,480</u>
Revenues over (under) expenditures	\$ <u>                    </u>	(62,713)	63,897	(62,713)	<u>126,610</u>
Budgetary notation- cash appropriated from prior year for current years expenditures		<u>62,713</u>		<u>(62,713)</u>	
Reconciliation to GAAP Basis Statement					
Increase in taxes receivable			<u>97</u>		
			<u>63,994</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS-STUDENT ACTIVITY**  
 For the Year Ended June 30, 2007

	<u>Balances</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2007</u>
<b>ASSETS</b>				
Cash or cash equivalents:				
JVPS funds	\$ 7,672	3,670	(5,158)	6,184
Elementary school funds	7,142	7,662	(8,237)	6,567
Middle school funds	9,277	9,588	(8,049)	10,816
High school funds	31,388	31,378	(43,045)	19,721
Total cash or cash equivalents	<u>55,479</u>	<u>52,298</u>	<u>(64,489)</u>	<u>43,288</u>
 Total Assets	 <u>\$ 55,479</u>	 <u>52,298</u>	 <u>(64,489)</u>	 <u>43,288</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ _____	191	_____	191
Deposits held in trust for student activities				
JVPS funds	7,672	3,670	(5,269)	6,073
Elementary school funds	7,142	7,662	(8,317)	6,487
Middle school funds	9,277	9,588	(8,049)	10,816
High school funds	31,388	31,378	(43,045)	19,721
Total deposits held in trust for student activities	<u>\$ 55,479</u>	<u>52,298</u>	<u>(64,680)</u>	<u>43,097</u>
 Total Liabilities	 <u>\$ 55,479</u>	 <u>52,489</u>	 <u>(64,680)</u>	 <u>43,288</u>



STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOLS  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2007

	<u>Funds 11000 &amp; 14000 General</u>	<u>Fund 24101 ESEA Title 1</u>	<u>Fund 27121 Physical Education</u>	<u>Other Governmental Funds</u>	<u>TOTALS</u>
<b>ASSETS</b>					
Cash on Deposit	\$ 30,915			55,346	86,261
Due from grantor		27,947	44,430	28,756	101,133
Due from other funds	<u>86,748</u>				<u>86,748</u>
<b>Total Assets</b>	<u>\$ 117,663</u>	<u>27,947</u>	<u>44,430</u>	<u>84,102</u>	<u>274,142</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accrued payroll	28,239		2,349	5,412	36,000
Accrued and withheld payroll taxes and benefits	317,907		15,324	16,091	349,322
Due to other funds		27,947	26,757	32,044	86,748
Deferred revenue				150	150
<b>Total Liabilities</b>	<u>346,146</u>	<u>27,947</u>	<u>44,430</u>	<u>53,697</u>	<u>472,220</u>
<b>FUND BALANCES:</b>					
Unreserved	<u>(228,483)</u>			30,405	(198,078)
<b>Total Fund Balances</b>	<u>(228,483)</u>			30,405	(198,078)
<b>Total Liabilities and Fund Balances</b>	<u>\$ 117,663</u>	<u></u>	<u>44,430</u>	<u>84,102</u>	<u>274,142</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-1, continued

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
 SHEET WITH THE STATEMENT OF NET ASSETS**  
 June 30, 2007

Amounts reported in the Statement of Net Assets are different because:

Total fund balances - Balance sheet governmental funds:	\$	(198,078)
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of capital assets	\$	689,819	
Accumulated depreciation		<u>(207,123)</u>	482,696

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term at year end consisted of:

Compensated absences	(31,369)
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Rounding	<u>1</u>
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<b>Total net assets</b>	<b>\$ <u>253,250</u></b>
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STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOLS  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2007

	<u>Funds 11000 &amp; 14000 General</u>	<u>Fund 24101 ESEA Title 1</u>	<u>Fund 27121 Physical Education</u>	<u>Other Governmental Funds</u>	<u>TOTALS</u>
<b>REVENUES</b>					
Federal sources:					
Federal grants	\$ 10,043	22,500		137,346	169,889
State sources:					
State Equalization Guarantee	817,766				817,766
State Emergency Funding	92,358				92,358
Instructional materials	7,956				7,956
Other state sources/grants	818		61,956	161,643	224,417
Local sources:					
Fees - adults				136	136
Donations - instructional support	1,000				1,000
Other miscellaneous	22,219				22,219
Interest	285				285
<b>Total revenue</b>	<u>952,445</u>	<u>22,500</u>	<u>61,956</u>	<u>299,125</u>	<u>1,336,026</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	501,865	22,500	61,956	184,736	771,057
Support Services Instruction	34				34
General Administration	119,816				119,816
School Administration	104,428				104,428
Central Services	93,569				93,569
Operation and maintenance of plant	141,306				141,306
Food services				72,475	72,475
<b>Total expenditures</b>	<u>961,018</u>	<u>22,500</u>	<u>61,956</u>	<u>257,211</u>	<u>1,302,685</u>
Revenues over (under) expenditures	<u>(8,573)</u>			<u>41,914</u>	<u>33,341</u>
Other financing sources (uses):					
Operating transfers in	28,499				28,499
Operating transfers out				(28,499)	(28,499)
	<u>28,499</u>			<u>(28,499)</u>	
<b>Net change in fund balances</b>	19,926			13,415	33,341
<b>Fund balance at beginning of year, as restated</b>	<u>(248,409)</u>			<u>16,990</u>	<u>(231,419)</u>
<b>Fund balances, end of year</b>	<u>\$ (228,483)</u>			<u>30,405</u>	<u>(198,078)</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-2, continued

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2007

Amounts reported in the Statement of Activities are different because:

Total net change in fund balances - governmental funds	\$ 33,341
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. The following is the net changes to the capital asset balance.</p>	
Depreciation expense	(35,895)
<p>Repayment of long term liabilities is an expenditure in governmental funds but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.</p>	
(Increase) decrease in compensated absence liability	(1,500)
Rounding	<u>2</u>
Change in net assets - statement of activities	<u>\$ (4,052)</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-2

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>							
	<b>Fund 21000</b>	<b>Fund 22000</b>	<b>Fund 23000</b>	<b>Fund 24102</b>	<b>Fund 24106</b>	<b>Fund 24129</b>	<b>Fund 24153</b>	<b>Fund 24154</b>
	<b>Food Services</b>	<b>Athletics</b>	<b>Non- Instructional</b>	<b>Javits Grant for Gifted Education</b>	<b>IDEA-B Entitlement</b>	<b>Partnership in Charter Education</b>	<b>English Language Acquisition</b>	<b>Teacher/Principal Training &amp; Recruiting</b>
<b><u>ASSETS</u></b>								
Assets:								
Cash on deposit	\$						4,860	5,918
Due from other funds								
Due from grantor					21,389	5,051		
Total assets	\$				<u>21,389</u>	<u>5,051</u>	<u>4,860</u>	<u>5,918</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>								
Liabilities:								
Due to other funds	\$	2,860	500		21,389	4,979		
Accrued and withheld taxes and benefits		3,984				72		
Accrued payroll		1,506						
Deferred revenue								
Due from student activities								
Total liabilities		<u>8,350</u>	<u>500</u>		<u>21,389</u>	<u>5,051</u>		
Fund balances:								
Unreserved		<u>(8,350)</u>	<u>(500)</u>				<u>4,860</u>	<u>5,918</u>
		<u>(8,350)</u>	<u>(500)</u>				<u>4,860</u>	<u>5,918</u>
Total liabilities and fund balance	\$				<u>21,389</u>	<u>5,051</u>	<u>4,860</u>	<u>5,918</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-3, continued

STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT**  
**COMBINING BALANCE SHEET, Continued**  
JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>							
	<u>Fund 24162</u>	<u>Fund 25145</u>	<u>Fund 25146</u>	<u>Fund 25147</u>	<u>Fund 25171</u>	<u>Fund 25184</u>	<u>Fund 25511</u>	<u>Fund 26113</u>
	<u>Title I School Improvement</u>	<u>Impact Aid Special Education</u>	<u>Save the Children</u>	<u>Impact Aid Indian Education</u>	<u>Child &amp; Adult Food</u>	<u>Title VII Indian Ed Formula</u>	<u>Math, Engineering &amp; Science</u>	<u>Los Alamos National Lab. Foundation</u>
<b><u>ASSETS</u></b>								
Assets:								
Cash on deposit	\$	18,288		13,378	4,127	7,397	150	1,228
Due from other funds								
Due from grantor								
Total assets	\$	<u>18,288</u>		<u>13,378</u>	<u>4,127</u>	<u>7,397</u>	<u>150</u>	<u>1,228</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>								
Liabilities:								
Due to other funds	\$							
Accrued and withheld taxes and benefits				12,035				
Accrued payroll				3,906				
Deferred revenue							150	
Due from student activities								
Total liabilities				<u>15,941</u>			<u>150</u>	
Fund balances:								
Unreserved		18,288		(2,563)	4,127	7,397		1,228
Total fund balances		<u>18,288</u>		<u>(2,563)</u>	<u>4,127</u>	<u>7,397</u>		<u>1,228</u>
Total liabilities and fund balance	\$	<u>18,288</u>		<u>13,378</u>	<u>4,127</u>	<u>7,397</u>	<u>150</u>	<u>1,228</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-3, continued

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT**  
**COMBINING BALANCE SHEET, Continued**  
 JUNE 30, 2007

	<u>Fund 27150</u>	<u>Total Non-major Special Revenue Funds</u>	<u>Capital Fund 31200</u>	<u>Total Non-major Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
	<u>Indian Education Act</u>		<u>Public School Capital Outlay</u>		
<b><u>ASSETS</u></b>					
Assets:					
Cash on deposit	\$	55,346			55,346
Due from other funds					
Due from grantor	<u>2,316</u>	<u>28,756</u>			<u>28,756</u>
Total assets	<u>\$ 2,316</u>	<u>84,102</u>			<u>84,102</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Due to other funds	\$ 2,316	32,044			32,044
Accrued and withheld taxes and benefits		16,091			16,091
Accrued payroll		5,412			5,412
Deferred revenue		150			150
Due from student activities					
Total liabilities	<u>2,316</u>	<u>53,697</u>			<u>53,697</u>
Fund balances:					
Unreserved		<u>30,405</u>			<u>30,405</u>
Total fund balances		<u>30,405</u>			<u>30,405</u>
Total liabilities and fund balance	<u>\$ 2,316</u>	<u>84,102</u>			<u>84,102</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT F-3

STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>							
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
	<b>21000</b>	<b>22000</b>	<b>23000</b>	<b>24102</b>	<b>24106</b>	<b>24129</b>	<b>24153</b>	<b>24154</b>
	<u>Food</u>	<u>Athletics</u>	<u>Non-</u>	<u>Javits Grant</u>	<u>IDEA-B</u>	<u>Partnership</u>	<u>English</u>	<u>Teacher/Principal</u>
	<u>Services</u>		<u>Instructional</u>	<u>for Gifted</u>	<u>Entitlement</u>	<u>in Charter</u>	<u>Language</u>	<u>Training &amp;</u>
				<u>Education</u>		<u>Education</u>	<u>Acquisition</u>	<u>Recruiting</u>
Revenues:								
Local Sources:								
Fees - Adults	\$	136						
Local grant								
State Sources:								
State grants								
Federal sources								
Federal grants	81,531				23,904	10,357	4,860	5,918
Total revenues	<u>81,667</u>				<u>23,904</u>	<u>10,357</u>	<u>4,860</u>	<u>5,918</u>
Expenditures:								
Current:								
Instruction			500		23,904	10,357		
Support Services Instruction								
Operation and Maintenance of plant								
Food services	72,475							
Athletics								
Community services								
Total expenditures	<u>72,475</u>		<u>500</u>		<u>23,904</u>	<u>10,357</u>		
Revenues over (under) Expenditures	9,192		(500)				4,860	5,918
Other Financing Sources (Uses):								
Operating Transfers Out								
Net change in fund balances	9,192		(500)				4,860	5,918
Fund balance at beginning of year	(17,542)							
Fund balance, end of year	<u>\$ (8,350)</u>		<u>(500)</u>				<u>4,860</u>	<u>5,918</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES, Continued**

For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>							
	<u>Fund 24162</u>	<u>Fund 25145</u>	<u>Fund 25146</u>	<u>Fund 25147</u>	<u>Fund 25171</u>	<u>Fund 25184</u>	<u>Fund 25511</u>	<u>Fund 26113</u>
	<u>Title I School Improvement</u>	<u>Impact Aid Special Education</u>	<u>Save the Children</u>	<u>Impact Aid Indian Education</u>	<u>Child &amp; Adult Food</u>	<u>Title VII Indian Ed Formula</u>	<u>Math, Engineering &amp; Science</u>	<u>Los Alamos National Lab. Foundation</u>
Revenues:								
Local sources								
Fees - Adults	\$							
Local grant								
State sources								
State grant								
Federal sources								
Federal grant		14,580		82,843		19,181		
Total revenues		<u>14,580</u>		<u>82,843</u>		<u>19,181</u>		
Expenditures:								
Current:								
Instruction		10,754		92,724		19,181		
Support Services Instruction								
Operation and maintenance of plant								
Food services								
Athletics								
Community services								
Total expenditures		<u>10,754</u>		<u>92,724</u>		<u>19,181</u>		
Revenues over (under) Expenditures		3,826		(9,881)				
Other Financing Sources (Uses):								
Operating Transfers Out								
Net change in fund balances		3,826		(9,881)				
Fund balance at beginning of year		<u>14,462</u>		<u>7,318</u>	<u>4,127</u>	<u>7,397</u>		<u>1,228</u>
Fund balance, end of year	\$	<u>18,288</u>		<u>(2,563)</u>	<u>4,127</u>	<u>7,397</u>		<u>1,228</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES, Continued**

For the Year Ended June 30, 2007

	<u>Fund 27150</u>	<u>Total Non-major Special Revenue Funds</u>	<u>Capital Fund 31200</u>	<u>Total Non-major Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
	<u>Indian Education Act</u>		<u>Public School Capital Outlay</u>		
Revenues:					
Local sources					
Fees - Adults	\$	136			136
Local grant					
State sources					
State grant	27,316	27,316	28,499	28,499	55,815
Federal sources					
Federal grant		243,174			243,174
Total revenues	<u>27,316</u>	<u>270,626</u>	<u>28,499</u>	<u>28,499</u>	<u>299,125</u>
Expenditures:					
Current:					
Instruction	27,316	184,736			184,736
Support Services Instruction					
Operation and maintenance of plant					
Food services		72,475			72,475
Athletics					
Community services					
Total expenditures	<u>27,316</u>	<u>257,211</u>			<u>257,211</u>
Revenues over (under) Expenditures		13,415	28,499	28,499	41,914
Other Financing Sources (Uses):					
Operating Transfers Out			<u>(28,499)</u>	<u>(28,499)</u>	<u>(28,499)</u>
Net change in fund balances		13,415			13,415
Fund balance at beginning of year		16,990			16,990
Fund balance, end of year	\$	<u>30,405</u>			<u>30,405</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**GENERAL FUNDS**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

**GENERAL FUND - FUNDS 11000 & 14000**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variances Positive (Negative)</b>	
	<b>Original Budget</b>	<b>Revised Budget</b>		<b>Original Budget To Final</b>	<b>Actual to Final Budget</b>
<b>REVENUES</b>					
Federal Sources:					
Impact Aid, Public Law 103-382	\$		10,043		10,043
State Sources:					
State equalization	835,819	835,819	817,766		(18,053)
State emergency funding			92,358		92,358
Instructional materials	7,956	7,956	7,956		
Other	818	818	818		
Local sources					
Interest			285		285
Donations - private sources			1,000		1,000
Refunds - reimbursements					
Other			17,174		17,174
<b>Total Revenue</b>	<u>844,593</u>	<u>844,593</u>	<u>947,400</u>		<u>102,807</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	420,620	420,620	467,914		(47,294)
Support Services:	434,667			434,667	
Support Services Instruction		12,667	34	(12,667)	12,633
General Administration		111,000	109,865	(111,000)	1,135
School Administration		91,000	90,250	(91,000)	750
Central Services		83,000	82,679	(83,000)	321
Operation and maintenance of plant		137,000	136,178	(137,000)	822
<b>Total Expenditures</b>	<u>855,287</u>	<u>855,287</u>	<u>886,920</u>		<u>(31,633)</u>
Revenues over (under) expenditures	(10,694)	(10,694)	60,480		71,174
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers In			28,499		28,499
Revenues and other financing sources over (under) expenditures and other financing uses	(10,694)	(10,694)	88,979		<u>99,673</u>
Budgetary Notation - Cash appropriated for current year expenditures	\$ <u>10,694</u>	<u>10,694</u>			
Reconciliation to GAAP Basis Statement					
Increase in accrued payroll			(28,239)		
Increase in accrued and withheld payroll taxes and benefits			(40,814)		
			\$ <u>19,926</u>		

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**MAJOR SPECIAL REVENUE - ESEA TITLE 1 - FUND 24101**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$ 22,500	22,500	24,822		2,322
Total Revenue	<u>22,500</u>	<u>22,500</u>	<u>24,822</u>		<u>2,322</u>
Expenditures:					
Current:					
Instruction	22,500	22,500	22,500		
Total expenditures	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>		
Revenues over (under) expenditures:	\$ _____	_____	2,322	_____	<u>2,322</u>
Reconciliation to GAAP Basis Statement					
Decrease in due from grantor			<u>(2,322)</u>		
			\$ _____		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**MAJOR SPECIAL REVENUE - PHYSICAL EDUCATION - FUND 27121**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State Sources	\$	61,956	17,526	61,956	(44,430)
Total Revenues		61,956	17,526	61,956	(44,430)
Expenditures:					
Current:					
Instruction		61,956	44,283	(61,956)	17,673
Total Expenditures		61,956	44,283	(61,956)	17,673
Revenues over (under) expenditures	\$		(26,757)		(26,757)
Reconciliation to GAAP Basis Statement					
Increase in due from grantor			44,430		
Increase in accrued payroll			(2,349)		
Increase in accrued and withheld payroll taxes and benefit			(15,324)		
			\$		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - FOOD SERVICES - FUND 21000**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State Grants	\$ 65,000	65,000	81,531		16,531
Fees - adults	1,000	1,000	136		(864)
Total Revenue	<u>66,000</u>	<u>66,000</u>	<u>81,667</u>		<u>(864)</u>
Expenditures:					
Current:					
Food services	66,000	66,000	66,985		(985)
Non-Current:					
Capital outlay					
Total Expenditures	<u>66,000</u>	<u>66,000</u>	<u>66,985</u>		<u>(985)</u>
Revenues over (under) expenditures:	\$ <u>          </u>	<u>          </u>	14,682	<u>          </u>	<u>(1,849)</u>
Reconciliation to GAAP Basis Statement					
Increase in accrued payroll			(1,506)		
Increase in accrued and withheld payroll taxes and benefit			<u>(3,984)</u>		
			\$ <u>9,192</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - NON-INSTRUCTIONAL STUDENT SUPPORT - FUND 23000**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Total Revenues	\$ _____	_____	_____	_____	_____
Expenditures:					
Current:					
Instruction	_____	_____	500	_____	(500)
Total Expenditures	_____	_____	500	_____	(500)
Revenues over (under) expenditures	\$ _____	_____	(500)	_____	(500)

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - IDEA-B ENTITLEMENT - FUND 24106**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Federal grant	\$ 23,904	23,904			(23,904)
Total Revenue	<u>23,904</u>	<u>23,904</u>			<u>(23,904)</u>
Expenditures:					
Current:					
Instruction	23,904	23,904	23,904		
Total Expenditures	<u>23,904</u>	<u>23,904</u>	<u>23,904</u>		
Revenues over (under) expenditures:	\$ <u>          </u>	<u>          </u>	(23,904)	<u>          </u>	<u>(23,904)</u>
Reconciliation to GAAP Basis Statement:					
Increase in due from grantor			21,389		
Decrease in deferred revenue			<u>2,515</u>		
			\$ <u>          </u>		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statement:



STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - PARTNER IN CHARTER EDUCATION - FUND 24129**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal sources	\$	12,500	5,306	12,500	(7,194)
Total Revenues		12,500	5,306	12,500	(7,194)
Expenditures:					
Current:					
Instruction		12,500	10,285	(12,500)	2,215
Total Expenditures		12,500	10,285	(12,500)	2,215
Revenues over (under) expenditures	\$		(4,979)		(4,979)
Reconciliation to GAAP Basis Statement:					
Increase in due from grantor			5,051		
Increase in accrued and withheld payroll taxes and benefit			(72)		
			\$		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - ENGLISH LANGUAGE ACQUISITION - FUND 24153**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal sources	\$ _____	_____	4,860	_____	4,860
Total Revenues	_____	_____	4,860	_____	4,860
Expenditures:					
Current:	_____	_____	_____	_____	_____
Total Expenditures	_____	_____	_____	_____	_____
Revenues over (under) expenditures:	\$ _____	_____	4,860	_____	4,860

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - TEACHER/PRINCIPAL TRAINING AND RECRUITING - FUND 24154**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$		5,918		5,918
Total Revenues			5,918		5,918
Expenditures:					
Current:					
Total Expenditures					
Revenues over (under) expenditures:	\$		5,918		5,918

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - IMPACT AID SPECIAL EDUCATION - FUND 25145**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$ 15,818	15,818	14,580		(1,238)
Total Revenues	<u>15,818</u>	<u>15,818</u>	<u>14,580</u>		<u>(1,238)</u>
Expenditures:					
Current:					
Instruction	15,818	15,818	10,754		5,064
Total Expenditures	<u>15,818</u>	<u>15,818</u>	<u>10,754</u>		<u>5,064</u>
Revenues over (under) expenditures	\$ _____	_____	<u>3,826</u>	_____	<u>3,826</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - IMPACT AID INDIAN EDUCATION - FUND 25147**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$ 74,657	74,657	82,843		8,186
Total Revenues	<u>74,657</u>	<u>74,657</u>	<u>82,843</u>		<u>8,186</u>
Expenditures:					
Current:					
Instruction	74,657	74,657	76,784		(2,127)
Total Expenditures	<u>74,657</u>	<u>74,657</u>	<u>76,784</u>		<u>(2,127)</u>
Revenues over (under) expenditures:	\$		6,059		<u>6,059</u>
Reconciliation to GAAP Basis Statement					
Increase in accrued payroll			(3,906)		
Increase in accrued and withheld payroll taxes and benefit			<u>(12,034)</u>		
			\$		<u>(9,881)</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - CHILD AND ADULT FOOD PROGRAM - FUND 25171**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$ 14,428	14,428	4,127		(10,301)
Total Revenues	<u>14,428</u>	<u>14,428</u>	<u>4,127</u>		<u>(10,301)</u>
Expenditures:					
Current:					
Instruction	14,428	14,428			14,428
Total Expenditures	<u>14,428</u>	<u>14,428</u>			<u>14,428</u>
Revenues over (under) expenditures	\$ _____	_____	<u>4,127</u>	_____	<u>4,127</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - TITLE VII INDIAN ED. FORMULA GRANT - FUND 25184**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Federal grant	\$ _____	_____	19,181	_____	19,181
Total Revenues	_____	_____	19,181	_____	19,181
Expenditures:					
Current:					
Instruction	_____	_____	19,181	_____	(19,181)
Total Expenditures	_____	_____	19,181	_____	(19,181)
Revenues over (under) expenditures	\$ _____	_____	_____	_____	_____

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE - INDIAN EDUCATION ACT - FUND 27150**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State sources	\$	30,000	31,766	30,000	1,766
Total Revenues		30,000	31,766	30,000	1,766
Expenditures:					
Current:					
Instruction		30,000	27,316	(30,000)	2,684
Total Expenditures		30,000	27,316	(30,000)	2,684
Revenues over (under) expenditures	\$		4,450		4,450
Reconciliation to GAAP Basis Statement					
Decrease in due from grantor			(4,450)		
			\$		

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:



STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**CAPITAL PROJECT - PUBLIC SCHOOL CAPITAL OUTLAY - FUND 31200**  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2007

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
State sources	\$	56,998	28,499	56,998	(28,499)
Total Revenues		56,998	28,499	56,998	(28,499)
Expenditures:					
Non-Current:					
Capital Outlay		56,998		(56,998)	56,998
Total Expenditures		56,998		(56,998)	56,998
Revenues over (under) expenditures:			28,499		28,499
Other financing sources (uses):					
Operating transfer out			(28,499)		(28,499)
Revenues and other financing sources over (under) expenditures and other financing uses	\$				

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statement:

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2007

	<u>Funds 11000 &amp; 14000 General</u>	<u>Fund 21000 Food Services</u>	<u>Fund 25147 Impact Aid Indian Education</u>	<u>Fund 31200 Public School Capital Outlay</u>	<u>Other Governmental Funds</u>	<u>TOTALS</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 42,876		50,818	16,051	12,123	121,868
Due from other funds	<u>4,624</u>					<u>4,624</u>
<b>Total Assets</b>	<b>\$ <u>47,500</u></b>		<b><u>50,818</u></b>	<b><u>16,051</u></b>	<b><u>12,123</u></b>	<b><u>126,492</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>						
Liabilities:						
Due to other funds		4,624				4,624
Accrued salaries and benefits	7,647	7,578			250	15,475
Accrued and withheld payroll taxes and benefits	<u>3,931</u>				<u>77</u>	<u>4,008</u>
<b>Total Liabilities</b>	<b><u>11,578</u></b>	<b><u>12,202</u></b>			<b><u>327</u></b>	<b><u>24,107</u></b>
Fund Balance						
Unreserved	<u>35,922</u>	<u>(12,202)</u>	<u>50,818</u>	<u>16,051</u>	<u>11,796</u>	<u>102,385</u>
<b>Total Fund Balances</b>	<b><u>35,922</u></b>	<b><u>(12,202)</u></b>	<b><u>50,818</u></b>	<b><u>16,051</u></b>	<b><u>11,796</u></b>	<b><u>102,385</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>47,500</u></b>		<b><u>50,818</u></b>	<b><u>16,051</u></b>	<b><u>12,123</u></b>	<b><u>126,492</u></b>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-1, continued

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 WALATOWA HIGH CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOL)  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
 SHEET WITH THE STATEMENT OF NET ASSETS**  
 June 30, 2007

Amounts reported in the Statement of Net Assets are different because:

Total fund balances - Balance sheet governmental funds:	\$	102,385
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Capital assets used in governmental activities are not financial resources  
 and therefore are not reported as assets in governmental funds:

Cost of capital assets	161,361
Accumulated depreciation on capital assets	(102,047)

Rounding	<u>1</u>
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<b>Total net assets</b>	<b>\$ <u><u>161,700</u></u></b>
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SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2007

	<u>Funds 11000 &amp; 14000 General</u>	<u>Fund 21000 Food Services</u>	<u>Fund 25147 Impact Aid Special Education</u>	<u>Fund 31200 Public School Capital Outlay</u>	<u>Other Governmental Funds</u>	<u>TOTALS</u>
<b>REVENUES</b>						
Federal sources						
Federal grants	\$ 3,666	27,807	30,962		6,063	68,498
State Sources:						
State equalizator	406,325			36,226		442,551
Instructional materials support	2,813					2,813
State flowthrough	289					289
Local Sources:						
Local grants					87,400	87,400
Interest	586					586
Other	8,409					8,409
<b>Total revenue</b>	<u>422,088</u>	<u>27,807</u>	<u>30,962</u>	<u>36,226</u>	<u>93,463</u>	<u>610,546</u>
<b>EXPENDITURES</b>						
Current:						
Instruction	182,912		7,206		22,832	212,950
Support Services - Instructor	11,877				34,308	46,185
Support Services - School			1,813			1,813
General Administrator	9,342					9,342
School Administrator	92,788					92,788
Central Services	64,436		4,755			69,191
Operation and maintenance of plant	52,729		812			53,541
Food service operation:		18,654				18,654
Noncurrent:						
Capital outlay				21,900		21,900
<b>Total expenditures</b>	<u>414,084</u>	<u>18,654</u>	<u>14,586</u>	<u>21,900</u>	<u>57,140</u>	<u>526,364</u>
<b>Net Change in fund balance</b>	<u>8,004</u>	<u>9,153</u>	<u>16,376</u>	<u>14,326</u>	<u>36,323</u>	<u>84,182</u>
Fund balance at the beginning of year as previously reported	27,918	(21,355)	1,641	1,725	8,274	18,203
Adjustment			32,801		(32,801)	
Fund balance of beginning of year as restated	<u>27,918</u>	<u>(21,355)</u>	<u>34,442</u>	<u>1,725</u>	<u>(24,527)</u>	<u>18,203</u>
<b>Fund balances, end of year</b>	<u>\$ 35,922</u>	<u>(12,202)</u>	<u>50,818</u>	<u>16,051</u>	<u>11,796</u>	<u>102,385</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 WALATOWA HIGH CHARTER SCHOOL  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**  
 For the Year Ended June 30, 2007

Amounts reported in the Statement of Activities are different because:

Total net change in fund balances - governmental funds	\$	84,182
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. The following is the net changes to the capital asset balance.

Cost of assets acquired during year		
Depreciation expense during year		(14,302)

Rounding		<u>1</u>
----------	--	----------

Change in net assets - statement of activities	\$	<u><u>69,881</u></u>
--	----	----------------------

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
COMBINING BALANCE SHEET  
JUNE 30, 2007**

	<b>SPECIAL REVENUE FUNDS</b>						
	<u>Fund 22000</u>	<u>Fund 24106</u>	<u>Fund 24155</u>	<u>Fund 24174</u>	<u>Fund 25145</u>	<u>Fund 26113</u>	<u>Fund 26141</u>
	<u>Athletics</u>	<u>IDEA-B Entitlement</u>	<u>Indian Education Title VII</u>	<u>Carl Perkins</u>	<u>Impact Aid Special Education</u>	<u>LANL Foundation</u>	<u>Daniels Fund</u>
<b><u>ASSETS</u></b>							
Assets:							
Cash on deposit	\$ 577				5,527		5,692
Due from grantor							
Due from other funds							
Total assets	<u>\$ 577</u>				<u>5,527</u>		<u>5,692</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Due to other funds	\$						
Deferred revenue							
Accrued Salaries & Benefits							
Accrued and withheld payroll taxes and benefits							
Total liabilities							
Fund balances:							
Unreserved:	<u>577</u>				<u>5,527</u>		<u>5,692</u>
Total fund balance	<u>577</u>				<u>5,527</u>		<u>5,692</u>
Total liabilities and fund balance	<u>\$ 577</u>				<u>5,527</u>		<u>5,692</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT**  
**COMBINING BALANCE SHEET, Continued**  
JUNE 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>		<b>Total Special Revenue</b>	<b>Total Non-Major Funds</b>
	<b>Fund 26147</b>	<b>Fund 29102</b>		
	<b>Walton Family Foundation</b>	<b>Private Grants</b>		
<b><u>ASSETS</u></b>				
Assets:				
Cash on deposit	\$	327	12,123	12,123
Due from grantor				
Due from other funds				
Total assets	\$	<u>327</u>	<u>12,123</u>	<u>12,123</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Due to other funds	\$			
Deferred revenue				
Accrued Salaries & Benefits		250	250	250
Accrued and withheld payroll taxes and benefits		77	77	77
Total liabilities		<u>327</u>	<u>327</u>	<u>327</u>
Fund balances:				
Unreserved:			11,796	11,796
Total fund balance			<u>11,796</u>	<u>11,796</u>
Total liabilities and fund balance	\$	<u>327</u>	<u>12,123</u>	<u>12,123</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 WALATOWA HIGH CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Fund 22000</b>	<b>Fund 24106</b>	<b>Fund 24155</b>	<b>Fund 24174</b>	<b>Fund 25145</b>	<b>Fund 26113</b>	<b>Fund 26141</b>
	<b>Athletics</b>	<b>IDEA-B Entitlement</b>	<b>Indian Education Title VII</b>	<b>Carl Perkins</b>	<b>Impact Aid Special Education</b>	<b>LANL Foundation</b>	<b>Daniels Fund</b>
<b>REVENUES</b>							
Federal grants	\$	300	43	50	5,670		
State grants							
Local grants	7,000						40,000
Adult fees							
Total revenue	<u>7,000</u>	<u>300</u>	<u>43</u>	<u>50</u>	<u>5,670</u>		<u>40,000</u>
<b>EXPENDITURES</b>							
Current:							
Instruction	6,423	300	43		375		
Support Services- Instruction							34,308
General Administration							
Student Administration							
Central Services							
Operation and maintenance of plant							
Athletics							
Noncurrent:							
Capital outlay							
Total expenditures	<u>6,423</u>	<u>300</u>	<u>43</u>		<u>375</u>		<u>34,308</u>
<b>Net Change in fund balance</b>	577			50	5,295		5,692
Fund balance of beginning of year as previously reported					232	143	
Adjustment				(50)		(143)	
Fund balance of beginning of year as restated				(50)	232		
Fund balances, end of year	<u>\$ 577</u>				<u>5,527</u>		<u>5,692</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)

**NON-MAJOR GOVERNMENTAL FUNDS OF COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES, Continued**

For the Year Ended June 30, 2007

	<b>SPECIAL REVENUE FUNDS</b>		<b>Total Special Revenue</b>	<b>Total Non-Major Funds</b>
	<b>Fund 26147 Walton Family Foundation</b>	<b>Fund 29102 Private Grants</b>		
<b>REVENUES</b>				
Federal grants	\$		6,063	6,063
State grants				
Local grants		40,400	87,400	87,400
Adult fees				
Total revenue		<u>40,400</u>	<u>93,463</u>	<u>93,463</u>
<b>EXPENDITURES</b>				
Current:				
Instruction		15,691	22,832	22,832
Support Services- Instruction			34,308	34,308
General Administration				
Student Administration				
Central Services				
Operation and maintenance of plant				
Athletics				
Noncurrent:				
Capital outlay				
Total expenditures		<u>15,691</u>	<u>57,140</u>	<u>57,140</u>
<b>Net Change in fund balance</b>		24,709	36,323	36,323
Fund balance of beginning of year as previously reported	32,608	(24,709)	8,274	8,274
Adjustment	<u>(32,608)</u>		<u>(32,801)</u>	<u>(32,801)</u>
Fund balance of beginning of year as restated		<u>(24,709)</u>	<u>(24,527)</u>	<u>(24,527)</u>
Fund balances, end of year	\$		<u>11,796</u>	<u>11,796</u>

SEE INDEPENDENT AUDITORS' REPORTS

The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**GENERAL FUNDS**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

**GENERAL FUND - FUNDS 11000 & 14000**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variances Positive (Negative)</b>	
	<b>Original Budget</b>	<b>Revised Budget</b>		<b>Original Budget To Final</b>	<b>Actual to Final Budget</b>
<b>REVENUES</b>					
State equalization	\$ 406,078	405,966	406,325	(112)	359
Federal Impact Aid		4,200	3,666	4,200	(534)
Instructional materials support	2,813	7,330	2,813	4,517	(4,517)
State flow through grants	289	289	289		
Miscellaneous local revenue			8,409		8,409
Interest			586		586
<b>Total Revenue</b>	<b>409,180</b>	<b>417,785</b>	<b>422,088</b>	<b>8,605</b>	<b>4,303</b>
<b>EXPENDITURES</b>					
Instruction	226,698	212,962	171,334	13,736	41,628
Support Services Instruction	12,179	12,179	11,876		303
General Administration	11,063	11,063	9,342		1,721
School Administration	70,467	92,808	92,788	(22,341)	20
Central Services	65,251	65,251	64,437		814
Operation and maintenance of plant	26,477	26,477	52,729		(26,252)
<b>Total Expenditures</b>	<b>412,135</b>	<b>420,740</b>	<b>402,506</b>	<b>(8,605)</b>	<b>18,234</b>
Revenues over (under) budget	(2,955)	(2,955)	19,582		<b>22,537</b>
Budgetary notation- cash appropriated from prior year for current years expenditures	\$ <u>2,955</u>	<u>2,955</u>			
Reconciliation to GAAP Basis Statement:					
Increase in salaries and benefits			(7,647)		
Increase in accrued and withheld payroll taxes and benefit			(3,931)		
			\$ <u>8,004</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-5

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**MAJOR SPECIAL REVENUE - FOOD SERVICES - FUND 21000**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Student fees	\$				
Adult fees					
Federal grant		22,594	27,807	22,594	5,213
<b>Total Revenue</b>		<u>22,594</u>	<u>27,807</u>	<u>22,594</u>	<u>5,213</u>
<b>EXPENDITURES</b>					
Current:					
Food Service Operations		22,594	11,077	(22,594)	11,517
<b>Total Expenditures</b>		<u>22,594</u>	<u>11,077</u>	<u>(22,594)</u>	<u>11,517</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		16,730		16,730
Reconciliation to GAAP Basis Statement:					
Increase in accrued salaries and benefits			(7,578)		
Rounding			1		
GAAP basis Net change in fund balance (Fund Basis)			\$ <u>9,153</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-6

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**MAJOR SPECIAL REVENUE-IMPACT AID INDIAN EDUCATION-FUND 25147**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS,  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Federal Grant	\$	30,962	30,962	30,962	
<b>Total Revenue</b>		<u>30,962</u>	<u>30,962</u>	<u>30,962</u>	
<b>EXPENDITURES</b>					
Current:					
Instruction		17,362	7,206	(17,362)	10,156
Support Service School		4,600	1,813	(4,600)	2,787
Central Services		8,000	4,755	(8,000)	3,245
Operation & Maintenance of Plant		1,000	812	(1,000)	188
<b>Total Expenditures</b>		<u>30,962</u>	<u>14,586</u>	<u>(17,362)</u>	<u>16,376</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		<u>16,376</u>	<u>13,600</u>	<u>16,376</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-7

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-ATHLETICS-FUND 22000**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Local Sources:	\$				
Contributions & Donations		7,000	7,000	7,000	
<b>Total Revenue</b>		<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	
<b>EXPENDITURES</b>					
Current:					
Instruction		7,000	6,423	(7,000)	577
<b>Total Expenditures</b>		<u>7,000</u>	<u>6,423</u>	<u>(7,000)</u>	<u>577</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		<u>577</u>		<u>577</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-8

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-IDEA B ENTITLEMENT-24106**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS),  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Federal Grant	\$ 8,437	8,437			(8,437)
<b>Total Revenue</b>	<u>8,437</u>	<u>8,437</u>			<u>(8,437)</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	8,437	8,437	300		8,137
Central services					
<b>Total Expenditures</b>	<u>8,437</u>	<u>8,437</u>	<u>300</u>		<u>8,137</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		(300)		(300)
Reconciliation to GAAP Basis Statement: Decrease in deferred revenue			<u>300</u>		
GAAP basis Net change in fund balance (Fund Basis)			\$		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT G-9

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-INDIAN EDUCATION TITLE VII-FUND 24155**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Federal grant	\$	7,362	7,362	7,362	
<b>Total Revenue</b>		<u>7,362</u>	<u>7,362</u>	<u>7,362</u>	
<b>EXPENDITURES</b>					
Current:					
Instruction		7,362	43	(7,362)	7,319
<b>Total Expenditures</b>		<u>7,362</u>	<u>43</u>	<u>(7,362)</u>	<u>7,319</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		7,319		<u>7,319</u>
Reconciliation to GAAP Basis Statement:					
Decrease in due from grantor			(7,320)		
Rounding			<u>1</u>		
GAAP basis Net change in fund balance (Fund Basis)	\$				<u></u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-IMPACT AID SPECIAL EDUCATION-FUND 25145**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Federal grant	\$	5,670	5,670	5,670	
<b>Total Revenue</b>		<u>5,670</u>	<u>5,670</u>	<u>5,670</u>	
<b>EXPENDITURES</b>					
Current:					
Instruction		5,670	375	(5,670)	5,295
Support Services Instruction					
General Administration					
Instructional support					
Central services					
<b>Total Expenditures</b>		<u>5,670</u>	<u>375</u>	<u>(5,670)</u>	<u>5,295</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		<u>5,295</u>		<u>5,295</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-DANIELS FUND-FUND 26141**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Local Grant	\$	40,000	40,000	40,000	
<b>Total Revenue</b>		40,000	40,000	40,000	
<b>EXPENDITURES</b>					
Current:					
Support Services - Instruction		40,000	34,308	(40,000)	5,692
<b>Total Expenditures</b>		40,000	34,308	(40,000)	5,692
Revenues and other financing sources over (under) expenditures and other financing uses	\$		5,692		5,692

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**SPECIAL REVENUE-PRIVATE GRANTS 29102**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
Federal grant	\$	40,400	40,400	40,400	
<b>Total Revenue</b>		<u>40,400</u>	<u>40,400</u>	<u>40,400</u>	
<b>EXPENDITURES</b>					
Current:					
Instruction		40,400	15,363	(40,400)	25,037
<b>Total Expenditures</b>		<u>40,400</u>	<u>15,363</u>	<u>(40,400)</u>	<u>25,037</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$		25,037		<u>25,037</u>
Reconciliation to GAAP Basis Statement:					
Increase in accrued salaries and benefits			(250)		
Increase in accrued and withheld payroll taxes and benefi			(77)		
Rounding			<u>(1)</u>		
GAAP basis Net change in fund balance (Fund Basis)			\$ <u>24,709</u>		

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**MAJOR CAPITAL PROJECTS-PUBLIC SCHOOL CAPITAL OUTLAY-FUND 31200**  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
<b>REVENUES</b>					
State grant	\$ 21,900	36,226	36,226	14,326	
<b>Total Revenue</b>	<u>21,900</u>	<u>36,226</u>	<u>36,226</u>	<u>14,326</u>	
<b>EXPENDITURES</b>					
Noncurrent:					
Capital outlay	21,900	36,226	21,900	(14,326)	14,326
<b>Total Expenditures</b>	<u>21,900</u>	<u>36,226</u>	<u>21,900</u>	<u>(14,326)</u>	<u>14,326</u>
Revenues over (under) expenditure			<u>14,326</u>		<u>14,326</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

## **OTHER SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 (INCLUDING COMPONENT UNITS)  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended June 30, 2007

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal CFDA Number	Identifying # Assigned by PED	Primary Government Federal Expenditures	Component Units		Total Federal Expenditures	Major Program
				San Diego Riverside Charter School	Walatowa High Charter School		
<b>Direct Grants:</b>							
<b>U.S. Department of Education:</b>							
Title VII Indian Education	84.060	24155	\$		43	43	No
Indian Education Formula Grant	84.060A	25184	65,594	19,181		84,775	No
Title VIII General Impact Aid	84.041	11000	970,685	10,043	3,666	984,394	Yes
Title VIII Special Education Impact Aid	84.041	25145	39,398	10,754	375	50,527	Yes
Title VIII Indian Education Impact Aid	84.041	25147	252,297	92,724	14,586	359,607	Yes
Title VIII Capital Outlay Impact Aid	84.041	31500	50,145			50,145	Yes
Total direct grants from DOE			1,378,119	132,702	18,670	1,529,491	
<b>U.S. Department of Health and Human Services:</b>							
Medicaid Title XIX	93.778	25153	38,370			38,370	No
Total direct grants from HHS			38,370			38,370	
<b>U.S. Department of Education:</b>							
(Passed through the NM Public Education Department)							
Title 1 Cluster:							
Title 1 IASA	84.010	24101	227,374	22,500		249,874	No
Teacher/Principal Training and Recruiting	84.367A	24154					No
Title IV A Safe and Drug Free Schools and Communities	84.186A	24157	4,206			4,206	No
Title 1 School Improvements	84.010	24162	50,995			50,995	No
IDEA Cluster:							
IDEA-B Entitlement	84.027	24106	89,728	23,904	300	113,932	No
Partners in Charter Education	84.215V	24129		10,357		10,357	No
Enhanced Education Through Technology	84.318X	24133	5,808			5,808	No
Preschool Inclusive Environment	84.173	24136	707			707	No
Title IID Competitive (Enhanced Education Through Technology)	84.318X	24149	10,566			10,566	No
ESEA Title V-A Innovation Strategies	84.298	24150	3,864	27,316		31,180	No
Title II English Language Acquisition	84.365A	24153	9,720			9,720	No
Title II ATeacher/Principal Trainings & Recruiting	84.367A	24154	72,566			72,566	No
Total indirect grants from DOE			475,534	84,077	300	559,911	
<b>Federal Communication Commission:</b>							
(Passed through USAC)							
Schools and Library Program (E-Rate)	32.XXX	11000	24,797			24,797	No
Total Federal Communication Commission			24,797			24,797	
<b>U.S. Department of Agriculture:</b>							
(Passed through NM Public Education Department)							
School Breakfast and Lunch Programs	10.553/10.555	21000	122,642	72,475	18,654	213,771	No
			122,642	72,475	18,654	213,771	
Total Expenditures of Federal Awards			\$ 2,039,462	289,254	37,624	2,366,340	

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

SCHEDULE 1, continued

STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued**  
For the Year Ended June 30, 2007

Notes to Schedule of Expenditures of Federal Awards

1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jemez Valley Public Schools and its component units for the fiscal year ended June 30, 2007 and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit organizations.

2 Non-cash Assistance

The District did not receive any federal awards in the form of non-cash assistance

3 Federal Insurance

None

4 Sub-Recipients

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

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

SCHEDULE 1

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CASH RECONCILIATION**  
 For The Year Ended June 30, 2007

	<u>Fund 11000</u>	<u>Fund 12000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 23000</u>	<u>Funds 24000's Federal Flowthrough Grants</u>
	<u>Operating</u>	<u>Teacherage</u>	<u>Trans- portation</u>	<u>Instruct. Materials</u>	<u>Food Services</u>	<u>Athletics</u>	<u>Non- Instructional</u>	
Audited Cash and Investments, June 30, 2006	\$ 966,662	29,745	73,606	31,718	32,149	9,558	0	47,798
Add:								
2006-2007 Revenues	3,588,381	19,142	372,677	30,707	147,415	35,439	387,578	478,485
Bond proceeds								
Increase in due to other funds			12,037					15,106
Decrease in due from other funds								
Operating Transfer In	75,581							
Rounding	3							
Total Cash and Investments Available	<u>4,630,627</u>	<u>48,887</u>	<u>458,320</u>	<u>62,425</u>	<u>179,564</u>	<u>44,997</u>	<u>387,578</u>	<u>541,389</u>
Less:								
2006-2007 Expenditures	3,906,996	4,703	389,976	16,272	123,059	10,432		499,147
Repayment to grantor			68,344		14,464			
Decrease in due to other funds								
Increase in due from other funds	12,037							
Operating Transfer Out								55
Rounding								
Cash and Investments, June 30, 2007	<u>\$ 711,594</u>	<u>44,184</u>	<u>0</u>	<u>46,153</u>	<u>42,041</u>	<u>34,565</u>	<u>387,578</u>	<u>42,187</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CASH RECONCILIATION, continued**  
 For The Year Ended June 30, 2007

	<u>Funds 25000's</u>	<u>Funds 26000's</u>	<u>Funds 27000's</u>	<u>Funds 28000's</u>	<u>Funds 29000's</u>
	<u>Federal Direct Grants</u>	<u>Local Grants</u>	<u>State Flowthrough Grants</u>	<u>State Direct Grants</u>	<u>Combined Local/ State</u>
Audited Cash and Investments, June 30, 2006	\$ 506,085	96,074	20,381	30,313	40
Add:					
2006-2007 Revenues	397,052	111,511	107,359	51,094	138,906
Bond proceeds					
Increase in due to other funds			26,257	20,900	
Decrease in due from other funds					
Operating Transfer In	55				
Rounding					
Total Cash and Investments Available	<u>903,192</u>	<u>207,585</u>	<u>153,997</u>	<u>102,307</u>	<u>138,946</u>
Less:					
2006-2007 Expenditures	400,142	47,484	134,052	67,125	100,295
Repayment to grantor					
Decrease in due to other funds			7,423		
Increase in due from other funds	81,001				
Operating Transfer Out					
Rounding					
Cash and Investments, June 30, 2007	<u>\$ 422,049</u>	<u>160,101</u>	<u>12,522</u>	<u>35,182</u>	<u>38,651</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements



STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**CASH RECONCILIATION, continued**  
 For The Year Ended June 30, 2007

	<u>Fund 31100</u>	<u>Fund 31200</u>	<u>Fund 31300</u>	<u>Fund 31400</u>	<u>Fund 31500</u>	<u>Fund 31700</u>	<u>Fund 32100</u>	<u>Fund 41000</u>
	<u>Bond Building</u>	<u>PSCO State</u>	<u>SCO Local</u>	<u>SCO State</u>	<u>SCO Federal</u>	<u>Cap. Impr. SB-9</u>	<u>PSCO Federal</u>	<u>Debt Service</u>
Audited Cash and Investments, June 30, 2006	\$ 748,886	71,016	119,431	2,216	115,163	94,334	399,795	511,904
Add:								
2006-2007 Revenues	54,214	24,991	9,054		89,048	204,595	13,462	602,423
Bond proceeds	750,000							
Increase in due to other funds								
Decrease in due from other funds								
Operating Transfer In								
Rounding								
Total Cash and Investments Available	<u>1,553,100</u>	<u>96,007</u>	<u>128,485</u>	<u>2,216</u>	<u>204,211</u>	<u>298,929</u>	<u>413,257</u>	<u>1,114,327</u>
Less:								
2006-2007 Expenditures	566,756	20,426			50,145	140,697	57,484	546,753
Repayment to grantor								
Decrease in due to other funds								
Increase in due from other funds								
Operating Transfer Out		75,581						
Rounding						1		
Cash and Investments, June 30, 2007	<u>\$ 986,344</u>	<u>0</u>	<u>128,485</u>	<u>2,216</u>	<u>154,066</u>	<u>158,231</u>	<u>355,773</u>	<u>567,574</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**CASH RECONCILIATION**  
JUNE 30, 2007

	<u>Fund 11000</u>	<u>Fund 14000</u>	<u>Fund 21000</u>	<u>Fund 23000</u>	<u>Fund 24000'S</u>	<u>Fund 25000's</u>	<u>Fund 26000's</u>	<u>Fund 27000's</u>	<u>Fund 31200</u>
	<u>Operating</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Non-Instruct. Student Support</u>	<u>Federal Flowthrough Grants</u>	<u>Federal Direct Grants</u>	<u>Local Grants</u>	<u>State Flowthrough Grants</u>	<u>Public School Capital Outlay</u>
Cash and Investments, June 30, 2006	\$ 4,127	3,050							
Add:									
2006-2007 Revenues	938,626	8,774	81,667		40,906	120,731		49,292	28,499
Increase in Due to Other Funds				500	24,046			22,307	
Decrease in due from other funds					2,515	29,327	1,228		
Operating Transfer In	28,499								
Rounding						1			
Total Cash and Investments Available	<u>971,252</u>	<u>11,824</u>	<u>81,667</u>	<u>500</u>	<u>67,467</u>	<u>150,059</u>	<u>1,228</u>	<u>71,599</u>	<u>28,499</u>
Less:									
2006-2007 Expenditures	875,240	11,680	66,985	500	56,689	106,719		71,599	
Increase (Decrease) in Due from Other Funds	65,241								
Decrease in Due to other funds			14,682						
Operating Transfer Out									28,499
Rounding									
Cash and Investments, June 30, 2007	<u>\$ 30,771</u>	<u>144</u>	<u>0</u>	<u>0</u>	<u>10,778</u>	<u>43,340</u>	<u>1,228</u>	<u>0</u>	<u>0</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**CASH RECONCILIATION**  
For the Year Ended June 30, 2007

	<u>Fund 11000</u>	<u>Fund 14000</u>	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 24000's Federal Flowthrough Grants</u>	<u>Fund 25000's Federal Direct Grants</u>
	<u>General Operating</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>		
Audited Cash and Investments, June 30, 2006	\$ 115	14,026	0	0	0	0
Add:						
2006-2007 Revenues	418,986	3,102	27,807	7,000	7,362	36,632
Increase in due to other funds						
Decrease in due from other funds	21,828				350	1,873
Rounding			1		1	
Total Cash and Investments Available	<u>440,929</u>	<u>17,128</u>	<u>27,808</u>	<u>7,000</u>	<u>7,713</u>	<u>38,505</u>
Less:						
2006-2007 Expenditures	397,408	5,098	11,077	6,423	343	14,961
Equity transfers					50	(32,801)
Increase in due from other funds						
Decrease in due to other funds	12,675		16,731		7,320	
Operating Transfer Ou						
Rounding						
Cash and Investments, June 30, 2007	<u>\$ 30,846</u>	<u>12,030</u>	<u>0</u>	<u>577</u>	<u>0</u>	<u>56,345</u>

SEE INDEPENDENT AUDITOR'S REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**CASH RECONCILIATION, continued**  
For the Year Ended June 30, 2007

	<u>Fund 26000's</u>	<u>Fund 27000's</u>	<u>Fund 29000's</u>	<u>Fund 31200</u>
	<u>Local Grants</u>	<u>State Flowthrough Grants</u>	<u>Combined Local/State Grants</u>	<u>Public School Capital Outlay</u>
Audited Cash and Investments, June 30, 2006	0	0	0	0
Add:				
2006-2007 Revenues	40,000		40,400	36,226
Increase in due to other funds				
Decrease in due from other funds	32,751			1,725
Rounding				
Total Cash and Investments Available	<u>72,751</u>	<u>0</u>	<u>40,400</u>	<u>37,951</u>
Less:				
2006-2007 Expenditures	34,308		15,363	21,900
Equity transfers	32,751			
Increase in due from other funds				
Decrease in due to other funds			24,709	
Operating Transfer Out				
Rounding			1	
Cash and Investments, June 30, 2007	<u><u>5,692</u></u>	<u><u>0</u></u>	<u><u>327</u></u>	<u><u>16,051</u></u>

SEE INDEPENDENT AUDITOR'S REPORTS  
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**BANK DEPOSITORIES**  
 June 30, 2007

<u>Bank Name</u>	<u>Acc. Type</u>	<u>Bank Balance at June 30, 2007</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Adjustments Pending</u>	<u>Book Balance at June 30, 2007</u>
Wells Fargo Bank	1	\$ 136,212				136,212
Wells Fargo Bank	3	1,560,739			(1,337)	1,559,402
Wells Fargo Bank	1	693,142				693,142
Wells Fargo Bank	3	43,287			1	43,288
Wells Fargo Bank	3	45,943		(45,129)	(823)	(9)
Wells Fargo Bank	3	233,076		(213,697)	(492)	18,887
Wells Fargo Bank	2	<u>1,921,863</u>				<u>1,921,863</u>
		\$ <u>4,634,262</u>		<u>(258,826)</u>	<u>(2,651)</u>	<u>4,372,785</u>

Cash and cash equivalents

As shown on Exhibit A	\$ 4,329,497
As shown on Exhibit G	<u>43,288</u>
	\$ <u><u>4,372,785</u></u>

- 1 Checking Account
- 2 Savings Account
- 3 Sweep Account

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Note Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 (A COMPONENT UNIT OF JEMEZ  
 VALLEY PUBLIC SCHOOLS)  
**BANK DEPOSITORIES**  
 June 30, 2007

<u>Bank Name</u>	<u>Acc. Type</u>	<u>Bank Balance at June 30, 2007</u>	<u>Deposits in Transit</u>	<u>Rounding &amp; Outstanding Checks</u>	<u>Book Balance at June 30, 2007</u>
First State Bank	1	\$ <u>86,260</u>	<u>                    </u>	<u>                    1</u>	<u>86,261</u>
Shown on Exhibit A as:					
Cash and cash equivalents					\$ <u>86,261</u>

SEE INDEPENDENT AUDITORS' REPORTS  
 The Accompanying Note Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO  
WALATOWA HIGH CHARTER SCHOOL  
(A COMPONENT UNIT OF JEMEZ  
VALLEY PUBLIC SCHOOLS)  
**BANK DEPOSITORIES**  
June 30, 2007

<u>Bank Name</u>	<u>Acc. Type</u>	<u>Bank Balance at June 30, 2007</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance at June 30, 2007</u>
First State Bank	1	\$ <u>124,383</u>	<u>          </u>	<u>(2,615)</u>	121,768
Cash on hand					<u>100</u>
Total					\$ <u>121,868</u>
Shown on Exhibit A as:					
Cash and cash equivalents					\$ <u>121,868</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The Accompanying Note Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
**SCHEDULE OF PLEDGED COLLATERAL**  
 June 30, 2007

**JEMEZ VALLEY PUBLIC SCHOOL**

<u>Security Description</u>	<u>Security Number</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
FNCL	842288	31407VXR1	\$ 238,636	9/1/2035
FNCL	9090735	31411JV45	1,642,882	2/1/2037
FNCL	849283	31408ER8	94,954	1/1/2036
FNCL	863659	31408XQL7	44,362	2/1/2036
FNCL	867437	31409CV69	1,098,832	5/1/2036
FNCL	867437	31409CV69	48,349	5/1/2036
FNCL	884348	31410BP99	188,165	5/1/2036
			<u>\$ 3,356,180</u>	

The above securities are held by Wells Fargo Bank in the name of the bank for the account of District in a bank vault in San Francisco, California

**WALATOWA HIGH CHARTER SCHOOL**

<u>Security Description</u>	<u>Security Number</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
FHR	2542 PY	31393GJ54	\$ <u>179,372</u>	6/15/2028

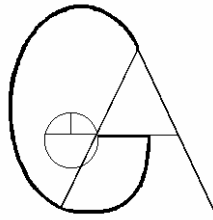
The above security is held by First State Bank in the bank's name for the account of Walatowa High Charter School

SEE INDEPENDENT AUDITOR'S REPORTS  
 The Accompanying Notes Are An Integral Part Of These Financial Statements

SCHEDULE 8



## **COMPLIANCE SECTION**



Gary E. Gaylord, C.P.A.

**GARY E. GAYLORD, LTD.**  
CERTIFIED PUBLIC ACCOUNTANTS

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Fax (505) 268-6618

**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**

Hector H. Balderas, New Mexico State Auditor  
Ms. Laura Mijares, Board President  
Members of the Board of Education  
Jemez Valley Public Schools  
Jemez, New Mexico

I have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of Jemez Valley Public Schools (“District”) as of and for the year ended June 30, 2007, and have issued my report thereon dated December 30, 2009, which disclaimed an opinion on San Diego Riverside Charter School, a discretely presented component unit of the District, because the entity did not maintain adequate accounting records for transactions related to its financial statements. I also audited the financial statements of each of the District’s non-major governmental funds and the respective budgetary comparison statements of the major capital projects funds, major debt service fund, and non-major special revenue and capital projects funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, and have issued my report thereon dated December 30, 2009, which disclaimed an opinion on the financial statements of San Diego Riverside Charter School, a discretely presented component unit of Jemez Valley Public School, because the entity did not maintain adequate accounting records for transactions related to its financial statements. Except as discussed in the previous sentence, I conducted my 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the District’s and its discretely presented component units’ internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jemez Valley Public School or its discretely presented component unit’s internal control over financial reporting.

**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, *Continued***

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses.

However, as discussed below, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will be prevented or detected by the District or its component unit's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as:

00-10	Expenditures in Excess of Budget Authority
01-05	Late Audit Report
03-03	Bank Statements and Fund Balances Not Reconciled
05-01	Unpaid Employee Withholding and Benefits
05-02	Improperly Prepared Reports
05-03	Aetna ING and ERA Retirement Plan
05-04	Vacation and Sick Leave Policy
06-01	Records Destroyed and/or Misplaced
07-01	Draw Requests

A *material weakness* is a significant control deficiency, or combination of significant control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's or its component unit's internal control.

**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, *Continued***

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However of the significant deficiencies described above, I consider the following to be material weaknesses:

**San Diego Riverside Charter School:**

00-10	Expenditures in Excess of Budget Authority
01-05	Late Audit Report
03-03	Bank Statements and Fund Balances Not Reconciled
05-01	Unpaid Employee Withholding and Benefits
05-02	Improperly Prepared Reports
06-01	Records Destroyed and/or Misplaced
07-01	Draw Requests

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's and its discretely presented component units' financial statements are free of material misstatements, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items:

***Jemez Valley Public Schools, San Diego Riverside Charter School and Walatowa High Charter School:***

01-05	Late Audit Report
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***Jemez Valley Public Schools:***

05-02	Timeliness of Filing Single Audit Report to the Clearinghouse
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***San Diego Riverside Charter School:***

05-01	Unpaid Employee Withholding and Benefits
05-02	Improperly Prepared Reports
05-03	Aetna ING and ERA Retirement Plan
05-04	Vacation and Sick Leave Policy
06-01	Records Destroyed and/or Misplaced
06-02	Funds Received for Rent
07-01	Draw Requests

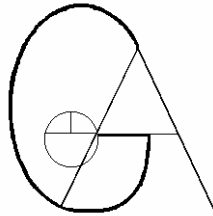
**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS, *Continued***

The District's and its discretely presented component units' responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the District's and its discretely presented component units' responses and, accordingly, I express no opinion on them.

This report is intended solely for the information of the Board of Education, the New Mexico Public Education Department, the New Mexico State Auditor, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Gary E. Gaylord, Ltd. CPA's", written over a horizontal line.

Gary E. Gaylord, Ltd. CPA's  
December 30, 2009



Gary E. Gaylord, C.P.A.

**GARY E. GAYLORD, LTD.**  
CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas, New Mexico State Auditor  
Ms. Laura Mijares, Board President  
Members of the Board of Education  
Jemez Valley Public Schools  
Jemez, New Mexico

Compliance

I have audited the compliance of Jemez Valley Public Schools, Jemez, New Mexico, (the "District") and its discretely presented component units with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. The District's and its discretely presented component units' major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management and its discretely presented component units' management. My responsibility is to express an opinion on the District's and its component units' compliance based on my audit.

I conducted my 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 and its discretely presented component units' compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's and its discretely presented component units' compliance with those requirements.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133, continued**

In my opinion, Jemez Valley Public Schools and its component units complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the District and its discretely presented component units is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the District's and its discretely presented component units' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Jemez Valley Public School's internal control over compliance.

My consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, I identified deficiencies in internal control over compliance that I considered to be significant deficiencies and others that I consider to be material weaknesses.

A *control deficiency* in Jemez Valley Public School's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *Significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement or a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items:

San Diego Riverside Charter School:

- 05-01 Unreported and Unpaid Employee Withholding and Benefits
- 06-01 Records Destroyed and/or Misplaced

Jemez Valley Public Schools:

- 05-02 Timeliness of Filing Single Audit Report to the Clearinghouse

to be significant deficiencies.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133, continued**

A *material weakness* is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, I consider item 06-01 – Records Destroyed and/or Misplaced to be a material weakness.

The District's and its component unit's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of the Board of Education, the New Mexico Public Education Department, the New Mexico State Auditor, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Gary E. Gaylord, Ltd.", written over a horizontal line.

Gary E. Gaylord, Ltd.  
December 30, 2009



## **FINDINGS AND QUESTIONED COSTS**

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements:

1. Type of auditors' report issued	Disclaimer on San Diego Riverside Charter School Unqualified on all other opinion units
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Internal control over financial reporting:

1. Material weaknesses identified?	Yes
2. Reportable condition (s) identified that are not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	Yes

Federal Awards:

Internal control over major programs:

1. Material weakness(es) identified?	Yes
2. Reportable condition(s) identified that are not considered to be material weaknesses	Yes

Type of auditor's report issued on compliance for major programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
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Identification of major programs:

<u>CFDA Number</u> 84.041	<u>Name of Federal Program or Cluster</u> Impact Aid Title VIII
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Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
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Auditee qualified as low-risk auditee	No
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**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2007**

**SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS**

**PRIOR YEAR FINDINGS** **STATUS**

**FINANCIAL REPORT – INTERNAL CONTROL**

**Jemez Valley Public Schools**

01-05 Late Audit Report	Repeated
00-10 Expenditures in Excess of Budget Authority	Not Repeated

**San Diego Riverside Charter School**

00-10 Expenditures in Excess of Budget Authority	Repeated
01-05 Late Audit Report	Repeated
03-03 Bank Statements and Fund Balances Not Reconciled	Repeated
05-01 Unpaid Employee Withholding and Benefits	Repeated
05-02 Improperly Prepared Reports	Repeated
05-03 Aetna ING and ERA Retirement Plan	Repeated
05-04 Vacation and Sick Leave Policy	Repeated
06-01 Records Destroyed and/or Misplaced	Repeated

**Walatowa High Charter School**

01-05 Late Audit Report	Repeated
00-10 Expenditures in Excess of Budget Authority	Repeated

**FINANCIAL REPORT – COMPLIANCE**

**Jemez Valley Public Schools**

01-05 Late Audit Report	Repeated
00-10 Expenditures in Excess of Budget Authority	Not Repeated
05-02 Timeliness of Filing Single Audit Report to the Clearinghouse	Repeated

**San Diego Riverside Charter School**

01-05 Late Audit Report	Repeated
00-10 Expenditures in Excess of Budget Authority	Repeated
04-01 Not Keeping Daily Cafeteria Production Records	Resolved
05-01 Unreported and Unpaid Employee Withholding and Benefits	Repeated
05-02 Improperly Prepared Reports	Repeated
05-03 Aetna ING and ERA Retirement Plan	Repeated
05-04 Vacation and Sick Leave Policy	Repeated
06-01 Records Destroyed and/or Misplaced	Repeated
06-02 Funds Received for Rent	Repeated

**STATE OF NEW MEXICO  
 JEMEZ VALLEY PUBLIC SCHOOLS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
 For The Year Ended June 30, 2007**

**SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS**

**PRIOR YEAR FINDINGS, continued**

**STATUS**

**FINANCIAL REPORT – COMPLIANCE, continued**

**Walatowa High Charter School**

01-05 Late Audit Report	Repeated
05-01 Expenditures in Excess of Budget	Repeated

**FEDERAL AWARDS – COMPLIANCE**

**San Diego Riverside Charter School**

05-01 Unreported and unpaid Employee Withholding and Benefits	Repeated
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**Jemez Valley Public Schools**

05-02 Timeliness of Filing Single Audit Report to the Clearinghouse	Repeated
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**FEDERAL AWARDS – INTERNAL CONTROL**

**San Diego Riverside Charter School**

05-01 Unreported and Unpaid Employee Withholding and Benefits	Repeated
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**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
For The Year Ended June 30, 2007**

**SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS  
CURRENT YEAR FINDINGS**

**FINANCIAL REPORT – INTERNAL CONTROL**

**Jemez Valley Public Schools**

01-05 Late Audit Report

**San Diego Riverside Charter School**

00-10 Expenditures in Excess of Budget Authority  
01-05 Late Audit Report  
03-03 Bank Statements and Fund Balances Not Reconciled  
05-01 Unpaid Employee Withholding and Benefits  
05-02 Improperly Prepared Reports  
05-03 Aetna ING and ERA Retirement Plan  
05-04 Vacation and Sick Leave Policy  
06-01 Records Destroyed and/or Misplaced  
07-01 Draw Requests

**Walatowa High Charter School**

01-05 Late Audit Report  
00-10 Expenditures in Excess of Budget Authority

**FINANCIAL REPORT – COMPLIANCE**

**Jemez Valley Public Schools**

01-05 Late Audit Report  
05-02 Timeliness of Filing Single Audit Report to the Clearinghouse

**San Diego Riverside Charter School**

01-05 Late Audit Report  
00-10 Expenditures in Excess of Budget Authority  
05-01 Unreported and Unpaid Employee Withholding and Benefits  
05-02 Improperly Prepared Reports  
05-03 Aetna ING and ERA Retirement Plan  
05-04 Vacation and Sick Leave Policy  
06-01 Records Destroyed and/or Misplaced  
06-02 Funds Received for Rent  
07-01 Draw Requests

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
For The Year Ended June 30, 2007**

**SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS  
CURRENT YEAR FINDINGS, continued**

**FINANCIAL REPORT – COMPLIANCE, continued**

**Walatowa High Charter School**

01-05 Late Audit Report

05-01 Expenditures in Excess of Budget

**FEDERAL AWARDS – COMPLIANCE**

**San Diego Riverside Charter School**

05-01 Unreported and unpaid Employee Withholding and Benefits

**Jemez Valley Public Schools**

05-02 Timeliness of Filing Single Audit Report to the Clearinghouse

**FEDERAL AWARDS – INTERNAL CONTROL**

**San Diego Riverside Charter School**

05-01 Unreported and Unpaid Employee Withholding and Benefits

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
WALATOWA HIGH CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007**

**01-05 Late Audit Report**

**Statement of Condition:**

The audit report for the fiscal year ended June 30, 2007 was not submitted to the State Auditor timely.

**Criteria:**

School District audit reports were required to be submitted to the State Auditor's office by November 15, 2007 per NMAC 2.2.2.9A (1) ( c ) (Audit Rule for 2007).

**Cause:**

The contract to perform the School District's audits for the years ended June 30, 2006 and 2007 was not awarded until September 8, 2008. The audit report for the fiscal year ended June 30, 2005 was dated December 20, 2007 and was released June 11, 2008. The audit fieldwork for the FYE 06-30-06 and 06-30-07 audit was begun in December 2008. Because of the condition of the records available for audit, significant additional effort/time was required in attempting to audit the records of the District's capital assets for the year ended June 30, 2006 and San Diego Riverside Charter School. San Diego Riverside Charter School (SDRCS) is a component unit of the District. SDRCS's supporting records relating to expenditures made to vendors and its payroll supporting records were not located until September 2009.

**Effect:**

The audit for this fiscal year (FYE 06-30-07), plus the audits for FYE 06-30-08 and 06-30-09, will be delayed beyond the required due date.

**Recommendation:**

Significant effort should be expended to verify the accuracy and/or improve the accounting records of the Charter School. The records for FYE 06-30-08 and 06-30-09 should be reviewed by a third party contractor with authority to make recommendations for adjustment prior to the records being submitted for audit. The accounting records for the capital assets of the District should be closely reviewed and updated, as necessary, prior to submission for audit.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
WALATOWA HIGH CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**01-05 Late Audit Report, continued**

**Response:**

**Jemez Valley Public Schools**

The District has an outside company who comes to the District annually to update records of capital assets and fixed assets. For the 2006 Audit it was discovered that the company had not updated the capital assets. When it was brought to their attention, they made every effort to update and correct capital assets. This in turn caused some data entry errors, and problems with the database that the district was using to print the reports for the auditor. As soon as the updated database was uploaded, the reports were reprinted for 2006 and then for 2007. The auditor had to take into consideration that some of the asset reports were accumulated and included assets added in 2008. Adjustments were made to reflect this issue. As soon as our audits and our inventory updated are done in the same year, this issue should be resolved.

**Response:**

**San Diego Riverside Charter School**

The School has contracted with an external licensed business manager with over 18 years experience in school business management. The business manager is also a certified public accountant licensed by the State of New Mexico and is very familiar with audit requirements and the related financial statements. The school's financial records for all subsequent years are ready for audit.

**Response:**

**Walatowa High Charter School**

The Business Manager in conjunction with the school unit principal discuss procedures for insuring complete and correct reports are accurately maintained to be submitted in a timely manner.



**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-02 Timeliness of Filing Single Audit Report to the Clearinghouse**

**Statement of Condition:**

The Data Collection Form and Reporting Package were not submitted to the Federal Clearinghouse and Federal agencies within 9 months after fiscal year end.

**Criteria:**

OMB Circular A-133.320 requires the Data Collection Form and Reporting Package be submitted to the Federal Clearinghouse and Federal agencies within 9 months after fiscal year end.

**Effect:**

The District was not in compliance with OMB Circular A-133.320.

**Cause:**

The audit report and information for the Data Collection Form and Reporting Package was not available within 9 months after the fiscal year end.

**Recommendation:**

The District should promptly submit the Data Collection Form and Reporting Package upon receipt of the audit report.

**Response:**

As explained in finding 01-05 Late Audit Report, the District experienced difficulties in getting the audit report completed for the 2007 fiscal year for multiple reasons. However, the District will promptly submit the Data Collection Form and Reporting Package upon receipt of the audit report.

**STATE OF NEW MEXICO  
 SAN DIEGO RIVERSIDE CHARTER SCHOOL  
 WALATOWA HIGH CHARTER SCHOOL  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
 June 30, 2007**

**00-10 Expenditures in Excess of Budget Authority**

**Statement of Condition:**

The San Diego Riverside Charter School (SDRCS) continues to expend funds without proper budget authority. During the audit for the year ended June 30, 2007 the Charter School could not produce documentation of budget authority for expenditures. For three (3) funds (English Language Acquisition – Fund 24153, Teacher/Principal Training and Recruiting – Fund 24154, and Indian Education Formula Grant – Fund 25184) monies were received during the year, but Budget Adjustment Request (BAR’s were not approved by NMPED. Expenditures in excess of authorizations (as noted below), were made in the following funds/functions:

Fund 11000	General Operating	\$ 47,294	Instruction
Fund 21000	Food Services	\$ 985	Food Services
Fund 22000	Non-Instructional Student Support	\$ 500	Instruction
Fund 25147	Impact Aid – Indian Ed.	\$ 2,127	Instruction
Fund 25184	Indian Ed. Formula Grant	\$ 19,181	Instruction

The Walatowa High Charter School over expended its budget authority in the following funds/functions:

Fund 11000	Operating	\$ 23,393	Support Services
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**Criteria:**

Per Chapter 22-8-11 NMSA 1978 “No school board or officer or employee of a school district shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department (*Public Education Department*)” By rule, an expenditure that exceeds a functional cost center authority is considered to be a violation of the District’s budget authority.

**Cause:**

It appears that SDRCS did not follow-up with its request for budget authority for several funds. There did not appear to be any written documentation to indicate that budget monitoring took place during the FYE June 30, 2007. (Other than reports that were submitted to PED and the reports were usually prepared incorrectly). Budgetary reports that may have been presented to the Board were not available for review and the Board Minutes did not indicate that budget to actual presentations were presented and approved.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
WALATOWA HIGH CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**00-10 Expenditures in Excess of Budget Authority, continued**

**Effect:**

The component units of the District have made what appear to be unauthorized expenditures. If allowed to continue its present practices, the SDRCS may be in danger of losing its charter. San Diego Riverside Charter School may not be able to continue as a going concern without significant additional State or Local funding.

**Recommendation:**

The Board should closely monitor the financial operations of SDRCS and should not allow expenditures that exceed its operating budget. Management at the District should monitor the activities at SDRCS to ensure that management at SDRCS is held accountable for the proper fiscal management of SDRCS. Assistance should be requested by SDRCS of the District and/or the NMPED when problems or concerns are noted by the business manager, principal or board.

**Response:**

**San Diego Riverside Charter School**

Monthly reports are now provided to the governing council which presents each funds' details. In addition, coordination with the NM PED has improved to increase the efficiency of reports and BARs.

**Response:**

**Walatowa High Charter School**

The overall fund 11000 was not over expended; however, it appears that BARS for functions, 2200, 2300 and 2400 were not approved in a timely manner at the Public Education Department hence, reports reflects that proper procedures were not followed in accordance with the Criteria: Chapter 22-8-11 NMSA 1978.

The business manager and principal will continue to appraise the Walatowa High Charter School Governing Board on a monthly basis on all financial transactions i.e., expenditures, budget adjustment requests, purchases and other related expenditures such as contractual agreement costs. In accordance with the Criteria: Chapter 22-8-11 NMSA 1978. Documentations are maintained on file and available for review if necessary.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**03-03 Bank Statements and Fund Balances Not Reconciled**

**Statement of Condition:**

The Business Manager of SDRCS was not preparing and/or retaining proper bank reconciliations during the year ended June 30, 2007. Numerous errors and omissions were noted on the reconciliations that were retained and numerous errors were noted in the accounting records because of the failure to prepare accurate reconciliations.

Errors noted included the following:

- 1) Entries posted to accounting records that that did not appear to be accrual basis entries (Fundware Software was in use during the first six months of the year) or valid cash basis entries supported by activity in the bank statement.
- 2) Wire transfer payments made from the bank account that were either not recorded or recorded in amounts different than the actual amount paid.
- 3) Bank charges not recorded.
- 4) Cash receipts that were not recorded.
- 5) Cash receipts that were recorded twice.
- 6) The report submitted to NMPED for the year ended June 30, 2007 did not include the revenue received during the last quarter of the fiscal year (April – June 2007).

In addition, the accounting records that were available for presentation to the auditors for the FYE 06-30-07 audit did not reflect the prior year audit adjustments as the adjustments were given to SDRCS after the close of the year. The carry forward figures used by SDRCS of July 1, 2006 were significantly misstated.

**Criteria:**

The accounting records of SDRCS should reflect all cash basis (budgetary basis) financial activities. Reports submitted to the SDRCS Board, Jemez Valley Public School and NMPED should reflect the true financial activities of the organization. A key to ensuring that the books and records of the entity are complete and accurate (at least on a cash basis of accounting) is to prepare complete and accurate bank reconciliations at the end of each month. Errors and/or omissions should be corrected by journal entry or other valid methods prior to submitting any financial reports.

**Cause:**

The Business Manager did not appear to know how to prepare or review a bank reconciliation and did not appear to have the skills necessary to make required changes to the books and records of SDRCS.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**03-03 Bank Statements and Fund Balances Not Reconciled, continued**

**Effect:**

Significant errors were noted in the books and records of SDRCS.

**Recommendation:**

SDRCS should ensure that properly qualified employees are responsible for the accounting records of the entity. Additional training of current and any future employees is encouraged and/or contract services should be considered.

**Response:**

The school has retained a contracted licensed school business manager. All financial records have been reconciled and are ready for audit.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-01 Unreported and Unpaid Employee Withholding and Benefits**

**Statement of Condition:**

SDRCS was delinquent in its payment for various employee withholding and employer matching payments. The estimated amounts delinquent before penalty and interest (NMDOL figure includes penalty and interest through 06-30-07) at June 30, 2007 were:

Federal, Social Security and Medicare taxes	\$ 104,425
Educational Retirement	\$ 47,267
Retiree Health Care Act	\$ 34,126
NMDOL (State Unemployment)	\$ 61,283
Taxation and Revenue (State withholding)	\$ 68,913
Insurance and other	\$ 33,308

The estimated delinquencies at June 30, 2006 are shown below.

Federal, Social Security and Medicare taxes	\$ 88,867
Educational Retirement	\$ 25,537
Retiree Health Care Act	\$ 19,832
NMDOL (State Unemployment)	\$ 70,410
Taxation and Revenue (State withholding)	\$ 56,108

The estimated delinquencies at June 30, 2005 were as shown below. This comparison shows that the overall delinquent liabilities continue to grow each year.

Federal, Social Security and Medicare taxes	\$ 38,972
Educational Retirement	\$ 16,261
Retiree Health Care Act	\$ 1,998
NMDOL (State Unemployment)	\$ 56,087
Taxation and Revenue (State withholding)	\$ 43,400

SDRCS has not filed some of the reports required by the various taxing authorities. For instance, the Retiree Health Care Act reports for the period from March 2005 through June 30, 2007 have not been filed. In addition, evidence that the State withholding (form CRS-1) have been filed with the New Mexico Taxation and Revenue Department were not produced for review. **See also 05-02 Improperly Prepared Reports.**

During the year ended June 30, 2007 it appears that SDRCS paid more than \$ 31,000 to the Internal Revenue Service for penalties and interest. This is in addition to the more than \$100,000 paid during FYE 06-30-06 for back taxes, penalty and interest.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-01 Unpaid Employee Withholding and Benefits, continued**

**Statement of Condition, continued:**

The records showing what was being paid were not available for review, SDRCS was also assessed penalty and interest by the New Mexico Department of Labor (NMDOL) and the New Mexico Public School Insurance Authority (NMPSIA) because of late filings and late payments.)

Because adequate detail transaction records were not retained and made available to the auditor it is unclear how much of the assessed penalties and interest were charged to federal grant programs. Therefore, a determination of the amount, if any, that should be a questioned cost was not made.

**Criteria:**

Payroll withholdings and employer matching costs must be made in a timely manner. Each of the various taxing authorities or benefit payees has deadlines for filing reports and for making payments. When deadlines are not met, penalties and interest are assessed by the payee.

Fines and Penalties assessed are unallowable costs under OMB Circular A-21, J. 8 *Cost Principles for Educational Institutions*.

**Cause:**

Inadequate funding to make necessary payments possibly due to inadequate budgeting practices, possible inadequate training in proper procedures or inability to meet deadlines because of staffing problems.

**Effect:**

Since the Charter School prepares its budgetary comparison reports to the New Mexico Public Education Department on the cash basis, the underpayments of employee benefit costs were misstated and the financial condition of the Charter School was not being reflected properly.

**Recommendation:**

The current status of all employee related withholding and matching should be ascertained and assistance should be requested from the State for meeting the financial needs of SDRCS.

**Response:**

All payroll liabilities have been reconciled with the regulatory agency and paid.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-02 Improperly Prepared Reports**

**Statement of Condition:**

A review of the status of various reports that were filed or should have been filed with the IRS, ERB, RHCA, NMDOL, Taxation and Revenue Department (T&RD) and New Mexico Public School Insurance Authority (NMPSIA) produced the following results:

Form 941	Incorrect figures were reported for all quarters except the quarter ended 03-31-05 during the FYE 06-30-05. (Reports for other years were not reviewed)
ERB	Filed reports for the months of: July 2004 August 2004 September 2004 October 2004 November 2004 December 2004 January 2005 June 2005  were in error. Total underreported wages were a little over \$12,000 for the year. (Reports for other years were not reviewed).
RHCA	Same results as for ERB
NMDOL	Reports were filed for the first time during FYE 06-30-05 and were for the periods beginning in the first quarter of 2001 to current, except that the 2 <sup>nd</sup> quarter of 2004 has not been filed. The first payment to NMDOL was made subsequent to 06-30-05.
T&RD	State withholding, at the time of our review, had not been reported nor paid since some time during calendar year 2002. The estimated liability, without factoring in any penalties or interest at June 30, 2005 was \$43,400.
NMPSIA	It appeared that employee benefit costs may not have been reported/adjusted in a timely fashion as the amounts withheld did not appear to correspond with the amounts being billed by NMPSIA. This was especially true for the months of March, April, May and June 2005 when withheld and matching amounts were higher than billings on an average of \$1,125 per month.



**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDING AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-02 Improperly Prepared Reports, continued**

**Criteria:**

Reports required by the various entities must be prepared timely and must accurately reflect the amounts due and payable.

See finding 05-01 for a further discussion of liabilities owed at June 30, 2007 and 2006.

**Cause:**

The root cause may be a lack of adequate training and experience on the part of the preparer and an absence of review by knowledgeable individuals at SDRCS.

**Effect:**

Employee withholding and the required matching employer contributions have not been made in the proper amounts and/or have not been made timely.

**Recommendation:**

A comprehensive review should be made of all employee benefit/tax reports to determine if significant underpayments or overpayments have been made. Where ever possible, the reports should be corrected and re-filed with proper payments.

**Response:**

A review has been completed with all agencies accepting payments and reports as correct.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDING AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-03 Aetna ING and ERA Retirement Plan**

**Statement of Condition:**

San Diego Riverside Charter School (Charter School) has continued to make employer contributions to both the Aetna ING retirement plan, that preceded the ERA, and the current ERA retirement plans for up to eight (8) Aetna ING participant employees, the Charter School has a total of twenty one (21) ERB participant employees. Some payments were made to ING during the year ended June 30, 2007, but records were unavailable for review that would document what was being paid.

The duplicated employer contributions are estimated at approximately \$17,303 annually.

**Criteria:**

Employer retirement contributions must be properly budgeted. All qualified Charter School employees must be covered under the Education Retirement Act (ERA). Any additional retirement contributions should be authorized as part of a Board approved compensation package.

**Cause:**

Management was unaware that the retirement payments were not included in the approved budget and continued the retirement plan contributions that were approved prior to becoming a Charter School.

**Effect:**

Match payments may not have been budgeted and may represent additional compensation to employees that were not approved by the Board.

**Recommendation:**

Employer contributions to Aetna ING should be discontinued.

**Response:**

The employer contributions have been discontinued.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDING AND QUESTIONED COSTS, continued  
June 30, 2007**

**05-04 Vacation and Sick Leave Policy**

**Statement of Condition:**

San Diego Riverside Charter School's vacation and sick leave policy follows the policy adopted by the Jemez Valley Public Schools Board of Education. The Charter School accrued vacation and sick leave per employee and allows said employees to take paid time off work under the auspices of authorized vacation and sick leave. Records for the fiscal year ended June 30, 2007 were not made available for review.

The vacation and sick leave records custodian allowed Riverside employees to be paid time off work in excess of the alleged vacation and sick leave accrued balances.

The San Diego Riverside Charter School added blocks of hours to specific SDRCS employee's accrued balances on March 5, 2005.

We were unable to determine that the employees had been granted the additional hours in a legally determinable fashion. The board minutes are silent on this issue.

**Criteria:**

Accrued vacation and sick leave should be granted to employees only in accordance with Board policy. Unearned vacation and/or sick leave should not be paid. Rather, unearned but used vacation and/or sick leave hours should be withheld from the employee's pay. (pay should be docked)

**Cause:**

Unknown

**Effect:**

Some payments made to employees may represent payment for services not rendered and/or payments that have not been authorized by the Board.

**Recommendation:**

Vacation and sick leave record should be properly managed in accordance with Board policy.

**Response:**

The school is monitoring the leave in accordance with board policy.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDING AND QUESTIONED COSTS, continued  
June 30, 2007**

**06-01 Records Destroyed and/or Misplaced**

**Statement of Condition:**

SDRCS used the Fundware accounting package for recording its financial activities during the first six months of the year ended June 30, 2007. On January 1, 2007 SDRCS switched its accounting software from Fundware to Aptafund and made an entry to record the first six months of financial activity with a single journal entry (YTD total). Prior to January 2008 the Fundware software was uninstalled and all electronic information was destroyed, including any back-ups that may have existed. Some original records in support of the financial activities of SDRCS for the years ended June 30, 2006 and 2007 were not made available to the auditor until September 2009. The records produced by SDRCS in September 2009 included check copies, vendor invoices, payroll records (including some, but not all payroll recap sheets) and some budgetary information. Prior to September 2009 SDRCS management had claimed that these records did not exist or could not be found after extensive searches were made.

**Criteria:**

State Statute 14-3.13 NMSA 1978 provides under Protection of records "The administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction." As the records were needed for audit purposes it was essential that the records not be destroyed or lost.

**Cause:**

Record retention and retrieval policies were not formalized and were not a high priority with management.

**Effect:**

It became necessary to piece together existing records and to spend significant additional time on the audit in an attempt to determine whether the financial reports submitted to NMPED were materially correct. Additional time was also spent attempting to gather needed information from taxing authorities and benefit providers.

**Recommendation:**

SDRCS should formalize its records retention policies and should create a method for monitoring this activity to prevent this from happening in the future.

**Response:**

All records are now maintained in accordance with legal requirements.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**06-02 Funds Received for Rent**

**Statement of Condition:**

During the fiscal year ended June 30, 2007 SDRCS received \$ 28,499 of the authorized \$56,998 from Public School Facility Authority (PSFA) for payment to the School's landlord for rent. Because the School was in financial difficulties the landlord agreed to forego any payments for rent and, in affect, donated the amount collect from PSFA to the school. The landlord was San Diego Riverside School, Inc. The forgiveness of debt was treated as an operating transfer from Fund 31200 to Fund 11000 in the amount of \$ 28,499.

**Criteria:**

Funding received for the purpose of paying lease payments should be spent for that purpose.

**Cause:**

Management's budgeting procedures were insufficient for the needs of the School and the business manager needed training in accounting procedures, practices and reporting. The Board was not receiving sufficient financial information to ensure that funds were being spent in the manner authorized. It is unclear whether the Business Manager realized the extent of the School's liabilities and the problems created for the School when required reports were either not made or were prepared and delivered late.

**Effect:**

Landlord was not paid properly and as a result, necessary repairs to the facilities may have been delayed.

**Recommendation:**

SDRCS's Board of Directors, Principal, and Business Manager should monitor its financial activities in a meaningful manner. Budgetary reports should be prepared from the accounting records of the School and presented to the Board after review by the Principal.

**Response:**

The school has implemented the appropriate policies and procedures to monitor all budgets. Regular reports are provided to the governing council.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**07-01 Draw Requests**

**Statement of Condition:**

During my review of available records it became obvious that the accounting records of the School did not agree with information being sent to NMPED. For instance, draw down requests had been sent to NMPED to request reimbursement for expenditures made on: (1) Indian Education Formula Grant (Fund 25184), (2) Indian Education Act (Fund 27150) and (3) Public School Capital Outlay (Fund 31200) that were not supported in the accounting records of the School. In each of the funds mentioned the accounting records showed no expenditures had been made under the respective funds. The requests for reimbursement claimed \$ 19,181, \$ 25,000 and \$ 20,000, respectively and were signed by management. The request for drawdown on Fund 31200 was supported by a copy of a signed check in the amount of \$ 20,000 that was found to have been written on the landlord's account and then voided.

**Criteria:**

Draw down requests on reimbursement type grants should be based on actual expenditures properly chargeable to the grant. Allowable expenditures of the grant should be posted to the proper fund when incurred/paid or adjusted to the proper grant fund when errors in original postings have occurred. Payment for rent should be paid from the School's account and honored by all parties to the transaction. Checks properly written, approved, and supported should not be voided.

**Cause:**

The business manager of the school appeared to lack sufficient training and/or experience for keeping the financial records of the school. The Principal seemed to accept documents for signing without a review of underlying records.

**Effect:**

Reports submitted to NMPED were not in agreement with the accounting records of the school.

**Recommendation:**

Draw requests should be checked against the School's accounting records before authorizing signatures are affixed. Supporting documents should be review for accuracy and completeness. Monthly revenue, expenditure, and cash reports, prepared from the School's accounting records, should be reviewed by the School's principal and presented to the Board for approval after review.

**STATE OF NEW MEXICO  
SAN DIEGO RIVERSIDE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
June 30, 2007**

**07-01 Draw Requests**

**Response:**

Procedures have been implemented to ensure draw requests are correct and timely. Improvement in this area continues as various grants are received each with different reporting requirements.

**STATE OF NEW MEXICO  
JEMEZ VALLEY PUBLIC SCHOOLS  
EXIT CONFERENCE  
For the Year Ended June 30, 2007**

**EXIT CONFERENCE**

**Preparation of Financial Statements:**

Jemez Valley Public Schools and its component units are responsible for the form and content of the accompanying financial statements which have been prepared by Gary E. Gaylord, Ltd.

On December 30, 2009 an exit conference was held at the office of Gary E. Gaylord, Ltd. In attendance were the following:

**Representing Jemez Valley Public Schools:**

Mary England	Vice President
E. David Atencio	Superintendent
Frieda Solano	Business Manager

**Representing San Diego Riverside Charter School:**

Margie Creel	Board Member
Mary Lou Gooris	Board Member
Charlotte Garcia	Board Member
Dolores Aguilar	Principal
Michael Vigil	Business Manager

**Representing Walatowa High Charter School:**

Prexie Lucero	Board Member
Tony Archuleta	Principal
Katherine Toya	Business Manager

**Representing Gary E. Gaylord, Ltd:**

Gary E. Gaylord CPA	Auditor-in-Charge
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