

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2009  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

 KEYSTONE ACCOUNTING, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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## INTRODUCTORY SECTION

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**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTER  
June 30, 2009

Board of Education

Lorraine Coca-Ruiz	Board President
Arsenio Cordova	Board Vice President
Stella Gallegos	Board Secretary
Michael Torrez	Board Member
Thomas Tafoya	Board Member

School Officials

Robert Gallegos	Superintendent
Robert Gonzales	Finance Director
Connie Wood	Financial Specialist (Assistant to Finance Director)

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**FINANCIAL SECTION**

**FISCAL YEAR 2009**

**JULY 1, 2008 THROUGH JUNE 30, 2009**

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
And the Board of Education of  
Taos Municipal School District No. 3

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the Taos Municipal School District No. 3, as of and for the year ended June 30, 2009, which collectively comprise Taos Municipal School District No. 3's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Taos Municipal School District No. 3's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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. We believe that our audit provides a reasonable basis for our opinions.

The cash is materially misstated by \$568,244 and the capital asset list which management has provided has not been updated for additions and deletions, which causes the capital assets and the depreciation expense to be materially misstated. Accounting principles generally accepted in the United States of America require that the cash be reconciled and those capital assets be capitalized and depreciated, which would increase the assets, net assets, and expense of the financial statements.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Taos Municipal School District No. 3, as of June 30, 2009, or the related statement of activities thereof for the year then ended.

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2010, on our consideration of the Taos Municipal School District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

# KEYSTONE ACCOUNTING, LLC

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Telephone (505) 566-1900  
Fax (505) 566-1911

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Taos Municipal School District No. 3

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. 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 additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Due to the lack of substantiating evidence, we were not able to apply other procedures to satisfy ourselves as to the correct posting and classification of revenue and expenditures for the year ended June 30, 2009. Therefore, we do not express an opinion on the Schedule of Expenditures of Federal Awards and supplemental information.

*Keystone Accounting, LLC*

May 7, 2010

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET ASSETS  
June 30, 2009

	Component Units			
	Governmental <u>Activities</u>	Anansi Charter <u>School</u>	Taos Charter <u>School</u>	Vista Grande <u>High School</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 14,223,608	\$ 156,112	\$ 177,507	\$ 142,188
Receivables:				
Delinquent property taxes receivable	364,125	-	-	-
Grant	1,222,013	63,513	201,341	46,397
Due from other governments	83,665	-	-	81,836
Deferred bond issuance costs	198,649	-	-	-
Food inventory	35,304	-	-	-
Non-current:				
Non-depreciable assets	2,309,586	300,541	250,000	-
Depreciable capital assets, net	<u>23,675,749</u>	<u>1,311,112</u>	<u>1,610,575</u>	<u>-</u>
 Total assets	 <u>42,112,699</u>	 <u>1,831,278</u>	 <u>2,239,423</u>	 <u>270,421</u>
<u>LIABILITIES</u>				
Accounts payable	663,232	143,851	5,634	46,621
Accrued salaries	-	12,766	34,509	-
Accrued interest	169,717	39,736	-	-
Deferred grant revenue	527,624	1,445	19,877	48,566
Noncurrent liabilities:				
Due within one year	1,270,000	5,906	108,718	-
Due in more than one year	<u>13,386,948</u>	<u>1,413,362</u>	<u>336,346</u>	<u>-</u>
 Total liabilities	 <u>16,017,521</u>	 <u>1,617,066</u>	 <u>505,084</u>	 <u>95,187</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	1,775,172	191,405	1,415,511	-
Restricted:				
Debt service	1,765,263	-	-	-
Capital projects	21,507,214	34,123	72,573	53,210
Inventories	35,304	-	-	-
Unrestricted	<u>1,012,225</u>	<u>(11,316)</u>	<u>246,255</u>	<u>122,024</u>
 Total net assets	 <u>\$ 26,095,178</u>	 <u>\$ 214,212</u>	 <u>\$ 1,734,339</u>	 <u>\$ 175,234</u>

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 16,960,805	\$ 253,780	\$ 3,041,917	\$ 112,588	\$ (13,552,520)	\$ -
Support Services - Students	3,278,809	42,935	588,054	21,764	(2,626,056)	-
Support Services - Instruction	554,735	-	99,492	3,682	(451,561)	-
Support Services - General Administration	1,033,143	-	185,294	6,858	(840,991)	-
Support Services - School Administration	1,284,384	-	230,354	8,526	(1,045,504)	-
Central Services	886,707	-	159,031	-	(727,676)	-
Operations & Maintenance of Plant	6,841,933	-	1,227,100	-	(5,614,833)	-
Student Transportation	1,088,366	-	997,178	-	(91,188)	-
Other Support Services	-	-	-	-	-	-
Food Services	2,051,579	180,618	1,559,413	-	(311,548)	-
Community Services	65,991	-	11,835	-	(54,156)	-
Bond interest paid	318,499	-	-	-	(318,499)	-
<b>Total governmental activities</b>	<b>\$ 34,364,951</b>	<b>\$ 477,333</b>	<b>\$ 8,099,668</b>	<b>\$ 153,418</b>	<b>(25,634,532)</b>	<b>-</b>
<b>Component units:</b>						
Anansi Charter School	\$ 965,468	\$ 84,164	\$ 193,439	\$ -	-	(687,865)
Taos Charter School	1,874,222	167,064	304,393	-	-	(1,402,765)
Vista Grande High School	1,314,972	23,407	99,761	-	-	(1,191,804)
<b>Total component units</b>	<b>\$ 4,154,662</b>	<b>\$ 274,635</b>	<b>\$ 597,593</b>	<b>\$ -</b>	<b>-</b>	<b>(3,282,434)</b>
<b>General revenues:</b>						
<b>Property Taxes:</b>						
General purposes					131,597	-
Debt service					2,070,730	-
Capital projects					1,847,676	-
Grants and contributions not restricted					20,494,116	3,295,417
Unrestricted investment earnings					50,822	1,235
<b>Total general revenues</b>					<b>24,594,941</b>	<b>3,296,652</b>
Gain on asset disposal					-	76,829
<b>Change in net assets</b>					<b>(1,039,591)</b>	<b>91,047</b>
Net assets - beginning					26,357,984	1,964,983
Restatement					776,785	67,755
Net assets - as restated					27,134,769	2,032,738
Net assets - ending					<b>\$ 26,095,178</b>	<b>\$ 2,123,785</b>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

	<u>General</u> <u>Fund</u>	<u>Bond Building</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>				
Pooled cash and investments	\$ 929,022	\$ 10,151,044	\$ 3,143,542	\$ 14,223,608
Receivables:				
Delinquent property taxes	12,476	-	351,649	364,125
Grant	-	-	1,222,013	1,222,013
Due from other governments	2,828	-	80,837	83,665
Food inventory	-	-	35,304	35,304
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 944,326</u>	<u>\$ 10,151,044</u>	<u>\$ 4,833,345</u>	<u>\$ 15,928,715</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 21,110	\$ 597,829	\$ 44,293	\$ 663,232
Deferred revenue:				
Federal, state, and local grants	-	-	527,624	527,624
Delinquent property taxes	8,135	-	230,426	238,561
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>29,245</u>	<u>597,829</u>	<u>802,343</u>	<u>1,429,417</u>
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	1,611,392	1,611,392
Inventories	-	-	35,304	35,304
Unreserved reported in:				
General fund	915,081	-	-	915,081
Special revenue funds	-	-	89,009	89,009
Capital projects funds	-	9,553,215	2,295,297	11,848,512
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>915,081</u>	<u>9,553,215</u>	<u>4,031,002</u>	<u>14,499,298</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 944,326</u>	<u>\$ 10,151,044</u>	<u>\$ 4,833,345</u>	<u>\$ 15,928,715</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE BALANCE SHEET - ALL  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2009

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

Fund balances - total governmental funds	\$	14,499,298
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		40,953,659
Accumulated depreciation		(14,968,324)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		238,561
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(14,585,000)
Accrued interest payable		(169,717)
Bond issue costs		198,649
Bond premiums		(71,948)
		(14,526,916)
Net assets of governmental activities	\$	26,095,178

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	General <u>Fund</u>	Bond Building <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 107,048	\$ -	\$ 26,188	\$ 133,236
Forest reserve	217,585	-	-	217,585
Federal flowthrough grants	62,585	-	2,638,253	2,700,838
Federal direct grants	47,181	-	259,061	306,242
Food and milk reimbursements	-	-	1,484,257	1,484,257
USDA Commodities	-	-	75,156	75,156
State sources:				
State equalization guarantee	20,142,982	-	-	20,142,982
State flow through grants	67,179	-	-	67,179
Transportation	997,178	-	-	997,178
State instructional material	250,966	-	-	250,966
State grant	84,655	-	1,544,349	1,629,004
Local sources:				
Grant	2,944	-	578,944	581,888
District school tax levy	137,180	-	4,008,350	4,145,530
Fees and activities	253,780	-	223,553	477,333
Earnings from investments	50,796	128,176	28,231	207,203
Miscellaneous	313	-	-	313
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	22,422,372	128,176	10,866,342	33,416,890

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	General	Bond Building	Other	Total
	<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
Expenditures:				
Current:				
Instruction	\$ 13,236,908	\$ -	\$ 3,161,828	\$ 16,398,736
Support Services - Students	2,291,599	-	878,552	3,170,151
Support Services - Instruction	363,373	-	172,978	536,351
Support Services - General Administration	802,452	-	196,453	998,905
Support Services - School Administration	1,193,387	-	48,433	1,241,820
Central Services	804,524	-	52,798	857,322
Operations & Maintenance of Plant	2,483,437	109,688	1,514,975	4,108,100
Student Transportation	1,041,659	-	10,639	1,052,298
Food Services	40,647	-	1,942,944	1,983,591
Community Services	-	-	63,804	63,804
Capital outlay	-	1,748,715	1,101,451	2,850,166
Debt service:				
Principal retirement	-	-	1,595,000	1,595,000
Bond interest paid	-	-	173,595	173,595
Bond issuance costs	-	179,087	-	179,087
	<u>22,257,986</u>	<u>2,037,490</u>	<u>10,913,450</u>	<u>35,208,926</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>164,386</u>	<u>(1,909,314)</u>	<u>(47,108)</u>	<u>(1,792,036)</u>
Other financing sources and financing uses:				
Sale of bonds	-	9,900,000	-	9,900,000
Bond premium	-	75,945	-	75,945
Transfers in	32,063	-	-	32,063
Transfers out	-	-	(32,063)	(32,063)
	<u>32,063</u>	<u>9,975,945</u>	<u>(32,063)</u>	<u>9,975,945</u>
Total other financing sources and financing uses				
Net change in fund balance	<u>196,449</u>	<u>8,066,631</u>	<u>(79,171)</u>	<u>8,183,909</u>
Fund balance as previously reported	718,632	-	4,819,972	5,538,604
Restatement	-	1,486,584	(709,799)	776,785
Fund balance as restated	<u>718,632</u>	<u>1,486,584</u>	<u>4,110,173</u>	<u>6,315,389</u>
Fund balance at end of the year	<u>\$ 915,081</u>	<u>\$ 9,553,215</u>	<u>\$ 4,031,002</u>	<u>\$ 14,499,298</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds	\$ 8,183,909
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	343,071
Depreciation	(1,128,279)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p style="padding-left: 20px;">Deferred property taxes at:</p>	
June 30, 2008	(334,088)
June 30, 2009	238,561
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Current year principal payments	1,595,000
Bonds sold	(9,900,000)
Current year issuance costs	179,087
Issuance cost amortization	(26,819)
Current year bond premiums	(75,945)
Bond premium amortization	3,997
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
<p style="padding-left: 20px;">Accrued interest at:</p>	
June 30, 2008	(169,717)
June 30, 2009	<u>51,632</u>
Change in net assets of governmental activities	<u>\$ (1,039,591)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 151,747	\$ 151,747	\$ 107,048	\$ (44,699)
Forest reserve	45,077	45,077	217,584	172,507
Federal grant	60,000	60,000	62,585	2,585
Federal direct grant	112,000	112,000	47,182	(64,818)
State sources:				
State equalization guarantee	20,377,096	20,309,248	20,142,982	(166,266)
State flowthrough grant	69,506	69,506	67,179	(2,327)
Transportation	1,101,858	996,564	997,178	614
State instructional material	240,644	250,742	250,966	224
State grant	15,252	52,237	84,655	32,418
Local sources:				
Grant	500	500	2,944	2,444
District school tax levy	124,399	124,399	133,492	9,093
Fees and activities	105,747	105,747	254,758	149,011
Earnings from investments	105,200	105,200	50,796	(54,404)
Miscellaneous	250	250	313	63
Total revenues	<u>\$ 22,509,276</u>	<u>\$ 22,383,217</u>	<u>\$ 22,419,662</u>	<u>\$ 36,445</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction	\$ 13,318,168	\$ 13,483,657	\$ 13,248,312	\$ 235,345
Support Services - Students	2,405,031	2,383,523	2,293,497	90,026
Support Services - Instruction	384,197	373,346	363,373	9,973
Support Services - General Administration	821,358	823,313	798,437	24,876
Support Services - School Administration	1,234,405	1,205,093	1,193,517	11,576
Central Services	943,908	834,980	818,516	16,464
Operation & Maintenance of Plant	2,758,083	2,709,637	2,489,418	220,219
Student Transportation	1,105,008	1,045,050	1,040,393	4,657
Other Support Services	15,800	15,800	-	15,800
Food Services Operations	50,000	50,000	40,647	9,353
Capital outlay:				
Equipment	<u>19,500</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>23,055,458</u>	<u>22,929,399</u>	<u>22,286,110</u>	<u>643,289</u>
Excess (deficiency) of revenues over expenditures	(546,182)	(546,182)	133,552	679,734
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>32,063</u>	<u>32,063</u>
Net change in fund balance	(546,182)	(546,182)	165,615	711,797
Beginning cash balance budgeted	546,182	546,182	-	(546,182)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>718,632</u>	<u>718,632</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>884,247</u>	<u>\$ 884,247</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(4,722)	
Change in due from other governments			2,828	
Change in payables			28,123	
Change in deferred property taxes			<u>5,583</u>	
			<u>\$ 916,059</u>	

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2009

ASSETS

Pooled cash and investments	\$ <u>1,122,477</u>
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LIABILITIES

Deposits held for others	\$ <u>1,122,477</u>
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The notes to the financial statements are an integral part of this statement.

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District's financial statements include all entities over which the 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. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The district has three component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District has three component units reported as discretely presented component units. Anansi Charter School, Taos Charter School, and Vista Grande High School are closely related to Taos Municipal Schools and are the financial responsibility of Taos Municipal Schools. The component units each have separately issued reports which can be obtained at:

Anansi Charter School  
PO Box 1709  
El Prado, NM 87529

Taos Charter School  
PO Box 3009  
Rancho de Taos, NM 87557

Vista Grande High School  
PO Box 850  
Taos, NM 87571

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Taos Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

**General Fund** – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Bond Building Fund** – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Additionally, the government reports the following fund types:

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

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

**Fiduciary Funds** – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5

5. *Compensated absences*

The District does not accrue a liability for compensated absences. Employees are contracted on an annual basis with all contracts being fully executed at the end of the year.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

7. *Fund balance*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets 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. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *Estimates*

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

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,142,982 in state equalization guarantee distributions during the year ended June 30, 2009.

**Transportation Distribution:** School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$997,178 in transportation distributions during the year ended June 30, 2009.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2009 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 23,055,458	\$ 22,929,399
Special Revenue Fund	5,429,335	8,481,924
Debt Service Fund	2,519,313	2,519,313
Capital Projects Fund	3,428,534	14,813,448
Totals	\$ 34,432,640	\$ 48,744,084

B. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2009-4 on page 180. The District is aware of legal binding of budgets and has implemented a system of checks that will help prevent any further violations of budgetary control.

C. Deficit fund equity

There were no deficit fund balances as of June 30, 2009.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2009, the carrying amount of the District's deposits was \$15,346,085 and the bank balance was \$16,791,405 with the difference consisting of outstanding checks. Of this balance \$750,000 was covered by federal depository insurance and \$2,148,272 was covered by collateral held in joint safekeeping by a third party.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2009, \$13,893,133 of the District's bank balance of \$16,791,405 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$ 13,893,133
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>2,148,272</u>
Total uninsured	16,041,405
Insured (FDIC)	<u>750,000</u>
Total deposits	<u>\$ 16,791,405</u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 8,020,704
Pledged security	<u>2,148,272</u>
Under collateralization	<u>\$ (5,872,432)</u>

The collateral pledged is listed on Page 162 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Bond Building</u>	<u>Other Governmental Funds</u>
Receivables:			
Delinquent property taxes	\$ 12,476	\$ -	\$ 351,649
Grant	-	-	1,222,013
Due from other:			
Governments	<u>2,828</u>	<u>-</u>	<u>80,837</u>
Total	<u>\$ 15,304</u>	<u>\$ -</u>	<u>\$ 1,654,499</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 527,624
Delinquent property taxes		
General Fund	8,135	-
Other Governmental Funds	<u>230,426</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 238,561</u>	<u>\$ 527,624</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,309,586	\$ -	\$ -	\$ -	\$ 2,309,586
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>2,309,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309,586</u>
Capital assets, being depreciated:					
Land improvements	-	-	-	-	-
Buildings and improvements	35,056,824	343,071	-	-	35,399,895
Furniture, fixtures, and equipment	<u>3,244,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,244,178</u>
Total capital assets being depreciated	<u>38,301,002</u>	<u>343,071</u>	<u>-</u>	<u>-</u>	<u>38,644,073</u>
Less accumulated depreciation for:					
Land improvements	-	-	-	-	-
Buildings and improvements	(11,844,734)	(800,593)	-	-	(12,645,327)
Furniture, fixtures, and equipment	<u>(1,995,311)</u>	<u>(327,686)</u>	<u>-</u>	<u>-</u>	<u>(2,322,997)</u>
Total accumulated depreciation	<u>(13,840,045)</u>	<u>(1,128,279)</u>	<u>-</u>	<u>-</u>	<u>(14,968,324)</u>
Total capital assets being depreciated, net	<u>24,460,957</u>	<u>(785,208)</u>	<u>-</u>	<u>-</u>	<u>23,675,749</u>
Total capital assets, net	<u>\$ 26,770,543</u>	<u>\$ (785,208)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,985,335</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 608,409
Support Services - Students	117,616
Support Services - Instruction	19,899
Support Services - General Administration	37,060
Support Services - School Administration	46,073
Central Services	31,807
Operations & Maintenance of Plant	152,414
Student Transportation	39,041
Food Services	73,593
Community Services	<u>2,367</u>
Total Depreciation Expense	<u>\$ 1,128,279</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$21,507,214 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

There were not any inter-fund receivables or payables at June 30, 2009.

E. Inter-Fund Transfers

There was one inter-fund transfer of \$32,063 made during the year ended June 30, 2009 from Beginning Teacher Mentoring Special Revenue Fund to Operational Fund in order to close the Fresh Fruits and Vegetables Special Revenue Fund.

**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements  
June 30, 2009

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2009 are as follows:

<u>General Obligations Bonds</u>		<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2009</u>	<u>Within One Year</u>
Series	1996	\$ 3,000,000	4.90% to 6.40%	\$ 745,000	\$ 225,000
Series	2001	4,015,000	4.125% to 5.00%	1,465,000	470,000
Series	2007	3,000,000	3.75% to 3.95%	2,475,000	575,000
Series	2008	<u>9,900,000</u>	3.50% to 4.50%	<u>9,900,000</u>	<u>-</u>
Total		<u>\$ 19,915,000</u>		<u>\$ 14,585,000</u>	<u>\$ 1,270,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30.</u>			<u>Requirements</u>
2010	\$ 1,270,000	\$ 579,051	\$ 1,849,051
2011	1,370,000	524,351	1,894,351
2012	1,395,000	465,834	1,860,834
2013	650,000	423,117	1,073,117
2014	460,000	402,230	862,230
2015 - 2019	2,520,000	1,741,975	4,261,975
2020 - 2024	3,075,000	1,169,184	4,244,184
2025 - 2029	<u>3,845,000</u>	<u>423,589</u>	<u>4,268,589</u>
Total	<u>\$ 14,585,000</u>	<u>\$ 5,729,331</u>	<u>\$ 20,314,331</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2009 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	\$ 6,805,000	\$ 9,900,000	\$ 2,120,000	\$ 14,585,000	\$ 1,270,000

	<u>Balance June 30, 2009</u>
Bonds payable	\$ 14,585,000
Less: current maturities	(1,270,000)
Unamortized:	
Bond premiums	<u>71,948</u>
Total non-current liabilities	<u>\$ 13,386,948</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

On December 15, 2009 the District issued an approved bond issue in the amount of \$16,000,000. The bonds mature September 1, 2029 and have interest rates between 2.125% and 6.50%. There is no portion of the principal due as a current liability. The first interest payment is due December 15, 2010.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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IV. OTHER INFORMATION

A. 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; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2009.

B. Contingent Liabilities

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - 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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the 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 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.90% of their gross salary. Taos Municipal School District is required to contribute 11.65% of the gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. 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 the ERB for the years ended June 30, 2009, 2008 and 2007 were \$1,928,764, \$2,868,280, and \$2,639,660, respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2009-2010	12.460%	7.900%
2010-2011	13.150%	7.900%
2011-2012	13.900%	7.900%

D. Post-Retirement Health Care Benefits

Plan Description – Taos Municipal School District No. 3’s contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority  
4308 Carlisle NE, Suite 104  
Albuquerque, NM 87107

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

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IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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

The 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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Taos Municipal School District No. 3's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$215,193, \$301,087, and \$290,281, respectively, which equal the required contributions for each year.

E. School District Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous two years. The current trend will adversely affect the District in subsequent years.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2009

IV. OTHER INFORMATION (continued)

F. Restatement

The government-wide net assets have been restated by \$776,785 as follows:

Capital projects monies not reported in the prior year:	
Bond Building Capital Projects Fund	\$ 1,486,584
Grant revenue not previously deferred:	
Impact Aid Special Education Special Revenue Fund	(112,894)
Impact Aid Indian Education Special Revenue Fund	(67,706)
Title XIX Medicaid Special Revenue Fund	(192,132)
Intel Foundation Special Revenue Fund	(3,000)
PNM Foundation Special Revenue Fund	(63)
Northern NM Network - Rural Education Special Revenue Fund	(2)
TANF School-Aged Child Care Special Revenue Fund	(1)
Technology for Education Special Revenue Fund	(11,631)
Obesity Program Special Revenue Fund	(135)
Full Day Kindergarten Special Revenue Fund	(207)
Incentives for School Improvement Special Revenue Fund	(68,565)
Summer Bridge Special Revenue Fund	(107)
Beginning Teacher Mentoring Special Revenue Fund	(46,447)
Kindergarten 3-Plus Special Revenue Fund	(118,237)
Healthier Schools Special Revenue Fund	(40,862)
Yes I Can Special Revenue Fund	(15,597)
School Based Health Center Special Revenue Fund	<u>(32,213)</u>
Total restatement	<u>\$ 776,785</u>

The District had cash balances within the special revenue funds at June 30, 2008. Those balances cannot be recognized as revenue until they have been spent for the purpose the funds were granted. Therefore, those balances should have been reported as deferred grant revenue at June 30, 2008. Additionally, there were monies given to the District for the purpose of capital improvements. These monies were not reported in the prior year and had a balance of \$1,486,584 at June 30, 2008.

Component Units

The beginning net assets of the component units were restated by \$(160,332) for restatements reported in the component unit audit reports. Additionally, the component units reported in the prior year did not include Friends of Anansi Charter School, a component unit of Anansi Charter School, with beginning net assets of \$7,994 and did not include Friends of Taos Charter School, a component unit of Anansi Charter School, with beginning net assets of \$220,093.

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**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

**GENERAL FUNDS  
Year Ended June 30, 2009**

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**OPERATING FUND**

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**TRANSPORTATION FUND**

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

**INSTRUCTIONAL MATERIALS FUND**

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND  
Combining Balance Sheet  
June 30, 2009

	General Funds			Total General <u>Fund</u>
	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
<b><u>ASSETS</u></b>				
Pooled cash and investments	\$ 806,458	\$ 42,167	\$ 80,397	\$ 929,022
Receivables:				
Delinquent property taxes	12,476	-	-	12,476
Due from other governments	2,828	-	-	2,828
Total assets	\$ 821,762	\$ 42,167	\$ 80,397	\$ 944,326
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts payable	\$ 19,844	\$ 1,266	\$ -	\$ 21,110
Accrued salaries	-	-	-	-
Deferred revenue:				
Delinquent property taxes	8,135	-	-	8,135
Total liabilities	27,979	1,266	-	29,245
Fund balance:				
Unreserved and reported in:				
Undesignated	793,783	40,901	80,397	915,081
Total liabilities and fund balance	\$ 821,762	\$ 42,167	\$ 80,397	\$ 944,326

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	General Funds			
	Operational	Transportation	Instructional	Total General
	<u>Fund</u>	<u>Fund</u>	<u>Materials</u> <u>Fund</u>	<u>Fund</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 107,048	\$ -	\$ -	\$ 107,048
Forest reserve	217,585	-	-	217,585
Federal flowthrough grants	62,585	-	-	62,585
Federal direct grants	47,181	-	-	47,181
State sources:				
State equalization guarantee	20,142,982	-	-	20,142,982
State flow through grants	67,179	-	-	67,179
Transportation	-	997,178	-	997,178
State instructional material	-	-	250,966	250,966
State grant	32,126	35,836	16,693	84,655
Local sources:				
Grant	2,944	-	-	2,944
District school tax levy	137,180	-	-	137,180
Fees and activities	253,780	-	-	253,780
Earnings from investments	50,796	-	-	50,796
Miscellaneous	313	-	-	313
Total revenue	\$ 21,121,699	\$ 1,033,014	\$ 267,659	\$ 22,422,372

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	General Funds			
	Operational	Transportation	Instructional	Total General
	<u>Fund</u>	<u>Fund</u>	<u>Materials</u> <u>Fund</u>	<u>Fund</u>
Expenditures:				
Current:				
Instruction	\$ 13,032,668	\$ -	\$ 204,240	\$ 13,236,908
Support Services - Students	2,291,599	-	-	2,291,599
Support Services - Instruction	352,957	-	10,416	363,373
Support Services - General Administration	802,452	-	-	802,452
Support Services - School Administration	1,193,387	-	-	1,193,387
Central Services	804,524	-	-	804,524
Operations & Maintenance of Plant	2,483,437	-	-	2,483,437
Student Transportation	8,078	1,033,581	-	1,041,659
Food Services	40,647	-	-	40,647
	21,009,749	1,033,581	214,656	22,257,986
Total expenditures				
Excess of revenues over expenditures	111,950	(567)	53,003	164,386
Other financing sources:				
Transfers in	32,063	-	-	32,063
Net change in fund balance	144,013	(567)	53,003	196,449
Fund balance at beginning of the year	649,770	41,468	27,394	718,632
Fund balance at end of the year	\$ 793,783	\$ 40,901	\$ 80,397	\$ 915,081

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Public Law 874	\$ 151,747	\$ 151,747	\$ 107,048	\$ (44,699)
Forest reserve	45,077	45,077	217,584	172,507
Federal grant	60,000	60,000	62,585	2,585
Federal direct grant	112,000	112,000	47,182	(64,818)
State sources:				
State equalization guarantee	20,377,096	20,309,248	20,142,982	(166,266)
State flowthrough grant	69,506	69,506	67,179	(2,327)
State grant	-	-	32,126	32,126
Local sources:				
Grant	500	500	2,944	2,444
District school tax levy	124,399	124,399	133,492	9,093
Fees and activities	105,747	105,747	254,758	149,011
Earnings from investments	105,200	105,200	50,796	(54,404)
Miscellaneous	250	250	313	63
Total revenues	<u>\$ 21,151,522</u>	<u>\$ 21,083,674</u>	<u>\$ 21,118,989</u>	<u>\$ 35,315</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction	\$ 13,077,524	\$ 13,232,915	\$ 13,044,072	\$ 188,843
Support Services - Students	2,405,031	2,383,523	2,293,497	90,026
Support Services - Instruction	368,945	356,945	352,957	3,988
Support Services - General Administration	821,358	823,313	798,437	24,876
Support Services - School Administration	1,234,405	1,205,093	1,193,517	11,576
Central Services	943,908	834,980	818,516	16,464
Operation & Maintenance of Plant	2,758,083	2,709,637	2,489,418	220,219
Student Transportation	3,150	12,650	8,078	4,572
Other Support Services	15,800	15,800	-	15,800
Food Services Operations	50,000	50,000	40,647	9,353
Capital outlay:				
Equipment	<u>19,500</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>21,697,704</u>	<u>21,629,856</u>	<u>21,039,139</u>	<u>590,717</u>
Excess (deficiency) of revenues over expenditures	(546,182)	(546,182)	79,850	626,032
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>32,063</u>	<u>32,063</u>
Net change in fund balance	(546,182)	(546,182)	111,913	658,095
Beginning cash balance budgeted	546,182	546,182	-	(546,182)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>649,770</u>	<u>649,770</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	761,683	<u>\$ 761,683</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(4,722)	
Change in due from other governments			2,828	
Change in payables			29,389	
Change in deferred property taxes			<u>5,583</u>	
			<u>\$ 794,761</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TRANSPORTATION FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
Transportation	\$ 1,101,858	\$ 996,564	\$ 997,178	\$ 614
State grant	<u>          -</u>	<u>      35,836</u>	<u>      35,836</u>	<u>          -</u>
Total revenues	1,101,858	1,032,400	1,033,014	614
 Expenditures:				
Current:				
Student Transportation	<u>      1,101,858</u>	<u>      1,032,400</u>	<u>      1,032,315</u>	<u>              85</u>
Excess of revenues over expenditures	-	-	699	699
Fund balance at beginning of the year	<u>          -</u>	<u>          -</u>	<u>      41,468</u>	<u>      41,468</u>
Fund balance at end of the year	<u>\$          -</u>	<u>\$          -</u>	42,167	<u>\$      42,167</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>      (1,266)</u>	
			<u>\$      40,901</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

INSTRUCTIONAL MATERIALS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State instructional material	\$ 240,644	\$ 250,742	\$ 250,966	\$ 224
State grant	<u>15,252</u>	<u>16,401</u>	<u>16,693</u>	<u>292</u>
Total revenues	<u>255,896</u>	<u>267,143</u>	<u>267,659</u>	<u>516</u>
 Expenditures:				
Current:				
Instruction	240,644	250,742	204,240	46,502
Support Services - Instruction	<u>15,252</u>	<u>16,401</u>	<u>10,416</u>	<u>5,985</u>
Total expenditures	<u>255,896</u>	<u>267,143</u>	<u>214,656</u>	<u>52,487</u>
 Excess of revenues over expenditures	-	-	53,003	53,003
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>27,394</u>	<u>27,394</u>
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	80,397	<u>\$ 80,397</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 80,397</u>	

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**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

Special Revenue Funds

	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Preschool IDEA-B Fund	Fresh Fruits and Vegetables Fund	Title I - 1003g Fund	Enhancing Education Fund	Title III - Incentive Awards Fund
<u>ASSETS</u>									
Pooled cash and investments	\$ 54,551	\$ 34,458	\$ (348,688)	\$ (258,317)	\$ (13,424)	\$ (17,304)	\$ (134,991)	\$ 2,409	\$ (2,467)
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	-	-	349,120	258,317	13,424	17,304	134,991	-	2,467
Due from other governments	-	-	-	-	-	-	-	-	-
Food inventory	35,304	-	-	-	-	-	-	-	-
Total assets	\$ 89,855	\$ 34,458	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ -
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	-	-	-	2,409	-
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	432	-	-	-	-	2,409	-
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Inventories	35,304	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	54,551	34,458	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
Total fund balance	89,855	34,458	-	-	-	-	-	-	-
Total liabilities and fund balance	\$ 89,855	\$ 34,458	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ -

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	<u>Special Revenue Funds</u>								
	<u>Title V Fund</u>	<u>Title III English Language Fund</u>	<u>Title II Teacher Quality Fund</u>	<u>Title IV Drug Free Schools Fund</u>	<u>21st Century Community Living Centers Fund</u>	<u>Rural &amp; Low- Income Schools Fund</u>	<u>Title III Immigrant Funding Fund</u>	<u>Carl D Perkins Tech Prep Fund</u>	<u>Carl D Perkins - JAG Fund</u>
<b>ASSETS</b>									
Pooled cash and investments	\$ 4,190	\$ (22,391)	\$ (50,040)	\$ (3,802)	\$ (3,414)	\$ (6,980)	\$ (9,863)	\$ (37,191)	\$ 20,000
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	-	22,391	52,862	3,802	3,414	6,980	9,863	64,215	-
Due from other governments	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,190</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,024</u>	<u>\$ 20,000</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 2,822	\$ -	\$ -	\$ -	\$ -	\$ 27,024	\$ -
Deferred revenue:									
Federal, state, and local grants	4,190	-	-	-	-	-	-	-	20,000
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Total liabilities	<u>4,190</u>	<u>-</u>	<u>2,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,024</u>	<u>20,000</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,190</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,024</u>	<u>\$ 20,000</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue Funds								
	Carl D Perkins - Culinary <u>Fund</u>	Carl D Perkins Secondary Redistribution <u>Fund</u>	Title I - Stimulus <u>Fund</u>	Entitlement IDEA-B - Stimulus <u>Fund</u>	Teaching American History <u>Fund</u>	Impact Aid Special Education <u>Fund</u>	Impact Aid Indian Education <u>Fund</u>	GRADS Child Care <u>Fund</u>	Title XIX Medicaid <u>Fund</u>
<b>ASSETS</b>									
Pooled cash and investments	\$ (34,402)	\$ (8,154)	\$ (680)	\$ (104,466)	\$ -	\$ 137,478	\$ 77,718	\$ 2,556	\$ 78,515
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	34,402	8,154	680	109,994	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,528</u>	<u>\$ -</u>	<u>\$ 137,478</u>	<u>\$ 77,718</u>	<u>\$ 2,556</u>	<u>\$ 78,515</u>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ 5,528	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	-	137,478	77,718	2,556	78,515
Delinquent property taxes	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,528</u>	<u>-</u>	<u>137,478</u>	<u>77,718</u>	<u>2,556</u>	<u>78,515</u>
<b>Fund balance:</b>									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,528</u>	<u>\$ -</u>	<u>\$ 137,478</u>	<u>\$ 77,718</u>	<u>\$ 2,556</u>	<u>\$ 78,515</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue Funds								
	TANF GRADS <u>Fund</u>	Indian Ed Formula Grant <u>Fund</u>	ENLACE UNM <u>Fund</u>	LANL Foundation <u>Fund</u>	Intel Foundation <u>Fund</u>	PNM Foundation <u>Fund</u>	Northern NM Network - Rural Education <u>Fund</u>	Northern NM Network - Teacher Incentive <u>Fund</u>	TANF School- Aged Child Care <u>Fund</u>
<b>ASSETS</b>									
Pooled cash and investments	\$ 3,757	\$ (1,699)	\$ 4,938	\$ 334	\$ 3,000	\$ 63	\$ 2	\$ 6,794	\$ 1
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	-	1,699	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,757</u>	<u>\$ -</u>	<u>\$ 4,938</u>	<u>\$ 334</u>	<u>\$ 3,000</u>	<u>\$ 63</u>	<u>\$ 2</u>	<u>\$ 6,794</u>	<u>\$ 1</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	3,757	-	4,938	334	3,000	63	2	6,794	1
Delinquent property taxes	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>3,757</u>	<u>-</u>	<u>4,938</u>	<u>334</u>	<u>3,000</u>	<u>63</u>	<u>2</u>	<u>6,794</u>	<u>1</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 3,757</u>	<u>\$ -</u>	<u>\$ 4,938</u>	<u>\$ 334</u>	<u>\$ 3,000</u>	<u>\$ 63</u>	<u>\$ 2</u>	<u>\$ 6,794</u>	<u>\$ 1</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue Funds							
	Technology for Education <u>Fund</u>	Obesity Program <u>Fund</u>	Full Day Kindergarten <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	Summer Bridge <u>Fund</u>	Libraries GO Bond 2004 <u>Fund</u>	Indian Education Act <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ 26,295	\$ 135	\$ 207	\$ 44,234	\$ 107	\$ (2,117)	\$ (162)	\$ 14,384
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	2,117	162	-
Due from other governments	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,295</u>	<u>\$ 135</u>	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,384</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:								
Federal, state, and local grants	26,295	135	207	44,234	107	-	-	14,384
Delinquent property taxes	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>26,295</u>	<u>135</u>	<u>207</u>	<u>44,234</u>	<u>107</u>	<u>-</u>	<u>-</u>	<u>14,384</u>
<b>Fund balance:</b>								
Reserved:								
Retirement of long-term debt	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Unreserved and reported in:								
Special revenues funds	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 26,295</u>	<u>\$ 135</u>	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,384</u>

(continued)



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

Special Revenue Funds

	Breakfast for Elementary Students <u>Fund</u>	Legislative Appropriation <u>Fund</u>	Kindergarten 3- Plus <u>Fund</u>	State 21st Century <u>Fund</u>	Libraries GO Bond 2006 <u>Fund</u>	Water Conservation <u>Fund</u>	Basketball Program <u>Fund</u>	Library Books <u>Fund</u>	Assist Tobacco <u>Fund</u>
<u>ASSETS</u>									
Pooled cash and investments	\$ (16,998)	\$ (1,152)	\$ 53,522	\$ (17,814)	\$ (7,919)	\$ (2,305)	\$ -	\$ 972	\$ 4,595
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	16,998	1,152	-	17,814	7,919	2,305	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 4,595</u>
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	-	-	53,522	-	-	-	-	972	4,595
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>53,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>972</u>	<u>4,595</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 4,595</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	Special Revenue Funds					Debt Service Funds		
	Healthier Schools <u>Fund</u>	Gear Up <u>Fund</u>	Yes I Can <u>Fund</u>	School Based Health Center <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>	Debt Services <u>Fund</u>	Ed Tech Debt Service <u>Fund</u>	Total Debt Service <u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ 31,408	\$ (44,535)	\$ 10,010	\$ (34,932)	\$ (569,574)	\$ 822,787	\$ 679,015	\$ 1,501,802
Receivables:								
Delinquent property taxes	-	-	-	-	-	77,946	112,776	190,722
Grant	-	44,535	-	34,932	1,222,013			
Due from other governments	-	-	-	-	-	17,876	25,931	43,807
Food inventory	-	-	-	-	35,304	-	-	-
	<u>31,408</u>	<u>-</u>	<u>10,010</u>	<u>-</u>	<u>687,743</u>	<u>918,609</u>	<u>817,722</u>	<u>1,736,331</u>
Total assets	<u>\$ 31,408</u>	<u>\$ -</u>	<u>\$ 10,010</u>	<u>\$ -</u>	<u>\$ 687,743</u>	<u>\$ 918,609</u>	<u>\$ 817,722</u>	<u>\$ 1,736,331</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 35,806	\$ -	\$ -	\$ -
Deferred revenue:								
Federal, state, and local grants	31,408	-	10,010	-	527,624	-	-	-
Delinquent property taxes	-	-	-	-	-	51,034	73,905	124,939
	<u>31,408</u>	<u>-</u>	<u>10,010</u>	<u>-</u>	<u>563,430</u>	<u>51,034</u>	<u>73,905</u>	<u>124,939</u>
Total liabilities	<u>31,408</u>	<u>-</u>	<u>10,010</u>	<u>-</u>	<u>563,430</u>	<u>51,034</u>	<u>73,905</u>	<u>124,939</u>
Fund balance:								
Reserved:								
Retirement of long-term debt	-	-	-	-	-	867,575	743,817	1,611,392
Inventories	-	-	-	-	35,304	-	-	-
Unreserved and reported in:								
Special revenues funds	-	-	-	-	89,009	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,313</u>	<u>867,575</u>	<u>743,817</u>	<u>1,611,392</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,313</u>	<u>867,575</u>	<u>743,817</u>	<u>1,611,392</u>
Total liabilities and fund balance	<u>\$ 31,408</u>	<u>\$ -</u>	<u>\$ 10,010</u>	<u>\$ -</u>	<u>\$ 687,743</u>	<u>\$ 918,609</u>	<u>\$ 817,722</u>	<u>\$ 1,736,331</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2009

	<u>Capital Projects Funds</u>						
	Special Capital Outlay - Local <u>Fund</u>	Special Capital Outlay - State <u>Fund</u>	Capital Improvements SB-9 <u>Fund</u>	Energy Efficiency Act <u>Fund</u>	Ed Technology Equipment Act <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>							
Pooled cash and investments	\$ 32,153	\$ -	\$ 1,340,083	\$ -	\$ 839,078	\$ 2,211,314	\$ 3,143,542
Receivables:							
Delinquent property taxes	-	-	160,927	-	-	160,927	351,649
Grant	-	-	-	-	-	-	1,222,013
Due from other governments	-	-	37,030	-	-	37,030	80,837
Food inventory	-	-	-	-	-	-	35,304
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,304</u>
Total assets	<u>\$ 32,153</u>	<u>\$ -</u>	<u>\$ 1,538,040</u>	<u>\$ -</u>	<u>\$ 839,078</u>	<u>\$ 2,409,271</u>	<u>\$ 4,833,345</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 8,487	\$ -	\$ -	\$ 8,487	\$ 44,293
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	-	527,624
Delinquent property taxes	-	-	105,487	-	-	105,487	230,426
	<u>-</u>	<u>-</u>	<u>105,487</u>	<u>-</u>	<u>-</u>	<u>105,487</u>	<u>230,426</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>113,974</u>	<u>-</u>	<u>-</u>	<u>113,974</u>	<u>802,343</u>
Fund balance:							
Reserved:							
Retirement of long-term debt	-	-	-	-	-	-	1,611,392
Inventories	-	-	-	-	-	-	35,304
Unreserved and reported in:							
Special revenues funds	-	-	-	-	-	-	89,009
Capital projects funds	32,153	-	1,424,066	-	839,078	2,295,297	2,295,297
	<u>32,153</u>	<u>-</u>	<u>1,424,066</u>	<u>-</u>	<u>839,078</u>	<u>2,295,297</u>	<u>4,031,002</u>
Total fund balance	<u>32,153</u>	<u>-</u>	<u>1,424,066</u>	<u>-</u>	<u>839,078</u>	<u>2,295,297</u>	<u>4,031,002</u>
Total liabilities and fund balance	<u>\$ 32,153</u>	<u>\$ -</u>	<u>\$ 1,538,040</u>	<u>\$ -</u>	<u>\$ 839,078</u>	<u>\$ 2,409,271</u>	<u>\$ 4,833,345</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

Special Revenue Funds

	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>	<u>Fresh Fruits</u>	<u>Title I -</u>	<u>Enhancing</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>and Vegetables</u>	<u>1003g</u>	<u>Education</u>
	<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>Revenues:</b>								
<b>Federal sources:</b>								
Federal flowthrough grants	\$ -	\$ -	\$ 1,081,202	\$ 742,477	\$ 16,699	\$ 32,691	\$ 134,991	\$ -
Federal direct grants	-	-	-	-	-	-	-	-
Food and milk reimbursements	1,484,257	-	-	-	-	-	-	-
USDA Commodities	75,156	-	-	-	-	-	-	-
<b>State sources:</b>								
State grant	124,396	-	-	-	-	-	-	-
<b>Local sources:</b>								
Grant	-	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-	-
Fees and activities	180,618	42,935	-	-	-	-	-	-
Earnings from investments	26	-	-	-	-	-	-	-
<b>Total revenue</b>	<u>1,864,453</u>	<u>42,935</u>	<u>1,081,202</u>	<u>742,477</u>	<u>16,699</u>	<u>32,691</u>	<u>134,991</u>	<u>-</u>

	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Preschool IDEA-B Fund	Fresh Fruits and Vegetables Fund	Title I - 1003g Fund	Enhancing Education Fund
Expenditures:								
Current:								
Instruction	-	37,741	758,047	334,041	14,229	-	124,505	-
Support Services - Students	-	-	84,542	248,503	1,978	-	-	-
Support Services - Instruction	-	-	91,247	-	-	-	-	-
Support Services - General Administration	-	-	92,942	37,859	492	-	-	-
Support Services - School Administration	-	-	-	8,614	-	-	-	-
Central Services	-	-	52,798	-	-	-	-	-
Operations & Maintenance of Plant	-	-	1,626	9,960	-	-	-	-
Student Transportation	-	-	-	7,796	-	-	-	-
Food Services	1,887,529	-	-	-	-	32,691	-	-
Community Services	-	-	-	63,804	-	-	-	-
Capital outlay	-	-	-	31,900	-	-	10,486	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,887,529</u>	<u>37,741</u>	<u>1,081,202</u>	<u>742,477</u>	<u>16,699</u>	<u>32,691</u>	<u>134,991</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(23,076)	5,194	-	-	-	-	-	-
Other financing uses:								
Transfers out	-	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	<u>(23,076)</u>	<u>5,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as previously reported	112,931	29,264	-	-	-	-	-	-
Restatement	-	-	-	-	-	-	-	-
<b>Fund balance as restated</b>	<u>112,931</u>	<u>29,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ 89,855</u>	<u>\$ 34,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

Special Revenue Funds							
	Title III - Incentive Awards Fund	Title V Fund	Title III English Language Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low- Income Schools Fund
Revenues:							
Federal sources:							
Federal flowthrough grants	\$ 2,467	\$ -	\$ 27,298	\$ 182,168	\$ 8,120	\$ 68,114	\$ 86,750
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
State sources:							
State grant	-	-	-	-	-	-	-
Local sources:							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
Total revenue	2,467	-	27,298	182,168	8,120	68,114	86,750

	Title III - Incentive Awards Fund	Title V Fund	Title III English Language Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low- Income Schools Fund
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	2,467	-	24,012	169,956	7,054	17,288	80,272
Support Services - Students	-	-	157	2,817	852	49,025	1,630
Support Services - Instruction	-	-	-	-	-	-	-
Support Services - General Administration	-	-	2,414	9,137	214	1,801	4,848
Support Services - School Administration	-	-	715	258	-	-	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>2,467</u>	<u>-</u>	<u>27,298</u>	<u>182,168</u>	<u>8,120</u>	<u>68,114</u>	<u>86,750</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-	-	-	-
<b>Other financing uses:</b>							
Transfers out	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance as previously reported</b>	-	-	-	-	-	-	-
<b>Restatement</b>	-	-	-	-	-	-	-
<b>Fund balance as restated</b>	-	-	-	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	Special Revenue Funds						
	Title III Immigrant Funding Fund	Carl D Perkins Tech Prep Fund	Carl D Perkins - JAG Fund	Carl D Perkins - Culinary Fund	Carl D Perkins Secondary Redistribution Fund	Title I - Stimulus Fund	Entitlement IDEA-B - Stimulus Fund
Revenues:							
Federal sources:							
Federal flowthrough grants	\$ -	\$ 88,104	\$ -	\$ 37,382	\$ 19,116	\$ 680	\$ 109,994
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
State sources:							
State grant	-	-	-	-	-	-	-
Local sources:							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
Total revenue	-	88,104	-	37,382	19,116	680	109,994



	Title III Immigrant Funding Fund	Carl D Perkins Tech Prep Fund	Carl D Perkins - JAG Fund	Carl D Perkins - Culinary Fund	Carl D Perkins Secondary Redistribution Fund	Title I - Stimulus Fund	Entitlement IDEA-B - Stimulus Fund
Expenditures:							
Current:							
Instruction	-	63,485	-	30,807	19,116	680	102,081
Support Services - Students	-	3,404	-	-	-	-	7,913
Support Services - Instruction	-	-	-	5,587	-	-	-
Support Services - General Administration	-	3,165	-	988	-	-	-
Support Services - School Administration	-	18,050	-	-	-	-	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>88,104</u>	<u>-</u>	<u>37,382</u>	<u>19,116</u>	<u>680</u>	<u>109,994</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing uses:							
Transfers out	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as previously reported	-	-	-	-	-	-	-
Restatement	-	-	-	-	-	-	-
Fund balance as restated	-	-	-	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

**Special Revenue Funds**

	Teaching American History Fund	Impact Aid Special Education Fund	Impact Aid Indian Education Fund	GRADS Child Care Fund	Title XIX Medicaid Fund	TANF GRADS Fund	Indian Ed Formula Grant Fund
<b>Revenues:</b>							
<b>Federal sources:</b>							
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	211,247	-	47,814
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
<b>State sources:</b>							
State grant	-	-	-	-	-	-	-
<b>Local sources:</b>							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
<b>Total revenue</b>	<u>-</u>	<u>10,620</u>	<u>15,568</u>	<u>-</u>	<u>211,247</u>	<u>-</u>	<u>47,814</u>

	Teaching American History Fund	Impact Aid Special Education Fund	Impact Aid Indian Education Fund	GRADS Child Care Fund	Title XIX Medicaid Fund	TANF GRADS Fund	Indian Ed Formula Grant Fund
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	-	4,133	9,081	-	121,049	-	46,561
Support Services - Students	-	6,487	6,487	-	90,198	-	-
Support Services - Instruction	-	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-	1,253
Support Services - School Administration	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>10,620</u>	<u>15,568</u>	<u>-</u>	<u>211,247</u>	<u>-</u>	<u>47,814</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-	-	-	-
<b>Other financing uses:</b>							
Transfers out	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance as previously reported</b>	-	112,894	67,706	-	192,132	-	-
<b>Restatement</b>	-	(112,894)	(67,706)	-	(192,132)	-	-
<b>Fund balance as restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	Special Revenue Funds						
	ENLACE UNM	LANL	Intel	PNM	Northern NM	Northern NM	TANF School-
	Fund	Foundation	Foundation	Foundation	Network -	Network -	Aged Child
	Fund	Fund	Fund	Fund	Education	Teacher	Care
	Fund	Fund	Fund	Fund	Fund	Incentive	Fund
<b>Revenues:</b>							
<b>Federal sources:</b>							
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
<b>State sources:</b>							
State grant	-	-	-	-	-	-	-
<b>Local sources:</b>							
Grant	10,062	48,673	-	-	-	484,722	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
	10,062	48,673	-	-	-	484,722	-
<b>Total revenue</b>	10,062	48,673	-	-	-	484,722	-

	ENLACE UNM Fund	LANL Foundation Fund	Intel Foundation Fund	PNM Foundation Fund	Northern NM Network - Rural Education Fund	Northern NM Network - Teacher Incentive Fund	TANF School- Aged Child Care Fund
Expenditures:							
Current:							
Instruction	6,591	2,098	-	-	-	474,070	-
Support Services - Students	3,471	-	-	-	-	-	-
Support Services - Instruction	-	46,575	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-	10,652	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
Total expenditures	<u>10,062</u>	<u>48,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484,722</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing uses:							
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as previously reported	-	-	3,000	63	2	-	1
Restatement	-	-	(3,000)	(63)	(2)	-	(1)
Fund balance as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	Special Revenue Funds						
	Technology for Education Fund	Obesity Program Fund	Full Day Kindergarten Fund	Incentives for School Improvement Fund	Summer Bridge Fund	Libraries GO Bond 2004 Fund	Indian Education Act Fund
Revenues:							
Federal sources:							
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
State sources:							
State grant	41,051	-	24,331	-	-	-	-
Local sources:							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
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	Technology for Education Fund	Obesity Program Fund	Full Day Kindergarten Fund	Incentives for School Improvement Fund	Summer Bridge Fund	Libraries GO Bond 2004 Fund	Indian Education Act Fund
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	-	-	24,331	-	-	-	-
Support Services - Students	36,882	-	-	-	-	-	-
Support Services - Instruction	4	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	4,165	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>41,051</u>	<u>-</u>	<u>24,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-	-	-	-
<b>Other financing uses:</b>							
Transfers out	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance as previously reported</b>	11,631	135	207	68,565	107	-	-
<b>Restatement</b>	<u>(11,631)</u>	<u>(135)</u>	<u>(207)</u>	<u>(68,565)</u>	<u>(107)</u>	<u>-</u>	<u>-</u>
<b>Fund balance as restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

**Special Revenue Funds**

	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Legislative Appropriation Fund	Kindergarten 3-Plus Fund	State 21st Century Fund	Libraries GO Bond 2006 Fund	Water Conservation Fund
<b>Revenues:</b>							
<b>Federal sources:</b>							
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-	-
<b>State sources:</b>							
State grant	80,211	22,724	23,848	534,617	58,523	12,833	7,109
<b>Local sources:</b>							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
<b>Total revenue</b>	<u>80,211</u>	<u>22,724</u>	<u>23,848</u>	<u>534,617</u>	<u>58,523</u>	<u>12,833</u>	<u>7,109</u>



	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Legislative Appropriation Fund	Kindergarten 3-Plus Fund	State 21st Century Fund	Libraries GO Bond 2006 Fund	Water Conservation Fund
Expenditures:							
Current:							
Instruction	48,148	-	23,848	474,773	58,523	-	6,920
Support Services - Students	-	-	-	34,065	-	-	-
Support Services - Instruction	-	-	-	-	-	12,833	-
Support Services - General Administration	-	-	-	-	-	-	189
Support Services - School Administration	-	-	-	10,144	-	-	-
Central Services	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	12,792	-	-	-
Student Transportation	-	-	-	2,843	-	-	-
Food Services	-	22,724	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>48,148</u>	<u>22,724</u>	<u>23,848</u>	<u>534,617</u>	<u>58,523</u>	<u>12,833</u>	<u>7,109</u>
Excess (deficiency) of revenues over expenditures	32,063	-	-	-	-	-	-
Other financing uses:							
Transfers out	<u>(32,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as previously reported	46,447	-	-	118,237	-	-	-
Restatement	<u>(46,447)</u>	<u>-</u>	<u>-</u>	<u>(118,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

Special Revenue Funds								
	Basketball Program Fund	Library Books Fund	Assist Tobacco Fund	Healthier Schools Fund	Gear Up Fund	Yes I Can Fund	School Based Health Center Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>								
<b>Federal sources:</b>								
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638,253
Federal direct grants	-	-	-	-	-	-	-	259,061
Food and milk reimbursements	-	-	-	-	-	-	-	1,484,257
USDA Commodities	-	-	-	-	-	-	-	75,156
<b>State sources:</b>								
State grant	7,100	7,242	43,471	9,454	79,935	-	210,105	1,286,950
<b>Local sources:</b>								
Grant	-	-	-	-	-	35,487	-	578,944
District school tax levy	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	223,553
Earnings from investments	-	-	-	-	-	-	-	26
<b>Total revenue</b>	<b>7,100</b>	<b>7,242</b>	<b>43,471</b>	<b>9,454</b>	<b>79,935</b>	<b>35,487</b>	<b>210,105</b>	<b>6,572,388</b>

	Basketball Program Fund	Library Books Fund	Assist Tobacco Fund	Healthier Schools Fund	Gear Up Fund	Yes I Can Fund	School Based Health Center Fund	Total Nonmajor Special Revenue Funds
Expenditures:								
Current:								
Instruction	7,100	-	1,998	-	53,922	12,901	-	3,161,828
Support Services - Students	-	-	41,473	9,454	16,523	22,586	210,105	878,552
Support Services - Instruction	-	7,242	-	-	9,490	-	-	172,978
Support Services - General Administration	-	-	-	-	-	-	-	155,302
Support Services - School Administration	-	-	-	-	-	-	-	48,433
Central Services	-	-	-	-	-	-	-	52,798
Operations & Maintenance of Plant	-	-	-	-	-	-	-	28,543
Student Transportation	-	-	-	-	-	-	-	10,639
Food Services	-	-	-	-	-	-	-	1,942,944
Community Services	-	-	-	-	-	-	-	63,804
Capital outlay	-	-	-	-	-	-	-	42,386
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>7,100</b>	<b>7,242</b>	<b>43,471</b>	<b>9,454</b>	<b>79,935</b>	<b>35,487</b>	<b>210,105</b>	<b>6,558,207</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	14,181
Other financing uses:								
Transfers out	-	-	-	-	-	-	-	(32,063)
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,882)</b>
Fund balance as previously reported	-	-	-	40,862	-	15,597	32,213	851,994
Restatement	-	-	-	(40,862)	-	(15,597)	(32,213)	(709,799)
Fund balance as restated	-	-	-	-	-	-	-	142,195
<b>Fund balance at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,313</b>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	Debt Service Funds			Capital Projects Funds		
	Debt Services	Ed Tech Debt	Total	Special Capital	Special Capital	Capital
	Fund	Service	Nonmajor	Outlay - Local	Outlay - State	Improvements
	Fund	Fund	Debt Service	Fund	Fund	SB-9
	Fund	Fund	Funds	Fund	Fund	Fund
Revenues:						
Federal sources:						
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
State sources:						
State grant	-	-	-	-	-	257,399
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	849,147	1,328,201	2,177,348	-	-	1,831,002
Fees and activities	-	-	-	-	-	-
Earnings from investments	1,518	1,445	2,963	-	-	14,786
	850,665	1,329,646	2,180,311	-	-	2,103,187
Total revenue	850,665	1,329,646	2,180,311	-	-	2,103,187

	Debt Services Fund	Ed Tech Debt Service Fund	Total Nonmajor Debt Service Funds	Special Capital Outlay - Local Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund
Expenditures:						
Current:						
Instruction	-	-	-	-	-	-
Support Services - Students	-	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-	-
Support Services - General Administration	10,318	12,980	23,298	-	-	17,853
Support Services - School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	603,794
Student Transportation	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,059,065
Debt service:						
Principal retirement	675,000	920,000	1,595,000	-	-	-
Bond interest paid	115,746	57,849	173,595	-	-	-
Total expenditures	<u>801,064</u>	<u>990,829</u>	<u>1,791,893</u>	<u>-</u>	<u>-</u>	<u>1,680,712</u>
Excess (deficiency) of revenues over expenditures	49,601	338,817	388,418	-	-	422,475
Other financing uses:						
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>49,601</u>	<u>338,817</u>	<u>388,418</u>	<u>-</u>	<u>-</u>	<u>422,475</u>
Fund balance as previously reported	817,974	405,000	1,222,974	32,153	-	1,001,591
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as restated	<u>817,974</u>	<u>405,000</u>	<u>1,222,974</u>	<u>32,153</u>	<u>-</u>	<u>1,001,591</u>
Fund balance at end of the year	<u>\$ 867,575</u>	<u>\$ 743,817</u>	<u>\$ 1,611,392</u>	<u>\$ 32,153</u>	<u>\$ -</u>	<u>\$ 1,424,066</u>

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2009

	Capital Projects Funds		Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Energy Efficiency Act Fund	Ed Technology Equipment Act Fund		
	-	-		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 2,638,253
Federal direct grants	-	-	-	259,061
Food and milk reimbursements	-	-	-	1,484,257
USDA Commodities	-	-	-	75,156
<b>State sources:</b>				
State grant	-	-	257,399	1,544,349
<b>Local sources:</b>				
Grant	-	-	-	578,944
District school tax levy	-	-	1,831,002	4,008,350
Fees and activities	-	-	-	223,553
Earnings from investments	-	10,456	25,242	28,231
<b>Total revenue</b>	-	10,456	2,113,643	10,866,342

	Energy Efficiency Act Fund	Ed Technology Equipment Act Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Expenditures:				
Current:				
Instruction	-	-	-	3,161,828
Support Services - Students	-	-	-	878,552
Support Services - Instruction	-	-	-	172,978
Support Services - General Administration	-	-	17,853	196,453
Support Services - School Administration	-	-	-	48,433
Central Services	-	-	-	52,798
Operations & Maintenance of Plant	-	882,638	1,486,432	1,514,975
Student Transportation	-	-	-	10,639
Food Services	-	-	-	1,942,944
Community Services	-	-	-	63,804
Capital outlay	-	-	1,059,065	1,101,451
Debt service:				
Principal retirement	-	-	-	1,595,000
Bond interest paid	-	-	-	173,595
Total expenditures	-	882,638	2,563,350	10,913,450
Excess (deficiency) of revenues over expenditures	-	(872,182)	(449,707)	(47,108)
Other financing uses:				
Transfers out	-	-	-	(32,063)
Net change in fund balance	-	(872,182)	(449,707)	(79,171)
Fund balance as previously reported	-	1,711,260	2,745,004	4,819,972
Restatement	-	-	-	(709,799)
Fund balance as restated	-	1,711,260	2,745,004	4,110,173
Fund balance at end of the year	\$ -	\$ 839,078	\$ 2,295,297	\$ 4,031,002

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## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**FOOD SERVICES**

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

**ATHLETICS**

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

**TITLE I**

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

**ENTITLEMENT IDEA-B**

The Entitlement IDEA-B 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. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**PRESCHOOL IDEA-B**

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

**FRESH FRUITS AND VEGETABLES**

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

**TITLE I – 1003G**

To strengthen the capacity to carry out program improvement responsibilities required under Sections 1116 and 1117 of Title I of the ESEA by (1) building District capacity to provide leadership in implementing effective school improvement strategies for local educational agencies (LEAs) and schools that have been identified for improvement, are in corrective action, and are in the restructuring process and (2) providing resources to LEAs to support school improvement activities, including the development and implementation of effective restructuring plans. Authorized by Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), Title I.

**ENHANCING EDUCATION**

The technology fund provides financing to purchase computers and software for a District-wide student information system and software licensing for computer labs within the District. The program is funded through the Office of Technology for the State of New Mexico. Authorized by the IASA Improving America School Act PL 103-382.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**TITLE III – INCENTIVE AWARDS**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**TITLE V**

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

**TITLE III ENGLISH LANGUAGE**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**TITLE II TEACHER QUALITY**

To provide grants to State Education Agencies (SEAs) on a formula basis 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 the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

**TITLE IV DRUG FREE SCHOOLS**

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

**21<sup>ST</sup> CENTURY COMMUNITY LIVING CENTERS**

After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

**RURAL & LOW INCOME SCHOOLS**

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**IMMIGRANT FUNDING – TITLE III**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**CARL D PERKINS TECH PREP/JAG/CULINARY/SECONDARY REDISTRIBUTION**

Basic grants assist states and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Public Law 105-332, 20 U.S.C. 2301, et seq.

**TITLE I – STIMULUS**

Use of funds varies, depending on whether a school is operating a schoolwide program under Title I, section 1114 of ESEA or a targeted assistance program under Section 1115 of the ESEA. A school with at least a 40 percent poverty rate may choose to operate a schoolwide program under Section 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. Schoolwide program schools must receive the amount of non-Federal resources they would have received in the absence of Title I funds. All other participating schools must operate targeted assistance programs that provide extra instruction to those children failings, or most at risk of failing, to meet State academic achievement standards. Targeted assistance programs must ensure that Title I services supplement, and do not supplant the regular education programs normally provided with non-Federal funds by local educational agencies. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 U.S.C. 6301 et seq. and the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

**ENTITLEMENT IDEA-B – STIMULUS**

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

**TEACHING AMERICAN HISTORY**

The program is designed to raise student achievement by improving teachers' knowledge and understanding of and appreciation for traditional U.S. history. Grant awards will assist LEAs, in partnership with entities that have content expertise, to develop, document, evaluate, and disseminate innovative and cohesive models of professional development. By helping teachers to develop a deeper understanding and appreciation of U.S. history as a separate subject matter within the core curriculum, these programs will improve instruction and raise student achievement. Elementary and Secondary Education Act of 1965 (ESEA), as amended, Executive Order Subpart1, Title V, Part D, as amended by ESEA, Title II, Part C; American History and Civics Education Act of 2004.

STATE OF NEW MEXICO  
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NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**IMPACT AID SPECIAL EDUCATION / IMPACT AID INDIAN EDUCATION**

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

**GRADS CHILD CARE**

To assist States to develop and implement, or expand and enhance, a comprehensive, statewide system of community-based family resource and support services. Authorized by the Child Abuse Prevention and Treatment Act, 42 U.S.C. et. Seq., as amended, Public Law 104-235.

**TITLE XIX MEDICAID**

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, 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. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 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.

**TANF GRADS**

To provide assistance to needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Authorized by the Social Security Act Title IV, Part A, as amended; Personal Responsibility Act and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 Balance Budget Act of 1997, Public Law 105-33.

**INDIAN ED FORMULA GRANT**

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

**ENLACE UNM**

Programs centered on family and community engagement, student to student mentoring, institution of sound educational policies, development of culturally relevant curricula, and professional development for teachers.

**STATE OF NEW MEXICO  
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**NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008**

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**LANL FOUNDATION**

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

**INTEL FOUNDATION**

To assist schools in education by reducing the student to teacher ratio.

**PNM FOUNDATION**

Classroom innovation grant for the purpose of "Books 'N More." Authority for creation is a grant from PNM.

**NORTHERN NM NETWORK – RURAL EDUCATION**

To account for a grant to purchase software for the STAR Early Literacy Program.

**NORTHERN NM NETWORK – TEACHER INCENTIVE**

For the purpose of developing, implementing, and evaluating a teacher and principal performance-based compensation system.

**TANF SCHOOL-AGED CHILD CARE**

State funding to provide before and after school child care services designed to upgrade the quality of child care.

**TECHNOLOGY FOR EDUCATION**

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

**OBESITY PROGRAM**

To provide for physical activities before and after school.

**FULL DAY KINDERGARTEN**

To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

**INCENTIVE FOR SCHOOL IMPROVEMENTS**

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

**SUMMER BRIDGE**

To account for revenues and expenditures from a state grant to provide funding for summer programs

**LIBRARIES GO BOND 2004**

Funding made available to update and expand library collections.

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NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**INDIAN EDUCATION ACT**

To provide technical assistance to NM public schools, school districts and public charter schools with Native American student enrollment.

**BEGINNING TEACHER MENTORING**

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

**BREAKFAST FOR ELEMENTARY STUDENTS**

To provide elementary students with the nutrition necessary to facilitate learning.

**LEGISLATIVE APPROPRIATION**

To account for a legislative grant for the purpose of purchasing technology equipment

**KINDERGARTEN 3-PLUS**

To provide support for the extension of preschool and kindergarten hours.

**STATE 21<sup>ST</sup> CENTURY**

To provide (1) opportunities for academic enrichment, including providing tutorial services to help students, particularly students in high-poverty areas and those who attend low-performing schools, meet State and local student performance standards in core academic subjects such as reading and mathematics; (2) students a broad array of additional services, programs, and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music, and recreation programs, technology education programs, and character education programs, that are designed to reinforce and complement the regular academic program of participating students; and (3) families of students served by community learning centers opportunities for literacy and related educational development.

**LIBRARIES GO BOND 2006**

Funding made available to update and expand library collections.

**WATER CONSERVATION**

To support environmental education projects that increase the awareness about environmental issues and provide the skills to take responsible actions to protect the environment.

**BASKETBALL PROGRAM**

To support the 6th grade basketball program.

**LIBRARY BOOKS**

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

STATE OF NEW MEXICO  
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NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**ASSIST TOBACCO**

To provide funds to promote tobacco prevention efforts with youths, parents and community.

**HEALTHIER SCHOOLS**

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget by the Taos Board of Education.

**GEAR UP**

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

**YES I CAN**

For field trips and materials and supplies for activities and classes that promote inclusion of students with and without disabilities using the "Yes I Can" curriculum.

**SCHOOL BASED HEALTH CENTER**

To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FOOD SERVICE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 1,458,400	\$ 1,458,400	\$ 1,484,257	\$ 25,857
USDA Commodities	88,000	88,000	-	(88,000)
State sources:				
State grant	150,338	150,338	124,396	(25,942)
Local sources:				
Fees and activities	129,747	129,747	180,618	50,871
Earnings from investments	<u>250</u>	<u>250</u>	<u>26</u>	<u>(224)</u>
 Total revenues	 <u>1,826,735</u>	 <u>1,826,735</u>	 <u>1,789,297</u>	 <u>(37,438)</u>
Expenditures:				
Current:				
Food Services Operations	1,856,227	1,919,489	1,810,248	109,241
Capital outlay:				
Equipment	<u>70,508</u>	<u>7,246</u>	<u>-</u>	<u>7,246</u>
 Total expenditures	 <u>1,926,735</u>	 <u>1,926,735</u>	 <u>1,810,248</u>	 <u>116,487</u>
Excess (deficiency) of revenues over expenditures	(100,000)	(100,000)	(20,951)	79,049
Beginning cash balance budgeted	100,000	100,000	-	(100,000)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>112,931</u>	<u>112,931</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	91,980	<u>\$ 91,980</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(17,498)	
Change in payables			<u>15,373</u>	
			<u>\$ 89,855</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ATHLETICS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Local sources:				
Fees and activities	\$ 49,000	\$ 49,000	\$ 42,935	\$ (6,065)
 Expenditures:				
Current:				
Instruction	<u>68,131</u>	<u>68,131</u>	<u>37,741</u>	<u>30,390</u>
Excess (deficiency) of revenues over expenditures	(19,131)	(19,131)	5,194	24,325
Beginning cash balance budgeted	19,131	19,131	-	(19,131)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>29,264</u>	<u>29,264</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	34,458	<u>\$ 34,458</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 34,458</u>	

STATE OF NEW MEXICO  
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TITLE I SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 1,284,007	\$ 1,263,361	\$ 1,280,770	\$ 17,409
Expenditures:				
Current:				
Instruction	1,284,007	927,690	761,347	166,343
Support Services - Students	-	86,827	84,110	2,717
Support Services - Instruction	-	93,831	91,247	2,584
Support Services - General Administration	-	99,979	92,968	7,011
Central Services	-	53,384	52,798	586
Operation & Maintenance of Plant	-	1,650	1,626	24
	<u>1,284,007</u>	<u>1,263,361</u>	<u>1,084,096</u>	<u>179,265</u>
Excess of revenues over expenditures	-	-	196,674	196,674
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	196,674	<u>\$ 196,674</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(199,568)	
Change in payables			<u>2,894</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 711,508	\$ 873,576	\$ 609,882	\$ (263,694)
Expenditures:				
Current:				
Instruction	271,893	373,228	334,474	38,754
Support Services - Students	348,521	298,345	248,503	49,842
Support Services - General Administration	62,501	60,382	37,891	22,491
Support Services - School Administration	8,518	10,637	8,614	2,023
Operation & Maintenance of Plant	4,890	10,897	9,960	937
Student Transportation	15,185	7,796	7,796	-
Community Services Operations	-	68,268	63,804	4,464
Capital outlay:				
Equipment	-	44,023	31,900	12,123
Total expenditures	<u>711,508</u>	<u>873,576</u>	<u>742,942</u>	<u>130,634</u>
Excess (deficiency) of revenues over expenditures	-	-	(133,060)	(133,060)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(133,060)	<u>\$ (133,060)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			132,595	
Change in payables			<u>465</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

PRESCHOOL IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 22,467	\$ 25,128	\$ 19,882	\$ (5,246)
Expenditures:				
Current:				
Instruction	2,994	17,411	14,229	3,182
Support Services - Students	18,875	7,119	1,978	5,141
Support Services - General Administration	598	598	492	106
Total expenditures	<u>22,467</u>	<u>25,128</u>	<u>16,699</u>	<u>8,429</u>
Excess of revenues over expenditures	-	-	3,183	3,183
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,183	<u>\$ 3,183</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,183)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 36,562	\$ 13,885	\$ (22,677)
 Expenditures:				
Current:				
Food Services Operations	<u>-</u>	<u>36,562</u>	<u>32,691</u>	<u>3,871</u>
Excess (deficiency) of revenues over expenditures	-	-	(18,806)	(18,806)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(18,806)	<u>\$ (18,806)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			17,304	
Change in deferred revenue			<u>1,502</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE I - 1003G SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 150,000	\$ -	\$ (150,000)
Expenditures:				
Current:				
Instruction	-	139,513	124,505	15,008
Capital outlay:				
Equipment	-	10,487	10,486	1
Total expenditures	-	150,000	134,991	15,009
Excess (deficiency) of revenues over expenditures	-	-	(134,991)	(134,991)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(134,991)	<u>\$ (134,991)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			134,991	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE III - INCENTIVE AWARDS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 3,000	\$ -	\$ (3,000)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>3,000</u>	<u>2,467</u>	<u>533</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,467)	(2,467)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,467)	<u>\$ (2,467)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,467</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE III ENGLISH LANGUAGE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 24,508	\$ 53,642	\$ 13,167	\$ (40,475)
Expenditures:				
Current:				
Instruction	24,508	39,533	24,012	15,521
Support Services - Students	-	1,758	157	1,601
Support Services - General Administration	-	6,906	2,414	4,492
Support Services - School Administration	-	5,445	715	4,730
Total expenditures	<u>24,508</u>	<u>53,642</u>	<u>27,298</u>	<u>26,344</u>
Excess (deficiency) of revenues over expenditures	-	-	(14,131)	(14,131)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(14,131)	<u>\$ (14,131)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>14,131</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II TEACHER QUALITY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 269,863	\$ 435,115	\$ 166,503	\$ (268,612)
Expenditures:				
Current:				
Instruction	269,863	336,000	167,134	168,866
Support Services - Students	-	22,387	2,817	19,570
Support Services - General Administration	-	48,078	9,137	38,941
Support Services - School Administration	-	28,650	258	28,392
Total expenditures	<u>269,863</u>	<u>435,115</u>	<u>179,346</u>	<u>255,769</u>
Excess (deficiency) of revenues over expenditures	-	-	(12,843)	(12,843)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(12,843)	<u>\$ (12,843)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			15,665	
Change in payables			<u>(2,822)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 17,769	\$ 17,769	\$ 4,864	\$ (12,905)
Expenditures:				
Current:				
Instruction	-	16,352	7,054	9,298
Support Services - Students	17,000	853	852	1
Support Services - General Administration	769	564	214	350
Total expenditures	<u>17,769</u>	<u>17,769</u>	<u>8,120</u>	<u>9,649</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,256)	(3,256)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,256)	<u>\$ (3,256)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>3,256</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

21ST CENTURY COMMUNITY LIVING CENTERS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 69,695	\$ 69,695	\$ 107,812	\$ 38,117
Expenditures:				
Current:				
Instruction	67,706	17,744	17,288	456
Support Services - Students	-	49,962	49,025	937
Support Services - General Administration	<u>1,989</u>	<u>1,989</u>	<u>1,801</u>	<u>188</u>
Total expenditures	<u>69,695</u>	<u>69,695</u>	<u>68,114</u>	<u>1,581</u>
Excess of revenues over expenditures	-	-	39,698	39,698
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	39,698	<u>\$ 39,698</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(39,698)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 171,261	\$ 171,261	\$ 85,561	\$ (85,700)
Expenditures:				
Current:				
Instruction	56,471	149,991	84,415	65,576
Support Services - Students	-	7,380	1,630	5,750
Support Services - General Administration	114,790	13,890	4,848	9,042
Total expenditures	<u>171,261</u>	<u>171,261</u>	<u>90,893</u>	<u>80,368</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,332)	(5,332)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,332)	<u>\$ (5,332)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,189	
Change in payables			<u>4,143</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE III IMMIGRANT FUNDING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 23,145	\$ 23,145
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	23,145	23,145
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	23,145	<u>\$ 23,145</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(23,145)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CARL D PERKINS - JAG SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 20,000	\$ 20,000
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	20,000	20,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	20,000	<u>\$ 20,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(20,000)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CARL D PERKINS TECH PREP SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 170,020	\$ 23,889	\$ (146,131)
<b>Expenditures:</b>				
Current:				
Instruction	-	141,408	36,461	104,947
Support Services - Students	-	3,441	3,404	37
Support Services - Instruction	-	350	-	350
Support Services - General Administration	-	4,872	3,165	1,707
Support Services - School Administration	-	18,449	18,050	399
Operation & Maintenance of Plant	-	1,500	-	1,500
	<u>-</u>	<u>170,020</u>	<u>61,080</u>	<u>108,940</u>
Excess (deficiency) of revenues over expenditures	-	-	(37,191)	(37,191)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(37,191)	<u>\$ (37,191)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			64,215	
Change in payables			<u>(27,024)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CARL D PERKINS - CULINARY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 43,894	\$ 43,894	\$ 28,294	\$ (15,600)
Expenditures:				
Current:				
Instruction	36,219	36,219	30,807	5,412
Support Services - Instruction	6,375	6,375	5,587	788
Support Services - General Administration	<u>1,300</u>	<u>1,300</u>	<u>988</u>	<u>312</u>
Total expenditures	<u>43,894</u>	<u>43,894</u>	<u>37,382</u>	<u>6,512</u>
Excess (deficiency) of revenues over expenditures	-	-	(9,088)	(9,088)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(9,088)	<u>\$ (9,088)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>9,088</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CARL D PERKINS SECONDARY REDISTRIBUTION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 30,801	\$ 10,962	\$ (19,839)
Expenditures:				
Current:				
Instruction	-	28,512	19,116	9,396
Support Services - Students	-	2,289	-	2,289
Total expenditures	-	30,801	19,116	11,685
Excess (deficiency) of revenues over expenditures	-	-	(8,154)	(8,154)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(8,154)	<u>\$ (8,154)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			8,154	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE I - STIMULUS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 281,666	\$ -	\$ (281,666)
Expenditures:				
Current:				
Instruction	-	261,561	680	260,881
Support Services - Students	-	2,000	-	2,000
Support Services - General Administration	-	18,105	-	18,105
Total expenditures	-	281,666	680	280,986
Excess (deficiency) of revenues over expenditures	-	-	(680)	(680)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(680)	<u>\$ (680)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>680</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ENTITLEMENT IDEA-B - STIMULUS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 142,945	\$ -	\$ (142,945)
<b>Expenditures:</b>				
Current:				
Instruction	-	114,746	96,553	18,193
Support Services - Students	-	24,543	7,913	16,630
Support Services - General Administration	-	3,656	-	3,656
	-	142,945	104,466	38,479
Excess (deficiency) of revenues over expenditures	-	-	(104,466)	(104,466)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(104,466)	<u>\$ (104,466)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			109,994	
Change in payables			<u>(5,528)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TEACHING AMERICAN HISTORY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ 276,358	\$ 276,358	\$ -	\$ (276,358)
<b>Expenditures:</b>				
Current:				
Support Services - Students	268,233	268,233	-	268,233
Support Services - General Administration	<u>8,125</u>	<u>8,125</u>	<u>-</u>	<u>8,125</u>
Total expenditures	<u>276,358</u>	<u>276,358</u>	<u>-</u>	<u>276,358</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	64,002	4,133	59,869
Support Services - Students	-	2,833	6,487	(3,654)
Total expenditures	-	66,835	10,620	56,215
Excess (deficiency) of revenues over expenditures	-	(50,353)	24,584	74,937
Beginning cash balance budgeted	-	50,353	-	(50,353)
Fund balance as previously reported	-	-	112,894	112,894
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	24,584	<u>\$ 24,584</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			112,894	
Change in deferred revenue			<u>(137,478)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	27,354	9,081	18,273
Support Services - Students	-	-	6,487	(6,487)
Total expenditures	-	27,354	15,568	11,786
Excess (deficiency) of revenues over expenditures	-	(3,948)	10,012	13,960
Beginning cash balance budgeted	-	3,948	-	(3,948)
Fund balance as previously reported	-	-	67,706	67,706
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10,012	<u>\$ 10,012</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			67,706	
Change in deferred revenue			(77,718)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GRADS CHILD CARE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 5,000	\$ 5,000	\$ -
 Expenditures:				
Current:				
Instruction	-	<u>5,000</u>	-	<u>5,000</u>
Excess of revenues over expenditures	-	-	5,000	5,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,000	<u>\$ 5,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,444)	
Change in deferred revenue			<u>(2,556)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE XIX MEDICAID SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 308,644	\$ 97,630	\$ (211,014)
Expenditures:				
Current:				
Instruction	-	155,539	121,049	34,490
Support Services - Students	-	153,105	90,198	62,907
Total expenditures	-	308,644	211,247	97,397
Excess (deficiency) of revenues over expenditures	-	-	(113,617)	(113,617)
Fund balance as previously reported	-	-	192,132	192,132
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(113,617)	<u>\$ (113,617)</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			192,132	
Change in deferred revenue			<u>(78,515)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TANF GRADS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 4,000	\$ 4,000	\$ -
 Expenditures:				
Current:				
Instruction	-	4,000	-	4,000
 Excess of revenues over expenditures	-	-	4,000	4,000
 Fund balance at beginning of the year	-	-	-	-
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,000	<u>\$ 4,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(243)	
Change in deferred revenue			<u>(3,757)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 48,122	\$ 46,115	\$ (2,007)
<b>Expenditures:</b>				
Current:				
Instruction	-	46,737	46,561	176
Support Services - General Administration	-	1,385	1,253	132
Total expenditures	-	48,122	47,814	308
Excess (deficiency) of revenues over expenditures	-	-	(1,699)	(1,699)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,699)	<u>\$ (1,699)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>1,699</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ENLACE UNM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 15,000	\$ 15,000	\$ -
Expenditures:				
Current:				
Instruction	-	7,962	6,591	1,371
Support Services - Students	-	7,038	3,471	3,567
Total expenditures	-	15,000	10,062	4,938
Excess of revenues over expenditures	-	-	4,938	4,938
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,938	<u>\$ 4,938</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(4,938)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

LANL FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 50,007	\$ 49,007	\$ (1,000)
Expenditures:				
Current:				
Instruction	-	2,500	2,098	402
Support Services - Instruction	-	47,507	46,575	932
Total expenditures	-	50,007	48,673	1,334
Excess of revenues over expenditures	-	-	334	334
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	334	<u>\$ 334</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(334)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

INTEL FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	3,000	3,000
Restatement	-	-	(3,000)	(3,000)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			3,000	
Change in deferred revenue			(3,000)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

PNM FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	63	63
Restatement	-	-	(63)	(63)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in restatement			63	
Change in deferred revenue			(63)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NORTHERN NM NETWORK - RURAL EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	2	2
Restatement	-	-	(2)	(2)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			2	
Change in deferred revenue			(2)	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

NORTHERN NM NETWORK - TEACHER INCENTIVE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 562,000	\$ 491,516	\$ (70,484)
Expenditures:				
Current:				
Instruction	-	525,881	474,070	51,811
Support Services - School Administration	-	36,119	10,652	25,467
Total expenditures	-	562,000	484,722	77,278
Excess of revenues over expenditures	-	-	6,794	6,794
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	6,794	<u>\$ 6,794</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(6,794)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TANF SCHOOL-AGED CHILD CARE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	1	1
Restatement	-	-	(1)	(1)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			1	
Change in deferred revenue			(1)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 61,107	\$ 55,715	\$ (5,392)
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	61,107	36,882	24,225
Support Services - Instruction	-	-	4	(4)
Operation & Maintenance of Plant	-	-	4,165	(4,165)
Total expenditures	-	61,107	41,051	20,056
Excess of revenues over expenditures	-	-	14,664	14,664
Fund balance as previously reported	-	-	11,631	11,631
Restatement	-	-	(11,631)	(11,631)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	14,664	<u>\$ 14,664</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in restatement			11,631	
Change in deferred revenue			(26,295)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

OBESITY PROGRAM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	135	135
Restatement	-	-	(135)	(135)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			135	
Change in deferred revenue			(135)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FULL DAY KINDERGARTEN SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance as previously reported	-	-	207	207
Restatement	-	-	(207)	(207)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in restatement			207	
Change in deferred revenue			(207)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 27,736	\$ -	\$ (27,736)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>27,736</u>	<u>24,331</u>	<u>3,405</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(24,331)</u>	<u>(24,331)</u>
 Fund balance as previously reported	-	-	68,565	68,565
Restatement	<u>-</u>	<u>-</u>	<u>(68,565)</u>	<u>(68,565)</u>
Fund balance as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(24,331)</u>	<u>\$ (24,331)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in restatement			68,565	
Change in deferred revenue			<u>(44,234)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SUMMER BRIDGE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
 Excess of revenues over expenditures	-	-	-	-
 Fund balance as previously reported	-	-	107	107
Restatement	-	-	(107)	(107)
Fund balance as restated	-	-	-	-
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in restatement			107	
Change in deferred revenue			(107)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 62,296	\$ 48,148	\$ (14,148)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>62,296</u>	<u>48,148</u>	<u>14,148</u>
 Excess of revenues over expenditures	-	-	-	-
 Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(32,063)</u>	<u>(32,063)</u>
 Net change in fund balance	<u>-</u>	<u>-</u>	<u>(32,063)</u>	<u>(32,063)</u>
 Fund balance as previously reported	-	-	46,447	46,447
Restatement	<u>-</u>	<u>-</u>	<u>(46,447)</u>	<u>(46,447)</u>
Fund balance as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(32,063)	<u>\$ (32,063)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in restatement			46,447	
Change in deferred revenue			<u>(14,384)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 22,724	\$ 22,725	\$ 1
 <b>Expenditures:</b>				
Current:				
Food Services Operations	-	22,724	22,724	-
Excess of revenues over expenditures	-	-	1	1
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	1	\$ 1
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(1)	
			\$ -	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

LEGISLATIVE APPROPRIATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 23,848	\$ 23,848	\$ -
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>23,848</u>	<u>23,848</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

KINDERGARTEN 3-PLUS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ 543,139	\$ 647,797	\$ 469,902	\$ (177,895)
<b>Expenditures:</b>				
Current:				
Instruction	543,139	576,481	474,773	101,708
Support Services - Students	-	36,087	34,065	2,022
Support Services - General Administration	-	2,274	-	2,274
Support Services - School Administration	-	16,500	10,144	6,356
Operation & Maintenance of Plant	-	13,612	12,792	820
Student Transportation	-	2,843	2,843	-
Total expenditures	543,139	647,797	534,617	113,180
Excess (deficiency) of revenues				
over expenditures	-	-	(64,715)	(64,715)
Fund balance as previously reported	-	-	118,237	118,237
Restatement	-	-	(118,237)	(118,237)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(64,715)	\$ (64,715)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in restatement			118,237	
Change in deferred revenue			(53,522)	
			\$ -	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

STATE 21ST CENTURY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 58,062	\$ 107,616	\$ 49,554
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>58,062</u>	<u>58,523</u>	<u>(461)</u>
Excess of revenues over expenditures	-	-	49,093	49,093
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	49,093	<u>\$ 49,093</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(49,093)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARIES GO BOND 2006 SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 13,203	\$ 15,352	\$ 2,149
<b>Expenditures:</b>				
Current:				
Support Services - Instruction	-	13,203	12,833	370
Excess of revenues over expenditures	-	-	2,519	2,519
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,519	<u>\$ 2,519</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(2,519)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

WATER CONSERVATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 7,700	\$ 4,804	\$ (2,896)
Expenditures:				
Current:				
Instruction	-	6,950	6,920	30
Support Services - General Administration	-	750	189	561
 Total expenditures	 -	 7,700	 7,109	 591
Excess (deficiency) of revenues over expenditures	-	-	(2,305)	(2,305)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,305)	<u>\$ (2,305)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,305</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

BASKETBALL PROGRAM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 7,700	\$ 7,100	\$ (600)
<b>Expenditures:</b>				
Current:				
Instruction	-	7,700	7,100	600
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			-	
			\$ -	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY BOOKS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 8,214	\$ 8,214	\$ -
 Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>8,214</u>	<u>7,242</u>	<u>972</u>
Excess of revenues over expenditures	-	-	972	972
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	972	<u>\$ 972</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(972)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ASSIST TOBACCO SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 49,074	\$ 60,292	\$ 11,218
<b>Expenditures:</b>				
Current:				
Instruction	-	2,500	1,998	502
Support Services - Students	-	46,574	41,473	5,101
Total expenditures	-	49,074	43,471	5,603
Excess of revenues over expenditures	-	-	16,821	16,821
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	16,821	\$ 16,821
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(12,226)	
Change in deferred revenue			(4,595)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

HEALTHIER SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 18,162	\$ -	\$ (18,162)
 Expenditures:				
Current:				
Support Services - Students	<u>-</u>	<u>18,162</u>	<u>9,454</u>	<u>8,708</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(9,454)</u>	<u>(9,454)</u>
 Fund balance as previously reported	-	-	40,862	40,862
Restatement	<u>-</u>	<u>-</u>	<u>(40,862)</u>	<u>(40,862)</u>
Fund balance as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(9,454)	<u>\$ (9,454)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in restatement			40,862	
Change in deferred revenue			<u>(31,408)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

GEAR UP SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 80,160	\$ 49,320	\$ (30,840)
Expenditures:				
Current:				
Instruction	-	54,145	53,922	223
Support Services - Students	-	16,524	16,524	-
Support Services - Instruction	-	9,491	9,490	1
Total expenditures	-	80,160	79,936	224
Excess (deficiency) of revenues over expenditures	-	-	(30,616)	(30,616)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(30,616)	<u>\$ (30,616)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>30,616</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

YES I CAN SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 45,497	\$ 29,900	\$ (15,597)
Expenditures:				
Current:				
Instruction	-	14,398	12,901	1,497
Support Services - Students	-	31,095	22,586	8,509
Capital outlay:				
Equipment	-	4	-	4
Total expenditures	-	45,497	35,487	10,010
Excess (deficiency) of revenues over expenditures	-	-	(5,587)	(5,587)
Fund balance as previously reported	-	-	15,597	15,597
Restatement	-	-	(15,597)	(15,597)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(5,587)	\$ (5,587)
RECONCILIATION TO GAAP BASIS:				
Change in restatement			15,597	
Change in deferred revenue			(10,010)	
			\$ -	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 222,023	\$ 142,960	\$ (79,063)
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	222,023	210,105	11,918
Excess (deficiency) of revenues over expenditures	-	-	(67,145)	(67,145)
Fund balance as previously reported	-	-	32,213	32,213
Restatement	-	-	(32,213)	(32,213)
Fund balance as restated	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(67,145)	<u>\$ (67,145)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			34,932	
Change in restatement			32,213	
			<u>\$ -</u>	

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**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

**CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2008**

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**BOND BUILDING FUND**

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

**SPECIAL CAPITAL OUTLAY - LOCAL**

This fund provides financing from local revenues for the construction and improvements to District building and facilities.

**SPECIAL CAPITAL OUTLAY - STATE**

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

**CAPITAL IMPROVEMENTS SB – 9**

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

**ENERGY EFFICIENCY ACT**

State funding that permits governmental agencies of the State of New Mexico to enter into contracts with providers to reduce energy costs. Funding is provided by the State of New Mexico by authority of NMSA 1987-6-23-1.

**ED TECHNOLOGY EQUIPMENT ACT**

Funded from the issuance of Educational Technology Notes to enable the district to acquire educational technology equipment from learning and administrative use in schools and related facilities, and improving related real and personal property to accommodate education technology equipment or any combination thereof. The repayment of the notes is accounted for in the Debt Service Fund.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

BOND BUILDING CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 4,122	\$ 4,122
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	1,795,695	482,071	1,313,624
Capital outlay:				
Land and improvements	-	3,217,500	371,969	2,845,531
Construction in progress	-	6,371,689	585,621	5,786,068
Total expenditures	-	11,384,884	1,439,661	9,945,223
Excess (deficiency) of revenues over expenditures	-	(11,384,884)	(1,435,539)	9,949,345
Other financing sources:				
Sale of bonds	-	11,384,884	10,099,999	(1,284,885)
Net change in fund balance	-	-	8,664,460	8,664,460
Fund balance as previously reported	-	-	-	-
Restatement	-	-	1,486,584	1,486,584
Fund balance as restated	-	-	1,486,584	1,486,584
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10,151,044	<u>\$ 10,151,044</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			(597,829)	
			<u>\$ 9,553,215</u>	



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>32,153</u>	<u>32,153</u>	<u>-</u>	<u>32,153</u>
Excess (deficiency) of revenues over expenditures	(32,153)	(32,153)	-	32,153
Beginning cash balance budgeted	32,153	32,153	-	(32,153)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>32,153</u>	<u>32,153</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	32,153	<u>\$ 32,153</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 32,153</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ 54,967	\$ 54,967	\$ -	\$ (54,967)
Expenditures:				
Current:				
Operation & Maintenance of Plant	29,967	29,967	-	29,967
Capital outlay:				
Construction in progress	<u>25,000</u>	<u>25,000</u>	-	<u>25,000</u>
Total expenditures	<u>54,967</u>	<u>54,967</u>	-	<u>54,967</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ 257,399	\$ 257,399
Local sources:				
District school tax levy	1,693,044	1,693,074	1,785,322	92,248
Earnings from investments	<u>21,599</u>	<u>21,599</u>	<u>14,786</u>	<u>(6,813)</u>
Total revenues	<u>1,714,643</u>	<u>1,714,673</u>	<u>2,057,507</u>	<u>342,834</u>
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	16,930	16,930	17,853	(923)
Operation & Maintenance of Plant	720,000	749,067	597,191	151,876
Capital outlay:				
Land and improvements	100,000	170,000	142,512	27,488
Buildings and improvements	65,000	1,213	-	1,213
Equipment	70,000	125,272	120,472	4,800
Construction in progress	<u>1,044,890</u>	<u>954,368</u>	<u>796,082</u>	<u>158,286</u>
Total expenditures	<u>2,016,820</u>	<u>2,016,850</u>	<u>1,674,110</u>	<u>342,740</u>
Excess (deficiency) of revenues over expenditures	(302,177)	(302,177)	383,397	685,574
Beginning cash balance budgeted	302,177	302,177	-	(302,177)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,001,591</u>	<u>1,001,591</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,384,988	<u>\$ 1,384,988</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			25,324	
Change in due from other governments			37,030	
Change in payables			(6,602)	
Change in deferred property taxes			<u>(16,674)</u>	
			<u>\$ 1,424,066</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ENERGY EFFICIENCY ACT CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ 116,311	\$ 116,311	\$ -	\$ (116,311)
 Expenditures:				
Capital outlay:				
Construction in progress	<u>116,311</u>	<u>116,311</u>	-	<u>116,311</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ 8,105	\$ 8,105	\$ 10,456	\$ 2,351
Expenditures:				
Current:				
Operation & Maintenance of Plant	708,283	1,208,283	882,638	325,645
Capital outlay:				
Equipment	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,208,283</u>	<u>1,208,283</u>	<u>882,638</u>	<u>325,645</u>
Excess (deficiency) of revenues over expenditures	(1,200,178)	(1,200,178)	(872,182)	327,996
Beginning cash balance budgeted	1,200,178	1,200,178	-	(1,200,178)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,711,260</u>	<u>1,711,260</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	839,078	<u>\$ 839,078</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 839,078</u>	

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUND  
Year Ended June 30, 2008

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**DEBT SERVICE FUND**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**ED TECH DEBT SERVICE FUND**

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICES FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 790,747	\$ 790,747	\$ 831,333	\$ 40,586
Earnings from investments	<u>1,400</u>	<u>1,400</u>	<u>1,518</u>	<u>118</u>
<b>Total revenues</b>	<u>792,147</u>	<u>792,147</u>	<u>832,851</u>	<u>40,704</u>
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	8,000	8,000	10,318	(2,318)
Debt service:				
Principal retirement	675,000	675,000	675,000	-
Bond interest paid	115,747	115,747	115,746	1
Reserves	<u>651,670</u>	<u>651,670</u>	<u>-</u>	<u>651,670</u>
<b>Total expenditures</b>	<u>1,450,417</u>	<u>1,450,417</u>	<u>801,064</u>	<u>649,353</u>
Excess (deficiency) of revenues over expenditures	(658,270)	(658,270)	31,787	690,057
Beginning cash balance budgeted	658,270	658,270	-	(658,270)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>817,974</u>	<u>817,974</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	849,761	<u>\$ 849,761</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable				(101,063)
Change in due from other governments				17,876
Change in deferred property taxes				<u>101,001</u>
				<u>\$ 867,575</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECH DEBT SERVICE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
District school tax levy	\$ 1,060,674	\$ 1,060,674	\$ 1,291,808	\$ 231,134
Earnings from investments	<u>5,500</u>	<u>5,500</u>	<u>1,445</u>	<u>(4,055)</u>
Total revenues	<u>1,066,174</u>	<u>1,066,174</u>	<u>1,293,253</u>	<u>227,079</u>
Expenditures:				
Current:				
Support Services - General Administration	8,222	8,222	12,980	(4,758)
Debt service:				
Principal retirement	945,000	945,000	1,445,000	(500,000)
Bond interest paid	<u>115,674</u>	<u>115,674</u>	<u>115,673</u>	<u>1</u>
Total expenditures	<u>1,068,896</u>	<u>1,068,896</u>	<u>1,573,653</u>	<u>(504,757)</u>
Excess (deficiency) of revenues over expenditures	(2,722)	(2,722)	(280,400)	(277,678)
Beginning cash balance budgeted	2,722	2,722	-	(2,722)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>405,000</u>	<u>405,000</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	124,600	<u>\$ 124,600</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			4,844	
Change in due from other governments			25,931	
Change in payables			582,825	
Change in deferred property taxes			<u>5,617</u>	
			<u>\$ 743,817</u>	

**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2009</u>
90180	Academic Achievement Letter	\$ -	\$ 2,000	\$ 1,384	\$ 616
90700	District Scholarship	3,979	10,501	9,410	5,070
90702	Student Nutrition Employee Assoc.	2,022	5,197	7,191	28
90703	Two-Mill Levy Costs/Supplies	1,122	6,160	3,625	3,657
90704	Insurance Adjustments/Supplies	2,329	3,278	2,906	2,701
90705	Staff Lounge Account/Supplies	862	81	899	44
90706	Empty Bowl/Charity/Supplies	322	-	-	322
90707	Chrysalis Alternative/Supplies	112	-	-	112
90708	Discovery Program/Supplies	54,700	58,989	83,254	30,435
90709	District Book Fair/Supplies	389	-	-	389
90710	Food/Staffs Vending	1,253	509	-	1,762
90713	Nmpsia - Administration	-	2,971,320	2,236,239	735,081
90714	Administration Scholarship Fund	400	280	679	1
90715	Pj Valdez Mem. Scholarship Fund	500	4,500	5,000	-
90716	Sbhc/Medicaid	-	26,713	852	25,861
90717	Preschool - La Puerta	-	3,958	470	3,488
90800	Interest/Now Account	2,089	-	1,075	1,014
90801	General Fund/Admin.	349	12,842	125	13,066
90802	Activity Trip/ Outside Agency	4,690	5,613	4,396	5,907
90803	Pepsi Commission	206	-	206	-
90804	Pepsi / Rights Fees	10,935	-	10,935	-
90806	Pepsi / Student Ed. Award	1,711	-	1,711	-
90807	Brain Injury Team	34	-	-	34
91170	General Activity - High School	293	5,200	1,200	4,293
91171	Elf Inc	124	-	-	124
91172	North Central Dist. Student Council	126	195	228	93
91173	Business Prof. Of America	608	9,387	9,228	767
91174	German Club	1	-	-	1
91176	Class Of 2008	828	-	828	-
91179	Class Of 2012	-	742	-	742
91183	Jv Cheerleaders	127	-	-	127
91187	Teen Clinic	433	-	-	433
91189	Taoseno	385	-	-	385
91190	9th Girls Basket Ball	8	-	-	8
91191	Athletic Poster	7,712	5,865	4,490	9,087
91193	Student Parking	14	3,772	2,891	895
91196	Family & Consumer	1,944	8,327	6,506	3,765
91198	Intro Basic Culinary	2,178	3,668	5,569	277
91199	Jede	438	-	270	168
91200	Tourneys	4,149	273	1,605	2,817
91204	Ths Scholarship	294	507	-	801
91205	Ths Varsity Cheerleaders	\$ 1	\$ 33,043	\$ 27,947	\$ 5,097

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2009</u>
91206	Ths Drill Team	\$ 2,296	\$ 13,280	\$ 13,744	\$	1,832
91207	Ths Ffa	2,281	957	808		2,430
91208	Culinary (Fha)	5,085	18,506	19,037		4,554
91209	Ths Don Fernando Ybk.	21,506	24,911	31,655		14,762
91210	Industrial Arts	1,320	1	771		550
91211	Ths Letterman Club	314	2,142	-		2,456
91212	Ths Library	362	214	-		576
91214	Ths Woodwork Program	294	1,573	1,140		727
91215	Ths Ski Club	3,046	1,395	1,025		3,416
91217	Ths Student Council	1,033	5,507	6,123		417
91218	Ths Art Club	60	1,739	1,265		534
91219	Ths Kiva Club	17	-	-		17
91220	Performing Arts	3,501	7,250	-		10,751
91221	Tobacco Youth	283	-	250		33
91222	Class Of 2010	2,667	7,230	3,949		5,948
91223	The Earth Club	90	951	342		699
91224	Ths Natn's Honor	5	40	-		45
91225	Ths Letter Girls	1,793	-	-		1,793
91227	Ths Invitational	15,208	7,272	10,385		12,095
91228	Ths Tiger Baseball	896	4,624	1,870		3,650
91229	Ths Pep Club	316	-	-		316
91232	Ths Welding Class	29	-	-		29
91235	Ths Drama	5,608	1,110	3,195		3,523
91236	Ths Science Dept	1,866	1,891	735		3,022
91237	Mecha	285	-	-		285
91239	Ths Building Trades	154	-	-		154
91240	Boys Soccer	1,785	6,265	7,544		506
91241	Spanish Class	375	1,399	215		1,559
91245	Ths Wrestling Club	1,166	997	1,030		1,133
91246	Ths Counseling Dept	3,062	494	546		3,010
91248	Ths Speech/Debate	124	4,382	2,303		2,203
91249	Ths Boys Track	1,006	45	762		289
91251	Ths Vocational	123	-	-		123
91255	Ths Basketball Boys	1,321	5,240	2,237		4,324
91256	Ths Intermurals	17	-	-		17
91257	Jv Boys Basketball	33	-	-		33
91258	Ths Social Studies	22	-	-		22
91259	Class Of 2009	5,746	3,956	8,025		1,677
91261	Class Of 2011	1,679	1,808	107		3,380
91262	Ths Mariachi Band	-	7,904	7,909		(5)
91263	Swim Team	2,559	2,476	1,624		3,411
91264	Ths Girls Soccer	\$ 200	\$ -	\$ -	\$	200

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2009</u>
91265	Ths Girl's Basketball	\$ 987	\$ 2,846	\$ 2,277	\$ 1,556
91266	Ths Quarterback Club	3,760	440	3,715	485
91268	Ths Cross Country	134	-	-	134
91271	Grads/Child Care	2,151	1,960	2,625	1,486
91272	Ths Volleyball Club	-	1,500	116	1,384
91273	Ths Math Class	1,423	1	737	687
91276	Ths Sp Ed Account	93	1	-	94
91277	Business/Computer Applications	896	1,960	2,310	546
91278	Anime Club	16	-	-	16
91279	Ths Golf Team	891	-	554	337
91280	Ths Coaches Fund	840	-	700	140
91281	Ths Tennis Club	3,863	-	1,889	1,974
91282	Ths Varsity Softball	612	307	-	919
91284	Ths Band	1,246	-	1,051	195
91286	Mock Trial	279	-	-	279
91287	Poetry Entrepreneurship	483	4,355	2,539	2,299
91288	After Sch & Summer Sch	6,475	2,698	7,851	1,322
91292	Ths Girls Track	252	-	-	252
91293	Enterprenaurship	25	-	-	25
91294	Taos Mtn Masters	455	-	-	455
91297	Advanced Placement	718	2,381	1,974	1,125
91298	Snowboarding	3,519	-	-	3,519
91299	Yearbook (Pay For Yearbook)	200	1,918	-	2,118
91300	Concession - High School	13,141	10,887	13,060	10,968
92299	Tms Project Get Ahead	59	-	-	59
92301	Tms General Account	5,232	3,099	6,957	1,374
92302	Tms Ath Concessions	220	-	-	220
92303	Staff Wellness	-	320	250	70
92304	Tms Entrepreneur Program	5,986	2,196	2,100	6,082
92305	Tms Art Club	-	40	-	40
92307	Tms Special Ed	564	-	-	564
92309	Tms Staff Account	607	-	375	232
92310	Tms Honor Society	234	40	207	67
92311	Tms Library Fund	1,299	2,726	2,122	1,903
92312	Tms Yearbook	12,127	10,531	4,174	18,484
92313	Tms Drill Team	5,823	6,948	12,338	433
92314	Tms Ski Club	3,777	2,978	3,301	3,454
92315	Tms Student Council	2,108	-	530	1,578
92316	Tms Cad	653	2,940	2,616	977
92317	Tms Band	4,292	1	-	4,293
92320	8th Girls Basketball	22	-	-	22
92322	Tms Computer Lab	\$ 1,529	\$ -	\$ -	\$ 1,529

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2009</u>
92323	Tms Home Ec	\$ 139	\$ -	\$ 100	\$ 39
92324	Tms Spanish Spelling Bee Club	34	-	-	34
92325	Tms Counseling	33	-	-	33
92327	7th Girls Basketball	1	-	-	1
92330	7th/8th Boys Track	359	3,278	2,955	682
92331	Tms End-Of Year Field Trips	116	-	-	116
92332	Tms Football	-	583	250	333
92334	Tasp/Dorsey	19	-	-	19
92337	Tms Cheer	-	9,197	5,047	4,150
92339	Tms Volleyball	26	-	-	26
92343	Tms Chorus	1,150	-	-	1,150
92351	Language Arts Dept	271	5	-	276
92356	Tms Science Fair	725	2,117	2,254	588
92357	Bernadette Maes	779	-	-	779
92359	Girls Track/ 7th & 8th	214	-	-	214
92361	Art Fund/Stevens	97	1,258	907	448
92363	Tms Snowboard Club	4,397	2,585	3,549	3,433
92364	Tms School Beautification	1,955	542	2,000	497
92367	Spelling Bee	625	-	-	625
92368	Tms/Ruiz Classroom	149	-	-	149
92369	Level D - Sp Ed	53	-	53	-
92709	Tms Vehicle Fund	835	-	-	835
93399	Enos/Tes Gernal Account	10,738	4,738	5,927	9,549
93400	Eges-Activity	3,636	1,493	1,017	4,112
93401	Eges Yearbook	27	241	-	268
93402	Eges Ski Club	3,250	5,451	6,224	2,477
93403	Eges Student Council	503	-	-	503
93404	Eges Library	4,496	-	871	3,625
93405	Eges Romo	1,227	191	970	448
93406	Eges Landscape	2,906	-	634	2,272
93407	Eges Computer Lab	14	-	-	14
93408	Eges Enhancement	405	-	-	405
93410	Eges/ Karen Martinez	844	-	134	710
93411	Eges/ Amanda	1,089	-	244	845
93412	Eges Bb Tourney	1,506	1	514	993
93413	Eges/ S. Blair	35	-	-	35
93414	Eges/ E. Taylor	472	239	409	302
93415	First Grade-Walmart	259	-	-	259
93417	Eges Auditorium	27	-	-	27
93418	Eges/ U. Salazar	731	-	44	687
93422	Ege - Sam Balsamo	-	508	225	283
93423	Dance Team	\$ -	\$ 3,469	\$ 3,443	\$ 26

(continued)

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2009</u>
93425	Eges/ Darlene Archuleta	\$ 375	\$ -	\$ 107		\$ 268
93430	Eges Junior Chess Club	135	-	-		135
93431	Eges Playground	5,786	-	-		5,786
93435	Eges/ Patsy Medina	424	-	-		424
93436	Eges/P.A.T.S.	1,632	580	450		1,762
93438	Eges Dual Lang./ Parent	11,216	-	8,078		3,138
93439	Staff Recognition	234	-	-		234
93440	Hands On Science	290	-	-		290
93441	Rubina Quinto	148	671	694		125
93442	Cristina Class	148	1	116		33
93443	Yearbook Pre K - 3rd	3,872	4,974	7,983		863
93444	Eg Courtesy Committee	140	-	-		140
93445	Jason Weisfeld	486	757	349		894
93450	Taos Elem / Library Fund	873	50	498		425
93453	Tes / Indigent Fund	69	-	-		69
93455	Tes/ Branch Toya	30	-	-		30
93459	Tes / Ski - 3rd	55	-	-		55
93460	Tes/ School Activity	1,083	-	155		928
93461	Gail Cortez	353	-	-		353
93462	Tes/ Computer Lab	953	55	-		1,008
93463	2nd Grade Class	993	500	497		996
93464	Stormo Class	499	-	498		1
93465	Eges - Art Fund	917	-	-		917
94499	Res/ General Account	1,019	1,733	1,156		1,596
94500	Ranchos/ Library	2,234	4,476	4,501		2,209
94501	M. Hammer - 3rd Grade	231	-	-		231
94502	Ranchos/ General Student	606	981	209		1,378
94503	Res Els Program	10	-	10		-
94504	T. Pacheco Class	69	-	69		-
94505	Ranchos / Quinn	132	-	-		132
94506	Res- K Renneta	886	-	-		886
94507	Cory Valdez	483	50	-		533
94508	Res- Mae Labelle	2	96	98		-
94509	Lourdes Cordova	211	-	-		211
94510	Res/ Kinder A. Trujillo	455	-	-		455
94512	Res/ Yearbook	355	3,415	2,143		1,627
94514	Res/ R. Mondragon	72	-	72		-
94515	Carla Tonrey Class	153	-	153		-
94516	M. Abeyta/ Pre-K	111	-	-		111
94517	Res/ Ski Club	612	2,520	825		2,307
94518	Res/ J. Martinez	-	16	-		16
94519	Res/ 5th Grade	\$ 1	\$ -	\$ -		\$ 1

(continued)



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2009

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2009</u>
94520	Ranchos/ Tournament	\$ 3,081	\$ -	\$ 99	\$ 2,982
94522	Res/ Student Indigent	249	1,699	846	1,102
94523	M Chacon	100	199	299	-
94524	Res - 4th/ J. Farwell	111	-	111	-
94525	Res/ Pto	261	-	261	-
94526	Title Reading Program	8	1,000	999	9
94527	K. Ortega/ Kinder	90	-	-	90
94528	Hurtado Class	205	-	54	151
94529	Computer Lab	186	-	-	186
94530	Conflict Mediators	-	500	500	-
94531	Hospitality	182	334	251	265
94532	Res/ Playground	116	-	-	116
94533	Res-5th/ M. Aguilar	154	-	7	147
94534	M. Aguirre	94	1	-	95
94535	S. Aronovitch	94	-	94	-
94537	Res - Art Fund	917	-	-	917
94538	Staff Incentives	1,000	2,305	2,400	905
95599	Adne/ General Account	4,531	142	4,200	473
95600	Adne/ Blair	18	-	-	18
95601	Adne/ E. Montoya	87	-	-	87
95602	Sponsor	309	347	-	656
95604	Adne Rivers And Birds	-	167	-	167
95605	Adne/ Alumni Scholarship	840	500	1,230	110
95606	Advisory Council Fundraiser	-	2,553	197	2,356
95607	Principal's/Student	313	3,562	-	3,875
95608	Ande/ Kindergarten	7	-	-	7
95611	Adne/ Library	37	15	-	52
95612	Adne/ Nova	12	-	-	12
95614	Adne/ E. Ortega	15	-	-	15
95615	Adne/ Ski Club	308	3,949	3,587	670
95617	Adne/ N. Gallegos	293	600	617	276
95620	Adne/ Pto Fundraising	1,774	1	-	1,775
95623	Adne/ Basketball Fund	183	6,713	6,338	558
95624	Adne - Art Fund	917	-	-	917
95625	Justice League	-	1,300	1,130	170
95704	Adne/ Adult Basketball League	1,991	-	1,167	824
	Pooled cash and investments	<u>\$ 385,169</u>	<u>\$ 3,464,210</u>	<u>\$ 2,726,902</u>	<u>\$ 1,122,477</u>
	<b><u>LIABILITIES</u></b>				
	Deposits held for others	<u>\$ 385,169</u>	<u>\$ 3,464,210</u>	<u>\$ 2,726,902</u>	<u>\$ 1,122,477</u>

**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

**SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2009**

	<u>First Community Bank</u>	<u>Centinel Bank</u>	<u>The Bank of New York Mellon</u>
Cash on deposit at June 30, 2009	\$ 3,404,143	\$ 12,094,849	\$ 1,292,413
Less FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Uninsured funds	<u>\$ 3,154,143</u>	<u>\$ 11,844,849</u>	<u>\$ 1,042,413</u>
50% collateral requirement	\$ 1,577,072	\$ 5,922,425	\$ 521,207
Pledged collateral	<u>1,997,883</u>	<u>150,389</u>	<u>-</u>
Excess (deficiency) of pledged collateral	<u>\$ 420,811</u>	<u>\$ (5,772,036)</u>	<u>\$ (521,207)</u>

Pledged collateral of financial institutions consists of the following at June 30, 2009

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
<b>First Community Bank:</b>			
FHLB	12/1/2016	284213HP3	\$ 500,000
FHLB	8/1/2017	189414FZ3	50,000
FHLB	8/1/2017	257578DH4	295,000
FHLB	8/1/2017	142735CZ0	850,000
FHLB	8/1/2020	31283K6K9	240,090
FHLB	12/15/2023	31395FS70	62,793
			<u>\$ 1,997,883</u>

The above securities are held at Texas Independent Bank in Dallas, TX.

**Wells Fargo Bank:**

FNCL	8/1/2009	085279JR9	<u>\$ 150,389</u>
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The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION  
June 30, 2009

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 695,523	\$ 21,118,989	\$ (21,040,117)	\$ 32,063	\$ 806,458	\$ -	\$ 806,458
Transportation	41,468	1,033,015	(1,032,316)	-	42,167	-	42,167
Instructional Materials	27,394	267,659	(214,656)	-	80,397	-	80,397
Food Services	75,502	1,789,298	(1,810,249)	-	54,551	-	54,551
Athletics	29,264	42,935	(37,741)	-	34,458	-	34,458
Federal Flowthrough Funds	(828,211)	2,408,619	(2,610,383)	-	(1,029,975)	-	(1,029,975)
Federal Direct Funds	370,045	213,530	(285,250)	-	298,325	-	298,325
Local Grants	3,065	555,523	(543,457)	-	15,131	-	15,131
State Flowthrough Funds	147,555	763,424	(787,526)	(32,063)	91,390	-	91,390
State Direct Funds	14,717	109,611	(132,860)	-	(8,532)	-	(8,532)
Local/State	47,810	172,860	(245,592)	-	(24,922)	-	(24,922)
Bond Building	-	10,104,120	(1,245,489)	-	8,858,631	1,292,413	10,151,044
Special Capital Outlay - Local	32,153	-	-	-	32,153	-	32,153
Capital Improvements SB-9	956,686	2,057,507	(1,674,110)	-	1,340,083	-	1,340,083
Ed Technology Equipment Act	1,711,260	10,456	(882,638)	-	839,078	-	839,078
Debt Services	791,000	832,851	(801,064)	-	822,787	-	822,787
Ed Tech Debt Service	959,416	1,293,253	(1,573,654)	-	679,015	-	679,015
Agency Funds	385,169	3,464,210	(2,726,902)	-	1,122,477	-	1,122,477
<b>Total</b>	<b>\$ 5,459,816</b>	<b>\$ 46,237,860</b>	<b>\$ (37,644,004)</b>	<b>\$ -</b>	<b>\$ 14,053,672</b>	<b>\$ 1,292,413</b>	<b>\$ 15,346,085</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Adjustments to report:</u>	
Operational	Checking	First Community Bank	\$ 2,526,089	Escrow cash	\$ 1,292,413
Student nutrition	Checking	Centinel Bank	1,594	Agency funds	1,122,477
Activity	Checking	Centinel Bank	1,150,002	<b>Total adjustment to the report</b>	<b>\$ 2,414,890</b>
Federal funds	Checking	Centinel Bank	1,849,852	<u>Adjustments to cash:</u>	
Bond Building	Checking	Centinel Bank	9,093,401	Bank Balance	\$ 16,791,405
Capital projects	Checking	Bank of New York Mellon	1,292,413	Outstanding deposits	78,021
Payroll clearing	Checking	First Community Bank	878,054	Outstanding checks	(2,090,607)
<b>Total</b>			<b>\$ 16,791,405</b>	Reconciling errors	567,266
				<b>Total adjustment to cash</b>	<b>\$ 15,346,085</b>

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**SINGLE AUDIT SECTION**

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**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**

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## 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, State Auditor  
and the Board of Education of  
Taos Municipal School District No. 3

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Taos Municipal School District No. 3 as of and for the year ended June 30, 2009, and have issued our report thereon dated May 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Taos Municipal School District No. 3's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Taos Municipal School District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Taos Charter School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we 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 entity's financial statements that is more than inconsequential will not be prevented or detected by Taos Municipal School District No. 3's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Findings 2009 – 1 through 2009 – 9, 2009 – 10C, ACS 2009 – 1, ACS 2009 – 2, ACS 2009 – 4, TCS 2009 – 1 through TCS 2009 – 4, VGS 2009 – 1 through VGS 2009 – 7, FACS 2009 – 1 through FACS 2009 – 6, FACS 2009 – 8 through FACS 2009 – 10, FTCS 2009 – 1 through FTCS 2009 – 7, and FTCS 2009 – 9.

A *material weakness* is a significant deficiency, or combination of significant 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 Taos Municipal School District No. 3's internal control.

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Hector H. Balderas, State Auditor  
and the Board of Education of  
Taos Municipal School District No. 3

Our 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, we consider items 2009 – 3, 2009 – 6, VGS 2009 – 3, FACS 2009 – 3 through FACS 2009 – 5, FACS 2009 – 8, FTCS 2009 – 3 through FTCS 2009 – 5, and FTCS 2009 – 9 to be material weaknesses.

### Compliance and other matters

As part of obtaining reasonable assurance about whether Taos Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items Findings 2009 – 1 through 2009 – 9, 2009 – 10C, ACS 2009 – 1 through ACS 2009 – 4, TCS 2009 – 1 through TCS 2009 – 5, VGS 2009 – 1 through VGS 2009 – 8, FACS 2009 – 1 through FACS 2009 – 10, and FTCS 2009 – 1 through FTCS 2009 – 9.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit management's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the Taos Municipal School District No. 3, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Keystone Accounting, LLC*

May 7, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENT APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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## REPORT ON COMPLIANCE WITH REQUIREMENT APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas, State Auditor  
And the Board of Education  
Taos Municipal School District No. 3

### Compliance

We have audited the compliance of Taos Municipal School District No. 3 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* (Revised May, 2009) that are applicable to each of its major federal programs for the year ended June 30, 2009. Taos Municipal School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cuba Independent School's management. Our responsibility is to express an opinion on Cuba Independent School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards (GAGAS)*, 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Taos Municipal School District No. 3's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Taos Municipal School District No. 3's compliance with those requirements. As described in item 2009 – 10C in the accompanying schedule of findings and questioned costs, Taos Municipal School District No. 3 did not comply with requirements regarding Reporting that are applicable to its Title I Basic Education CFDA #84.010, USDA Child Nutrition CFDA #10.553 and #10.555, and IDEA-B Special Education Cluster CFDA #84.027 and #84.173. Compliance with such requirements is necessary, in our opinion, for Taos Municipal School District No. 3 to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Taos Municipal School District No. 3 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, 2009.

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Taos Municipal School District No. 3

## Internal Control Over Compliance

The management of Taos Municipal School District No. 3 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 our audit, we considered Taos Municipal School District No. 3's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Taos Municipal School District No. 3's internal control over compliance.

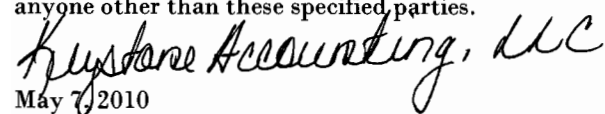
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity'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 combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009 – 10C to be a significant deficiency.

A *material weakness* is a significant deficiency, or 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 entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Taos Municipal School District No. 3's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Taos Municipal School District No. 3's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Taos Municipal School District No. 3, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

  
May 7, 2010

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2009

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A. PRIOR YEAR AUDIT FINDINGS

TAOS MUNICIPAL SCHOOL DISTRICT

06-02 Centralized Accounting - Internal Control

Current Status: Resolved. Not repeated in the current year.

07-02 Employees were overpaid based on their contracts – Compliance

Current Status: Resolved. Not repeated in the current year.

07-03 Amended contracts were not provided to the auditor upon request – Compliance

Current Status: Resolved. Not repeated in the current year.

07-04 Need for time clock and time accountability-Compliance

Current Status: Resolved. Not repeated in the current year.

ANANSI CHARTER SCHOOL

No findings to report.

TAOS CHARTER SCHOOL

No findings to report.

VISTA GRANDE HIGH SCHOOL

No findings to report.

FRIENDS OF ANANSI CHARTER SCHOOL

No findings to report.

FRIENDS OF TAOS CHARTER SCHOOL

No findings to report.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an adverse opinion on the basic financial statements of Taos Municipal School District No. 3.
2. There were nine significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Two significant deficiencies were considered to be material weaknesses.
3. There were nine instances of noncompliance material to the financial statements of Taos Municipal School District No. 3 were disclosed during the audit.
4. There was one significant deficiency disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Taos Municipal School District No. 3 expresses a qualified opinion.
6. There was one audit findings relative to the major federal award programs for Taos Municipal School District No. 3 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: Title I Basic Education CFDA #84.010, USDA Cluster CFDA#10.555 and 10.553, and IDEA B Special Education CFDA #84.027 and #84.173.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Taos Municipal School District No. 3 was not determined to be a low-risk auditee.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

TAOS MUNICIPAL SCHOOL DISTRICT

2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on June 14, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2009.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The District did not contract for audit services for the year ended June 30, 2009 until after the required reporting deadline of November 15, 2009.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 3      UNTIMELY CAPITAL ASSETS SCHEDULE

*Condition:* The Capital Asset Schedule was not complete and accurate at the time of the audit. The schedule of capital asset and depreciation could not be reconciled to the prior year capital asset schedule.

*Criteria:* Section 12-6-10 NMSA 1978 requires each agency to have a complete and accurate capital asset listing.

*Effect of the Condition:* The Foundation is in violation of 12-6-10 NMSA 1978 and without proper record keeping and monitoring the Foundation could be at risk of misappropriation of capital assets.

*Cause:* The Foundation does not have an updated inventory of capital assets and depreciation.

*Recommendation:* The Foundation should update the capital assets and take a physical inventory every two years.

*Management's response:* No response.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2009

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 4 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Impact Aid Special Education Special Revenue Fund	Support Services - Students	\$ 3,654
Impact Aid Indian Education Special Revenue Fund	Support Services - Students	6,487
Technology for Education Special Revenue Fund	Support Services - Instruction	4
Technology for Education Special Revenue Fund	Operations & Maintenance of Plant	4,165
State 21st Century Special Revenue Fund	Instruction	461
Capital Improvements SB-9 Capital Projects Fund	Support Services - Gen Admin	923
Debt Service Fund	Support Services - Gen Admin	2,318
Ed Tech Debt Service Fund	Support Services - Gen Admin	4,758
Ed Tech Debt Service Fund	Principal	500,000

*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines.

*Effect of Condition:* Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

*Cause:* Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Board of Education and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 5 PUBLIC MONIES WERE NOT ADEQUATELY COLLATERALIZED

*Condition:* The securities held by Wells Fargo Bank, one of the district's depository banks, did not provide adequate collateral security as required by state statute for deposits of public monies. The amount of collateral provided was \$5,872,432 less than that required by 1978 NMSA 6-10-17.

*Criteria:* According to New Mexico State Statute (NMSA 1978) 6-10-17, "Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money."

*Effect of condition:* The District's deposits were excessively exposed to risk of loss and the District is not in compliance with 1978 NMSA 6-10-17.

*Recommendation:* It is the responsibility of management to insure that adequate safekeeping of the district's assets is maintained. As part of its fiscal responsibility, management should work closely with its depository banks to closely monitor types and amounts of collateral to meet the state requirements.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 6 BANK ACCOUNTS WERE NOT RECONCILED TO GENERAL LEDGER

*Condition:* The reconciliations for bank accounts did not balance to the amounts in the general ledger with a difference of \$568,244.

*Criteria:* Bank statements should be reconciled to the balances in the general ledger and subsidiary accounts as required by 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

*Effect of condition:* The district is not in compliance with 1978 NMSA 6-10-2 and is lacking a significant control over cash which is a violation of 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

*Cause:* The accounting software is not setup properly in which the cash accounts in the general ledger are not connected to the correct bank accounts. Additionally, there were recording errors in which the wrong general ledger cash account was used in drafting checks.

*Recommendation:* The accounting software should be correctly setup and cash accounts within each fund should be limited to a single account as to prevent inadvertent recording errors while recording cash transactions.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 7 PRENUMBERED RECEIPTS WERE NOT USED

*Condition:* The Foundation did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The Foundation's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of prenumbered documents.

*Cause:* The Foundation is not controlling the issuance and collection of prenumbered receipt books.

*Recommendation:* The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 8 MISSING BACKGROUND CHECKS

*Condition:* Eight of 30 employee files selected for testing had missing background check.

*Criteria:* In accordance 1978 NMSA 22-10A-5, all employees who have access to children are required to have a background check completed and approved.

*Effect of condition:* The school is out of compliance with requirements for 1978 NMSA 22-10A-5.

*Cause:* The district is not maintaining adequate controls over employee hiring.

*Recommendation:* The district should not employ any individual without prior receipt of the cleared background check.

*Management's response:* No response.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS MUNICIPAL SCHOOL DISTRICT (continued)

2009 – 9 MISSING INFORMATION FROM THE EMPLOYEE FILES

*Condition:* 10 of 30 employee files selected for testing had missing I-9 forms.

*Criteria:* In accordance with the federal Immigration and Nationality Act Section 274A, employees are required to prove their citizenship or legal immigrant status prior to employment.

*Effect of condition:* The school is out of compliance with requirements for the Immigration and Nationality Act.

*Cause:* The district is not maintaining adequate controls over employee hiring.

*Recommendation:* The district should not employ any individual without prior completion and verification of the Form I-9.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

ANANSI CHARTER SCHOOL

ACS 2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* The Anansi Charter School will present a plan to its audit committee for the preparation and review of its financial statements in future fiscal years.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

ANANSI CHARTER SCHOOL (continued)

ACS 2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on June 14, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2008.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The Taos Charter School's audit is dependent on the audit of Taos Municipal School District under which they are chartered. That audit and this audit were not started until after the required reporting deadline of November 15, 2009.

*Recommendation:* Taos Charter School should work with Taos Municipal School District to ensure that the audit it initiated and completed by required reporting date.

*Management's response:* The Anansi Charter School will work with the Taos Municipal School District to ensure that any information required for next year's audit is provided timely and in coordination with the time schedule agreed upon by the auditor and the district.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

ANANSI CHARTER SCHOOL (continued)

ACS 2009 – 3 COUNCIL MEMBER MISSING FROM EXIT CONFERENCE

*Condition:* There was not a member of the Governing Council present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Friends of Taos Charter School, Inc. is in violation of SAO Rule 2.2.2.10 J which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* There should be a member of the governing body present at the exit conference.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

ANANSI CHARTER SCHOOL (continued)

ACS 2009 – 4 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Operational	Support Services - Instruction	\$	670
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*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines.

*Effect of Condition:* Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

*Cause:* Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Board of Education and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS CHARTER SCHOOL

TCS 2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* The Taos Charter School will present a plan to its audit committee for the preparation and review of its financial statements in future fiscal years.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS CHARTER SCHOOL (continued)

TCS 2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on May 24, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2008.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The Taos Charter School's audit is dependent on the audit of Taos Municipal School District under which they are chartered. That audit and this audit were not started until after the required reporting deadline of November 15, 2009.

*Recommendation:* Taos Charter School should work with Taos Municipal School District to ensure that the audit it initiated and completed by required reporting date.

*Management response:* The Taos Charter School will work with the Taos Municipal School District to ensure that any information required for next year's audit is provided timely and in coordination with the time schedule agreed upon by the auditor and the district.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS CHARTER SCHOOL (continued)

TCS 2009 – 3      LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Truancy Initiative    Support Services - Students	\$	19
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*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines.

*Effect of Condition:* Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

*Cause:* Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the School Council and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Management response:* The Taos Charter School has as a standing item a Budget Status Report and Budget Adjustment Requests (BARs) on the School Council's monthly board meeting. The School Council and/or the Department of Education approved 39 BARs in FY09, in addition to reviewing an average of two budget status reports each week. It is our intention and practice to closely monitor budgeted expenditures, however, some do occasionally slip by. We will do our best to ensure that expenditures do not exceed budget in all funds in the future.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS CHARTER SCHOOL (continued)

TCS 2009 – 4 UNAUTHORIZED TRANSFERS OF ACTIVITY FUNDS

*Condition:* There were unauthorized transfers of activity funds for the purpose of supplementing deficit cash balances within other activity funds. The total deficit cash balances supplemented at June 30, 2009 was \$2,746.

*Criteria:* Internal control should exist to provide reasonable assurance that no disbursement is made that would result in a deficit balance. The law for this finding is PSAB Supplement 18 and 6-10-2 NMSA 1978.

*Effect of Condition:* The School has violated PSAB Supplement 18 and 6-10-2 NMSA 1978. An over-expensed activity fund must be covered by funds from other activity funds. Funds donated to specific student activities were transferred to other unrelated activities without the proper authorization from donors.

*Cause:* Improper monitoring of line item expenditures and cash balances, resulting in overspending of cash balances.

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the School Council and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Management response:* The Taos Charter School will present a plan to its audit committee for the future management of the School's activity fund and to formalize the oversight activities related to this account.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

TAOS CHARTER SCHOOL (continued)

TCS 2009 – 5 COUNCIL MEMBER NOT PRESENT AT EXIT CONFERENCE

*Condition:* There was not a member of the governing council present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Vista Grande High School is in violation of SAO Rule 2.2.2.10 J, which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* A member of the governing council should be present at the exit conference.

*Management's response:* No response.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL

VGS 2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* The Administration will present a plan to its audit committee for the preparation and review of its financial statements in future fiscal years. Management has verified that it is legal and allowable to contract a CPA if necessary to ensure that financial statements are prepared for the auditor.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on June 14, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2008.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The School's audit is dependent on the audit of Taos Municipal School District under which they are chartered. That audit and this audit were not started until after the required reporting deadline of November 15, 2009.

*Recommendation:* The School should work with Taos Municipal School District to ensure that the audit it initiated and completed by required reporting date.

*Management's response:* The Vista Grande High School should work with the Taos Municipal School District to ensure that the audit is initiated and completed by the required reporting date.

STATE OF NEW MEXICO  
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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 3 CASH RECONCILIATION

*Condition:* The reconciliation of cash is misstated by \$8,452 in stale dated checks.

*Criteria:* As per 6.20.2.14 NMAC, cash control standards, each warrant or check issued is required to have printed on its face the words, “void after one year from date.” Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57 (A), NMSA 1978.

*Effect of condition:* The cash is misstated by \$8,452 and the School is in Violation of Section 6-10-57 (a) NMSA 1978.

*Cause:* The fiscal officer did not review the outstanding check list for stale dated checks.

*Recommendation:* The school should have a policy to routinely review the outstanding checks, and investigate the reason for stale dated checks.

*Management’s response:* The Vista Grande High School will address stale dated checks on a timely basis.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 4 MISSING EMPLOYEE FILE INFORMATION

*Condition:* Out of 21 payroll checks tested there was one missing canceled check, nine missing background checks, and ten were missing Form I-9s.

*Criteria:* accordance with the federal Immigration and Nationality Act Section 274A, employees are required to prove their citizenship or legal immigrant status prior to employment. In accordance 1978 NMSA 22-10A-5, all employees who have access to children are required to have a background check completed and approved.

*Effect of condition:* The School is in violation of federal and state statutes.

*Cause:* The employee information was missing or misfiled.

*Recommendation:* All employee files should be kept and safeguarded to prevent loss of information.

*Management's response:* All employee files should be kept and safeguarded to prevent loss of information.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 5 MISSING CANCELLED CHECKS

*Condition:* Five of the twenty-two cancelled checks were not available for review.

*Criteria:* In accordance with Section 6-20-2-11 NMSA 1978 Internal control structures standards require the school to maintain an internal control structure to provide reasonable assurance that documents are safe guarded against loss or disposition.

*Effect of condition:* The School could be susceptible misappropriation of funds or fraud if canceled checks are missing.

*Cause:* The documents could not be located.

*Recommendation:* The School needs to implement policies and procedures to insure that all required documentations are retained.

*Management's Response:* The Vista Grande High School will have a file for any void checks and all checks are accounted for at present time.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 6 PRENUMBERED RECEIPTS WERE NOT USED

*Condition:* The Foundation did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The Foundation's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of prenumbered documents.

*Cause:* The Foundation is not controlling the issuance and collection of prenumbered receipt books.

*Recommendation:* The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

*Management's response:* The School has purchased new receipt books (March 2010), which are pre-numbered, are 3-part NCR, School Name on them.



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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 7 CONTRACT DOES NOT MATCH THE PAY RATE

*Condition:* The School had one employee whose contract stated that he was paid hourly, and the time card was blank except for signatures, the check stub did not refer to hours worked or hourly pay rate.

*Criteria:* In accordance with 6-20-2-18 NMSA 1978 the school should have internal controls in place so that the employees are paid the correct amount.

*Effect of condition:* Employees pay did not agree with contract, and the school is liable for any differences.

*Cause:* The School needs to pay employees according to the contracts.

*Recommendation:* The School needs to have a procedure which insures that the pay is in accordance with the contract.

*Management's response:* The School has developed an internal procedure which we believe addresses this concern.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

VISTA GRANDE HIGH SCHOOL (continued)

VGS 2009 – 8 COUNCIL MEMBER NOT PRESENT AT EXIT CONFERENCE

*Condition:* There was not a member of the governing council present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Vista Grande High School is in violation of SAO Rule 2.2.2.10 J, which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* A member of the governing council should be present at the exit conference.

*Management's response:* There was not sufficient notification time by Taos Schools prior to the exit meeting to have someone present.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL

FACS 2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* The Friends of Anansi Charter School will present a plan to its board members for the preparation and review of its financial statements in future fiscal years.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on June 14, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2008.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The Taos Charter School's audit is dependent on the audit of Taos Municipal School District under which they are chartered. That audit and this audit were not started until after the required reporting deadline of November 15, 2009.

*Recommendation:* Taos Charter School should work with Taos Municipal School District to ensure that the audit it initiated and completed by required reporting date.

*Management's response:* The Friends of Anansi Charter School will work with the Anansi Charter School and the Taos Municipal School District to ensure that any information required for next year's audit is provided timely and in coordination with the time schedule agreed upon by the auditor and the district.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 3 CASH RECONCILIATION

*Condition:* One of the four accounts were completely missing from the reconciliation. – the escrow account with the USDA office. The known and recorded bank accounts were not being reconciled to the general ledger. The general ledger was out of balance by \$24,451 which was adjusted into the general fund.

*Criteria:* As per 6.10.2 NMAC, it is the duty of every Foundation that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

*Effect of condition:* The Foundation cannot effectively manage money or budget if they are unaware of available funds.

*Cause:* The accounting system did not have a record of all cash accounts. As a result, the Foundation did not have all public monies accounted for and reconciled in accordance with 6.10.2 NMAC. Current administration was not aware of the existence of the bond escrow accounts. Additionally, a bank account previously thought to have been closed was still being used by the sheriff's office.

*Recommendation:* The Foundation needs to maintain awareness of cash accounts associated with debt and bond issues. The Foundation should ascertain that the bank accounts ordered to be closed are in fact closed by confirmation from the bank or receipt of a closing statement. All cash accounts need to be reconciled to the general ledger within five days of receipt of the bank or escrow statement.

*Management's response:* The Foundation has requested a proposal for financial services in order to address its ongoing need for financial services for the remainder of the current fiscal year and going forward into next fiscal year.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 4 GENERAL LEDGER RECONCILIATION

*Condition:* Accounts in the general ledger were not reconciled, and included multiple errors, which allows no assurance that the accounting is correct.

*Criteria:* As per 6.10.2 NMAC, it is the duty of every Foundation that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The general ledger should be reconciled and reviewed timely for proper reporting to oversight agencies.

*Effect of condition:* The Foundation cannot effectively report to oversight agencies without properly recording and reconciling the general ledger.

*Cause:* General ledger accounts should be reviewed and reconciled to insure that the accounts are accurate. Operations proceeded without the review of the general ledger to insure that the accounts were posted correctly and the risk of material misstatement in the financial data was heightened

*Recommendation:* Policies should be implemented to insure that the accounts are reconciled and reviewed on a regular basis.

*Management's response:* The Foundation has requested a proposal for financial services in order to address its ongoing need for financial services for the remainder of the current fiscal year and going forward into next fiscal year.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 5 CAPITAL ASSET LIST AND DEPRECIATION SCHEDULE

*Condition:* The capital asset schedule and depreciation schedule was not complete and accurate at the time of the audit.

*Criteria:* Section 12-6-10 NMSA 1978 requires each agency to have a complete and accurate capital asset list, and GASB 34 requires the agency to have a complete depreciation schedule.

*Effect of condition:* The Foundation is in violation of 12-6-10 NMSA 1978 and without proper record keeping and monitoring the Foundation could be at risk of misappropriation of capital assets.

*Cause:* The Foundation does not have an inventory of capital assets and depreciation.

*Recommendation:* The Foundation should update the capital assets and take a physical inventory every two years.

*Management's Response:* The Foundation is currently preparing an updated capital assets inventory and will prepare a policy addressing the need for an annual physical inventory to address this issue.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 6 PRENUMBERED RECEIPTS WERE NOT USED

*Condition:* The Foundation did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The Foundation's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of prenumbered documents.

*Cause:* The Foundation is not controlling the issuance and collection of prenumbered receipt books.

*Recommendation:* The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

*Management's response:* The Foundation will prepare a policy addressing the need for stricter controls over the custody, use and review of pre-numbered receipts.



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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 7 BOARD MEMBER MISSING FROM EXIT CONFERENCE

*Condition:* There was not a member of the Board of Directors present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Friends of Anansi Charter School, Inc. is in violation of SAO Rule 2.2.2.10 J which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* There should be a member of the governing body present at the exit conference.

*Management's response:* No response.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 8 SELL OF LAND TO A RELATED PARTY WITH A CAPITAL GAIN

*Condition:* Friends of Anansi Charter School, Inc purchased the land and building from a party which included the Executive Director of Anansi Charter School.

*Criteria:* 22-21-1 NMSA 1978 states that no related party shall receive any commission or profit from the sale or instructional material, furniture, and equipment etc.

*Effect of condition:* Friends of Anansi Charter School is in violation of 22-21-1 NMAC 1978.

*Cause:* Friends of Anansi Charter School purchased the property with the Charter School from a party which included the Executive Director of Anansi Charter School for \$1,200,000.

*Recommendation:* The foundation should not purchase property from a related party.

*Management's response:* No response.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 9 LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

*Condition:* The June 30, 2009 audit report and data collection form were sent to the Federal Clearing House after the due date of either 30 days after the date of the audit report or nine months after the year end.

*Criteria:* The OMB A-133 requires the Federal Clearing House Data Collection Form and the audit report be filed either one month after the date of the audit report release, or nine months after the year end.

*Effect of condition:* The report was not available for the filing of the Federal Clearing House report on a timely basis.

*Cause:* Information required to complete the audit was not available from the Foundation.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Management's response:* The Foundation has requested a proposal for financial services in order to address its ongoing need for financial services for the remainder of the current fiscal year and going forward into next fiscal year. The Foundation will work closely with the school administration to ensure that all future information required by the auditors is provided in a timely manner.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF ANANSI CHARTER SCHOOL (continued)

FACS 2009 – 10 RESERVE FOR THE USDA LOAN IS DELINQUENT

*Condition:* The Foundation has a USDA loan with a reserve funding requirement in the amount of at least one-tenth of one yearly loan payment until one yearly loan installment is reached. The reserve needs to be set aside into a separate account. The reserve is unfunded by \$4,817.

*Criteria:* In accordance with the USDA Application for Federal Assistance the Foundation needs to set up a reserve account.

*Effect of condition:* The Foundation's is out of compliance with the USDA reserve requirements..

*Cause:* The Foundation was not aware of the reserve requirements.

*Recommendation:* The Foundation should fund the loan reserve account.

*Management's response:* The Foundation began making monthly installments on its USDA loan in February 2010. The reference to a yearly loan payment and corresponding reserve amount would be based on the interest due in January 2010 (the first annual payment) which was \$62,826.95. One tenth of the loan payment of interest only is \$6,282.69 which for six months equals \$37,696.14 (6 x \$6,282.69). The balance in the Foundation savings account, which was set up as the "Reserve" account, had a balance of \$39,584.48 on June 30, 2009. The Foundation will seek clarification from the USDA regarding any future reserve requirements to ensure that it maintains the loan reserve account at the required level.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL

FTCS 2009 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's response:* The Friends of Taos Charter School will present a plan to its board members for the preparation and review of its financial statements in future fiscal years.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 2 LATE AUDIT REPORT

*Condition:* The June 30, 2009 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2009. The Audit was submitted to the New Mexico State Auditor's Office on June 14, 2010.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2008.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The Taos Charter School's audit is dependent on the audit of Taos Municipal School District under which they are chartered. That audit and this audit were not started until after the required reporting deadline of November 15, 2009.

*Recommendation:* Taos Charter School should work with Taos Municipal School District to ensure that the audit it initiated and completed by required reporting date.

*Management's response:* The Taos Charter School should work with the Taos Municipal School District to ensure that the audit is initiated and completed by the required reporting date.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 3 CAPITAL ASSET LIST AND DEPRECIATION SCHEDULE

*Condition:* The capital asset schedule and depreciation schedule was not complete and accurate at the time of the audit.

*Criteria:* Section 12-6-10 NMSA 1978 requires each agency to have a complete and accurate capital asset list, and GASB 34 requires the agency to have a complete depreciation schedule.

*Effect of condition:* The Foundation is in violation of 12-6-10 NMSA 1978 and without proper record keeping and monitoring the Foundation could be at risk of misappropriation of capital assets.

*Cause:* The Foundation does not have an inventory of capital assets and depreciation.

*Recommendation:* The Foundation should update the capital assets and take a physical inventory every two years.

*Management's Response:* The Foundation is currently preparing an updated capital assets inventory and will prepare a policy addressing the need for an annual physical inventory to address this issue.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 4 DOCUMENTATION OF VOIDED CHECKS WERE MISSING

*Condition:* Two of thirteen checks tested were missing.

*Criteria:* Records are to be filed and retained within the Foundation as prescribed in 1978 NMSA 14-3-13.

*Effect of Condition:* Missing documentation can be susceptible to misuse of funds.

*Cause:* Management should use documentation in numerical order and keep all back up documents to assure is missing documentation for proper documentation.

*Recommendation:* Proper controls should be put into place to ensure that all documentation is used in numerical order and keep all documentation as proof of is kept.

*Management's response:* The Foundation will revisit its business practices to ensure that proper documentation is kept and provided to auditors in future Foundation audits.



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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 5 BACKUP DOCUMENTATION FOR DISBURSEMENT MISSING

*Condition:* Invoice, purchase order and requisition was missing for five of thirteen disbursements tested.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of Condition:* The Foundation's internal controls over cash disbursements were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of documents.

*Cause:* Management is disbursing funds without proper documentation.

*Recommendation:* Proper controls should be put into place to ensure that all documentation is kept.

*Management's response:* The Foundation will revisit its business practices to ensure that proper documentation is kept and provided to auditors in future Foundation audits.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 6 PRENUMBERED RECEIPTS WERE NOT USED

*Condition:* The Foundation did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The Foundation's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of prenumbered documents.

*Cause:* The Foundation is not controlling the issuance and collection of prenumbered receipt books.

*Recommendation:* The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

*Management's response:* The Foundation will prepare a policy addressing the need for stricter controls over the custody, use and review of pre-numbered receipts.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 7    UNTIMELY DEPOSITS

*Condition:* Two of the eleven receipts reviewed were not deposited within one banking day.

*Criteria:* NMAC 6.20.2.14(c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day.

*Effect of condition:* The foundation is in violation of NMAC 6.20.2.14(c). Cash retained by management for extended periods of time are susceptible to misuse or fraud.

*Cause:* Deposits at times were taking more than 24 hours to be deposited in the bank.

*Recommendation:* Receipts should be deposited within one banking day.

*Management's response:* The Foundation will revisit its business practices to ensure that all deposits are made within one banking day.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 8 BOARD MEMBER MISSING FROM EXIT CONFERENCE

*Condition:* There was not a member of the Board of Directors present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Friends of Taos Charter School, Inc. is in violation of SAO Rule 2.2.2.10 J which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* There should be a member of the governing body present at the exit conference.

*Management's response:* No response.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

FRIENDS OF TAOS CHARTER SCHOOL (continued)

FTCS 2009 – 9 SELL OF LAND TO A RELATED PARTY WITH A CAPITAL GAIN

*Condition:* Friends of Taos Charter School, Inc purchased land with an option purchase, then sold the land to Taos Municipal Schools that resulted in a gain of \$76,829.

*Criteria:* 22-21-1 NMSA 1978 states that no related party shall receive any commission or profit from the sale or instructional material, furniture, and equipment etc.

*Effect of condition:* Friends of Taos Charter School is in violation of 22-21-1 NMAC 1978.

*Cause:* Friends of Taos Charter School had an option to purchase land which was purchased for \$52,788. Friends of Taos Charter School exercised the option to purchase the land for \$102,092 in February 2009. In May 2009 Friends of Taos Charter School sold to Taos Municipal Schools the 1.62 acres for \$233,000, which resulted in a gain of \$76,829.

*Recommendation:* The foundation should not sell land to the School for a gain.

*Management's response:* No response.

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C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF INTERIOR AND DEPARTMENT OF EDUCATION

P.L. 81-874 Special / Indian Education CFDA# 84.041  
Title I Basic Education Grant CFDA # 84.010

2009 – 10C LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

*Condition:* The June 30, 2008 audit report and data collection form were sent to the Federal Clearing House after the due date of either 30 days after the date of the audit report or nine months after the year end.

*Criteria:* The OMB A-133 requires the Federal Clearing House Data Collection Form and the audit report be filed either one month after the date of the audit report release, or nine months after the year end.

*Effect of condition:* The report was not available for the filing of the Federal Clearing House report on a timely basis.

*Cause:* Information required to complete the audit was not available from the District.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Management's Response:* Resolved by the Business Office giving all information available to the auditor on a timely basis.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
<u>Child Nutrition -- Cluster:</u>			
USDA National School Lunch Program	10.555	21000	\$ 944,672
USDA School Breakfast Program	10.553	21000	<u>539,585</u>
Total Child Nutrition Cluster			1,484,257
Fresh Fruits and Vegetables	10.582	24118	32,691
Direct Program:			
Forest Reserve	10.670	11000	217,585
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>75,156</u>
Total U.S. Department of Agriculture			<u>1,809,689</u>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	742,477
IDEA-B Preschool	84.173	24109	<u>16,699</u>
Total U.S. Department of Education - Special Education (IDEA-B) Cluster			<u>\$ 759,176</u>

(continued)

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>			
Direct Programs:			
P.L. 81-874 Special / Indian Education	84.041	24245	\$ 133,236
Indian Education Formula	84.060	25184	<u>47,814</u>
Subtotal Direct Programs			<u>181,050</u>
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	1,081,202
Title III English Language	84.365	24153	29,765
Title II Improving Teacher Quality	84.367	24154	182,168
Title IV - Safe and Drug-Free Schools	84.186	24157	8,120
21st Century Community Living Centers	84.287	24159	68,114
Title VI Rural Education	84.358	24160	86,750
Carl D Perkins - Culinary	84.048	24174	144,602
Title I - Stimulus	84.389	24201	135,671
Entitlement IDEA-B - Stimulus	84.391	24206	<u>109,994</u>
Subtotal Pass-Through Programs			<u>1,846,386</u>
Total U.S. Department of Education			<u>2,786,612</u>
<u>U.S. Department of Health and Human Services:</u>			
Pass-Through Program From:			
New Mexico Department of Health:			
Title XIX Medicaid	93.778	25153	<u>211,247</u>
Total Expenditures of Federal Awards			<u>\$ 4,807,548</u>
Charter School Awards:			
Anansi Charter School			
Entitlement IDEA-B	84.027	24106	<u>\$ 15,360</u>
Taos Charter School			
Title I	84.010	24101	12,600
Entitlement IDEA-B	84.027	24106	<u>55,028</u>
Total Taos Charter School			<u>67,628</u>
Vista Grande High School			
Title I	84.010	24101	<u>8,046</u>
Total Charter School Awards			<u>\$ 91,034</u>

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2009

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Taos Municipal School District No. 3 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2009 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2009 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 69% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$4,732,392 and all non-cash expenditures amounted to \$75,156.

Major Federal Award Program Description	Fiscal 2009 <u>Expenditure</u>
Cash assistance:	
USDA Cluster	\$ 1,484,257
IDEA-B Cluster	759,176
Title I	<u>1,081,202</u>
Total	<u>\$ 3,324,635</u>

The School District's federal programs Title I, USDA and IDEA-B Special Education were considered low risk Type A program for the 2009 audit.

The U.S. Department of Education is the School District's oversight agency for single audit.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2009

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2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2009. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2009.

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## REQUIRED DISCLOSURE

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT NO. 3

REQUIRED DISCLOSURES  
Year Ended June 30, 2009

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**REQUIRED DISCLOSURE**

The financial statements were prepared by the independent public accountants.

An exit conference was held May 13, 2010, during which the audit findings were discussed. The exit conference was attended by the following individuals:

**TAOS MUNICIPAL SCHOOL DISTRICT NO. 3**

Arsenio Cordova  
Rod Weston  
Bobby Spinelli  
Connie Wood

Board Member  
Superintendent  
Director of Finance  
Assistant to Director of Finance

**KEYSTONE ACCOUNTING, LLC**

Phil Rasband, CPA

Partner