

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
AUDIT REPORT

For the Year Ended June 30, 2010
(with Auditor's Report Thereon)

RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
AUDIT REPORT

For The Year Ended June 30, 2010

(with Auditor's Report Thereon)

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS DISTRICT NO. 3
Official Roster
Year Ended June 30, 2010

Board of Education

<u>Name</u>	<u>Title</u>
Ms. Lorraine Coca-Ruiz	Board President
Ms. Stella Gallegos	Vice President
Mr. Arsenio Cordova	Secretary
Mr. Enrico Velasquez	Board Member
Mr. Thomas Tafoya	Board Member

School Officials

Dr. Rod Weston	Superintendent
Mr. Bobby Spinelli	Finance Director

AUDITING
BOOKKEEPING
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Albuquerque, NM 87112

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TAX PREPARATION
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INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor
and
Board of Education
Taos Municipal Schools
Taos, New Mexico

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented Component Units, each major fund, and the aggregate remaining fund information, and the budgetary comparison for the General and Title I Funds of Taos Municipal Schools, as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Schools' non-major governmental and fiduciary funds and the budgetary comparisons for the major capital project fund and all non-major funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Taos Municipal Schools management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taos Municipal Schools internal control over financial reporting. Accordingly, we express no such opinion. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented Component Units, each major fund, and the aggregate remaining fund information of Taos Municipal Schools, as of June 30, 2010, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the General and Title I Funds

for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental and fiduciary funds of Taos Municipal Schools, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the Bond Building Fund and the non-major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2012 on our consideration of Taos Municipal Schools internal control over financial reporting and 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 assessing the results of our audit.

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 required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements and the combining and individual fund financial statements and the budgetary comparisons of Taos Municipal Schools. The accompanying financial information listed as 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*, the Foundations Statements of Cash Flows, the Schedule of Changes in Assets and Liabilities-All Agency Funds and the Schedule of Cash Receipts and Disbursements is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic, combining and individual fund financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.

Rice & Associates, CPA

July 23, 2012

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Net Assets
 June 30, 2010

Statement 1

	Governmental Activities	Component Units
ASSETS		
Current assets		
Cash	\$ 23,409,482	\$ 1,868,369
Taxes receivable	100,229	35,525
Due from grantor	1,268,541	234,314
Inventory	32,180	-
Prepaid lease	-	46,584
	24,810,432	2,184,792
Non-current assets		
Land (non-depreciable)	2,542,586	837,500
Capital assets (depreciable)	48,401,106	3,139,346
Less accumulated depreciation	(15,880,493)	(227,085)
	35,063,199	3,749,761
Prepaid lease (non-current portion)	-	884,978
	-	884,978
Total assets	59,873,631	6,819,531
LIABILITIES		
Current liabilities		
Cash overdraft	1,268,541	276,124
Accounts payable	33,971	167,938
Accrued interest	1,046,125	1,952
Deferred revenue	521,542	12,804
Current portion of long-term obligations	1,370,000	144,203
Deferred lease income	-	46,584
	4,240,179	649,605
Long-term obligations		
Compensated absences payable	1,605,089	-
Non-current portion of long-term obligations	27,945,000	1,982,463
Deferred lease income	-	884,978
	29,550,089	2,867,441
Total liabilities	33,790,268	3,517,046
NET ASSETS		
Invested in capital assets, net of related debt	4,702,074	1,621,142
Restricted for		
Special revenue inventory	32,180	-
Capital projects	570,868	996,840
Debt service	1,909,333	-
Unrestricted	18,868,908	684,503
	26,083,363	3,302,485
Total net assets	\$ 26,083,363	\$ 3,302,485

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Statement of Activities
Year Ended June 30, 2010

Statement 2

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Direct instruction	\$ 15,693,357	\$ 96,088	\$ 3,088,395	\$ 34,037	\$ (12,474,837)	\$ -
Instructional support	11,408,249	-	2,307,229	-	(9,101,020)	-
Food services	2,062,999	152,267	1,329,175	64,591	83,034	-
Interest	1,532,957	-	-	-	(1,532,957)	-
Depreciation - unallocated	1,276,075	-	-	-	(1,276,075)	-
Total governmental activities	<u>31,973,637</u>	<u>248,355</u>	<u>7,324,799</u>	<u>98,628</u>	<u>(24,301,855)</u>	<u>-</u>
Component units:						
Anansi Charter	1,231,508	157,757	137,248	1,028,439	-	91,936
Taos Charter	1,739,792	152,913	130,350	220,876	-	(1,235,653)
Vista Grande Charter	1,154,683	1,200	98,902	-	-	(1,054,581)
Total business-type activities	<u>4,125,983</u>	<u>311,870</u>	<u>366,500</u>	<u>1,249,315</u>	<u>-</u>	<u>(2,198,298)</u>
Total all activities	<u>\$ 36,099,620</u>	<u>\$ 560,225</u>	<u>\$ 7,691,299</u>	<u>\$ 1,347,943</u>	<u>(24,301,855)</u>	<u>(2,198,298)</u>
General Revenues:						
Taxes						
Property taxes, levied for general purposes					147,622	-
Property taxes, levied for capital projects					1,950,158	-
Property taxes, levied for debt services					2,249,576	-
Federal, State and Local aid not restricted to specific purpose						
General					17,992,915	3,060,221
Forest Reserve					212,455	-
SEG-Stimulus					1,385,813	300,430
Interest and investment earnings					306,315	2,412
Miscellaneous (Indirect Costs)					170,593	-
Sub-total, general revenues					<u>24,415,447</u>	<u>3,363,063</u>
Change in net assets					113,592	1,165,265
Net assets - beginning of year					26,095,178	2,123,784
Restatement					(125,407)	13,436
Net assets - beginning of year - restated					<u>25,969,771</u>	<u>2,137,220</u>
Net assets - ending					<u>\$ 26,083,363</u>	<u>\$ 3,302,485</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement 3

ASSETS	General	Title I	Bond Building	Other Governmental	Total
Cash on deposit	\$ 1,277,578	\$ -	\$ 16,849,710	\$ 5,282,194	\$ 23,409,482
Accounts receivable, collectible	3,463	-	-	96,766	100,229
Inventory, at cost	-	-	-	32,180	32,180
Due from grantor	-	339,083	-	929,458	1,268,541
Due from other funds	21,498	-	-	-	21,498
Total assets	<u>\$ 1,302,539</u>	<u>\$ 339,083</u>	<u>\$ 16,849,710</u>	<u>\$ 6,340,598</u>	<u>\$ 24,831,930</u>
LIABILITIES					
Cash overdraft	\$ -	\$ 339,083	\$ -	\$ 929,458	\$ 1,268,541
Due to other funds	-	-	21,498	-	21,498
Deferred revenues	-	-	-	521,542	521,542
Accounts payable	33,971	-	-	-	33,971
Total liabilities	<u>33,971</u>	<u>339,083</u>	<u>21,498</u>	<u>1,451,000</u>	<u>1,845,552</u>
FUND BALANCE					
Reserved for retirement of long-term debt	-	-	-	1,909,333	1,909,333
Reserved for inventory	-	-	-	32,180	32,180
Reserved for capital outlay	-	-	-	570,868	570,868
Unreserved:					
Designated for subsequent years expenditures	-	-	16,828,212	2,267,442	19,095,654
Undesignated, reported in:					
General Fund	1,268,568	-	-	-	1,268,568
Special Revenue Fund	-	-	-	109,775	109,775
Captial Projects Fund	-	-	-	-	-
Total fund balance	<u>1,268,568</u>	<u>-</u>	<u>16,828,212</u>	<u>4,889,598</u>	<u>22,986,378</u>
Total liabilities and fund balance	<u>\$ 1,302,539</u>	<u>\$ 339,083</u>	<u>\$ 16,849,710</u>	<u>\$ 6,340,598</u>	<u>\$ 24,831,930</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Reconciliation of the Balance Sheet - Government Funds
 to the Statement of Net Assets
 June 30, 2010

Statement 4

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

Total fund balances - governmental funds		\$ 22,986,378
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

The cost of capital assets	50,943,692		
Accumulated depreciation	<u>(15,880,493)</u>		
Net capital assets			35,063,199

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year-end consist of:

Bonds payable	(29,315,000)		
Accrued interest on bonds	(1,046,125)		
Compensated absences	<u>(1,605,089)</u>		
			<u>(31,966,214)</u>

Total net assets - governmental funds		<u><u>\$ 26,083,363</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Funds
Year Ended June 30, 2010

Statement 5

REVENUES	General	Title I	Bond Building	Other Governmental	Total
Taxes	\$ 147,622	\$ -	\$ -	\$ 4,199,734	\$ 4,347,356
Charges for services	43,476	-	-	204,879	248,355
Local sources	117,055	-	-	578,982	696,037
State sources	19,089,535	-	-	789,346	19,878,881
Federal sources	383,048	1,032,998	-	5,194,239	6,610,285
Earnings from investments	22,380	-	265,336	18,599	306,315
Total revenues	<u>19,803,116</u>	<u>1,032,998</u>	<u>265,336</u>	<u>10,985,779</u>	<u>32,087,229</u>
EXPENDITURES					
Current:					
Direct instruction	11,780,518	722,358	-	2,391,753	14,894,629
Instructional support	7,663,720	310,640	-	3,433,889	11,408,249
Food services	5,390	-	-	2,057,609	2,062,999
Capital outlay	-	-	8,990,339	317,384	9,307,723
Debt service:	-	-	-	1,270,000	1,270,000
Bonds	-	-	-	656,549	656,549
Interest	-	-	-	-	-
Total expenditures	<u>19,449,628</u>	<u>1,032,998</u>	<u>8,990,339</u>	<u>10,127,184</u>	<u>39,600,149</u>
Excess (deficiency) revenues over expenditures	<u>353,488</u>	<u>-</u>	<u>(8,725,003)</u>	<u>858,595</u>	<u>(7,512,920)</u>
OTHER FINANCING SOURCES					
Loan proceeds	-	-	16,000,000	-	16,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>16,000,000</u>	<u>-</u>	<u>16,000,000</u>
Net change in fund balances	353,488	-	7,274,997	858,595	8,487,080
Fund balance beginning of year	915,080	-	9,553,215	4,031,003	14,499,298
Fund balance end of year	<u>\$ 1,268,568</u>	<u>\$ -</u>	<u>\$ 16,828,212</u>	<u>\$ 4,889,598</u>	<u>\$ 22,986,378</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances - Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2010

Statement 6

Total net change in fund balances - governmental funds		\$ 8,487,080
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period</p>		
Capital outlays	8,619,774	
Depreciation expense	<u>(1,276,075)</u>	
Excess of depreciaton expense over capital outlays		7,343,699
<p>In the Statement of Activities, certain operating expenses - accrued interest payable and compensated absences are measured by the amount incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:</p>		
Accrued interest payable		(876,408)
Compensated absences		15,922
<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.</p>		
Bond proceeds		(16,000,000)
Repayment of long-term debt		1,270,000
Bond issue costs		<u>(126,701)</u>
Change in net assets of governmental activities		<u>\$ 113,592</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 138,445	\$ 138,445	\$ 151,328	\$ 12,883
Charges for services	165,631	165,631	43,476	(122,155)
Local sources	5,209	5,209	117,055	111,846
State sources	19,732,693	19,764,651	19,089,535	(675,116)
Federal sources	492,128	492,128	383,048	(109,080)
Earnings from investments	46,000	46,000	22,380	(23,620)
Total revenues	<u>\$ 20,580,106</u>	<u>\$ 20,612,064</u>	<u>\$ 19,806,822</u>	<u>\$ (805,242)</u>
EXPENDITURES				
Direct instruction	\$ 12,753,849	\$ 12,849,372	\$ 11,832,336	\$ 1,017,036
Instructional support	7,773,896	7,601,060	7,599,041	2,019
Food services	41,200	5,390	5,390	-
Total expenditures	<u>\$ 20,568,945</u>	<u>\$ 20,455,822</u>	<u>\$ 19,436,767</u>	<u>\$ 1,019,055</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 1,162,391	\$ 1,233,644	\$ 1,036,102	\$ (197,542)
Total revenues	<u>\$ 1,162,391</u>	<u>\$ 1,233,644</u>	<u>\$ 1,036,102</u>	<u>\$ (197,542)</u>
EXPENDITURES				
Direct instruction	\$ 831,165	\$ 861,665	\$ 722,358	\$ 139,307
Instructional support	<u>331,226</u>	<u>371,979</u>	<u>310,640</u>	<u>61,339</u>
Total expenditures	<u>\$ 1,162,391</u>	<u>\$ 1,233,644</u>	<u>\$ 1,032,998</u>	<u>\$ 200,646</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Statement of Net Assets
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash on deposit	\$ 370,317
Total assets	<u>\$ 370,317</u>
LIABILITIES	
Deposits held for others	\$ 370,317
Total liabilities	<u>\$ 370,317</u>

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

STATE OF NEW MEXICO
Taos MUNICIPAL SCHOOLS
Notes to Financial Statements
Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Taos Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB #'s 34, 37 and 38 effective July 1, 2002. As part of Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

The District provides kindergarten, elementary, middle and secondary educational services to school age residents of the District. The District operates under the direction of a local school board, under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978.

A. Reporting Entity

The Taos Municipal Schools School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

Notes to Financial Statements (continued)

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. This District also has no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

Based upon the application of these criteria, the following is a brief review of each component unit addressed in defining the governments reporting entity.

Anansi Charter School

The Charter is a special purpose government corporation established under the Public Charter Code. The Charter is responsible for activities related to public school education.

Taos Charter School

The Charter is a special purpose government corporation established under the Public Charter Code. The Charter is responsible for activities related to public school education.

Vista Grande Charter School

The Charter is a special purpose government corporation established under the Public Charter Code. The Charter is responsible for activities related to public school education.

These three component units are reported as discretely presented component units.

The accounting policies of the School District as reflected in the accompanying financial statements, conform to generally accepted accounting principles for local governmental units. The following is a summary of the more significant policies:

B. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types.

Notes to Financial Statements (continued)

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

Under the requirements of GASB 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund - The primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund - Title I ESEA Fund - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

Capital Projects Fund - Bond Building - To account for the resources received from the sale of general obligation bonds for the purpose of constructing and renovating school buildings and the purchase of equipment and furnishings.

Fiduciary Funds

Fiduciary Funds - account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The District also reports additional Government funds as non-major. They include:

Special Revenue Funds - these funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds - these funds are used to account for the acquisition of capital assets or construction of major capital projects.

Debt Service Funds - To account for resources received for the purpose of paying general obligation bonds and interest coupons. Funds are received from property taxes levied against property located within the school district and levied specifically for this purpose.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions

are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

All governmental activities of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Program Revenues

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.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Notes to Financial Statements (continued)

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes (property taxes) are susceptible to full accrual on the government wide financial statements. Property tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied. Total delinquent property taxes were not available from the County Treasurers for the current year.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore not accrued.

Fiduciary Funds

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

D. Budgets and Budgetary Accounting

All budgets, and any amendments or revision thereof, are approved by the State of New Mexico, Department of Finance and Administration, Department of Education. Budgets for the General, Special Revenue, Debt Service and Capital Projects Fund are adopted on a basis inconsistent with generally accepted accounting principles (GAAP) Encumbrance accounting is not used by the School District.

Notes to Financial Statements (continued)

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

Appropriations do not lapse at the end of the fiscal year and unexpended fund balances are budgeted in the succeeding fiscal year. The Board of Education 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 State of New Mexico, Department of Finance and Administration, Department of Education. Budgeted amounts in the accompanying financial statements include transfers and revisions to the original appropriations.

Expenditures of the School District may not legally exceed appropriations at the level at which the budget is adopted, that is, expenditures in each category of line items may not exceed the budgeted appropriation for that category.

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following years budget appropriations.

F. Assets, Liabilities and Fund Equity

1. **Cash & Cash Equivalents**

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

The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

2. **Accounts Receivable**

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report

Notes to Financial Statements (continued)

property taxes at full accrual was not available during the year.

Accounts receivable consist of the following:

	<u>General</u>	<u>Other Major</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes	<u>\$ 3,463</u>	<u>\$ -</u>	<u>\$ 96,766</u>	<u>\$ 100,229</u>

3. Inventories

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

4. Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets.

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

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

Notes to Financial Statements (continued)

GASB Statement #34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

5. Deferred Revenues

The District reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

6. Compensated Absences

Qualified employees are entitled to accumulate annual leave of 10 to 13 days per fiscal year. Upon retirement, employees will be paid for up to 90 days of accrued annual leave.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

7. Long-Term Liabilities

For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source.

8. Fund Balances of Fund Financial Statements

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year-end fund balance,

Notes to Financial Statements (continued)

not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

9. **Restricted Net Assets**

The governmental activities financial statements utilize a net assets presentation. Net assets are categorized as follows:

Investment in capital assets, net of related debt - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets - This category reflects the portion of net assets that have third party limitations on their use.

Unrestricted net assets - This category reflects net assets of the Village not restricted for any project or other purposes.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

G. REVENUES

1. Property Tax Levies

Taos Municipal Schools receives property taxes from the Taos County Treasurer for operational, public school capital improvements and debt service purposes. Property taxes are assessed on January 1st of each year, except on livestock, and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year. Property taxes are collected by the County Treasurer and remitted to the School District in the month following collection.

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

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

1. Identify the capital improvements;
2. Specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each \$1,000 of net taxable value of property;
3. Specify the date an election will be held;

4. Limit the imposition of the tax to no more than three property tax years.

If approved, any revenues produced by the tax and any state distribution resulting to the District under the Act shall be expended only for the capital improvements specified in the authorized resolution.

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

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

The full faith and credit of a school district shall be pledged to the payment of the principal and interest on general obligation bonds issued by the school district.

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

2. State Equalization Guarantee

Each school district in the State of New Mexico receives a "state equalization guarantee distribution" which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined" (in Chapter 22, Section 8-25, 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-cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$17,992,915 in state equalization guarantee distributions during the year.

3. Transportation Distribution

Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district for the to-and-from school

Notes to Financial Statements (continued)

transportation costs of students in the grades K through twelve attending public school within the school district. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one way.

Money in the vocational education transportation distribution of the public school fund is used for the purpose of making payments to school districts for transportation of students to and from their regular attendance centers and the place where vocation education programs are being offered, pursuant to Section 22-16-4.1 (NMSA 1978) of the Act. The transportation distribution is allocated to each school district according to an objective formula developed by the state transportation director and the director of public school finance.

In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each school district's forty-day average daily membership bears to the forty-day average daily membership of all school districts to receive allocations.

Local school boards shall negotiate school bus contracts in accordance with regulations promulgated by the state transportation director with the approval of the State Board of Education.

Local school boards, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-2 NMSA 1978 to meet established program needs.

The District received \$993,784 in transportation distribution during the year.

4. SB-9 State Match

The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be

made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$66,928 in state SB-9 matching during the year.

5. Critical Capital Outlay

Under the provisions of Chapter 22, Article 24, a critical capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

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

1. A critical need exists requiring action;
2. The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner.
4. The district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The Council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The Council shall list all applications in order of priority and all allocations shall be made on a priority basis.

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

Notes to Financial Statements (continued)

During the year ended June 30, the District received \$0 in critical capital outlay funds and \$0 in special capital outlay funds.

6. Instructional Materials

The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2002, Districts received their total allocation at the beginning of the fiscal year, instead of being reimbursed for purchases as was done in prior years. During the year ended June 30, the District received \$102,836 in instructional materials allocation.

7. Federal Grants

The District receives revenues from various Federal departments (both direct and indirect) which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Department of Education.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food service operations, and distributions of commodities through the New Mexico Human Services Department.

H. **Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Notes to Financial Statements (continued)

I. **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 the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. DEPOSITORY COLLATERAL

The following is the Cash on Deposit at each financial institution.

Centinel Bank	Checking	Agency	\$ 1,129,407
Centinel Bank	Checking	Cafeteria	7,871
Centinel Bank	Checking	Bond Building	16,877,006
Centinel Bank	Checking	Federal	1,525,728
Centinel Bank	Checking	Payroll	
		Clearing	848,662
Centinel Bank	Checking	Operational	<u>4,270,164</u>
			<u>\$24,658,838</u>
Bank of New York-Mellon	Checking	Bond Building	<u>\$ 688,492</u>
Total amount on deposit			\$25,347,330
Deposits in transit			8,770
Outstanding checks			<u>(2,844,842)</u>
			<u>\$22,511,258</u>

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$25,097,331 of the School's bank balance of \$25,347,330 was exposed to custodial credit risk as follows:

A.	Uninsured and uncollateralized	\$ 438,492
B.	Uninsured and collateralized with securities held by the pledging banks trust department, not in the Schools name	<u>24,658,839</u>
	Total	<u>\$25,097,331</u>

NM 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 cooperative for at least one half of the amount on deposit with the institution.

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. The following schedule details the public money held by financial institutions and pledged collateral held by the District as follows:

Notes to Financial Statements (continued)

	<u>Centinel Bank</u>	<u>Bank of New York Mellon</u>
Cash on deposit at June 30	\$24,658,838	\$ 688,492
Less F.D.I.C.	* <u>(24,658,838)</u>	<u>(250,000)</u>
Uninsured funds	-	438,492
50% Collateral requirement (as per section 6-10-17, NMSA, 1978)	-	219,246
Pledged collateral by pledging banks trust department or agent but not in the Schools name	<u>-</u>	<u>-</u>
Excess (Deficit) of pledged collateral	<u>\$ -</u>	<u>\$ (219,246)</u>

*These accounts participate in a Transaction Account Guarantee (TAG) program.

3. DUE FROM GRANTOR

The amount shown as due from grantor represents federal, state and local expenditures in excess of revenues. Most federal, state or local projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

4. CASH OVERDRAFTS

The cash overdrafts shown in some federal, state and local projects in the special revenue fund represent expenditures made by the District which will be reimbursed by the grantor. Receivables from grantor are presented to off-set these overdrafts.

5. DEFERRED REVENUE

Deferred revenue represents advances on cost-reimbursement type grants which have not yet been earned.

6. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

During the year ended June 30, the following changes occurred in the liabilities reported in the District-Wide Statement of Net Assets:

	<u>Balance July 1, 2009</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>	<u>Due Within On Year</u>
General Obligation						
Bonds	\$ 14,585,000	\$ -	\$16,000,000	\$ (1,270,000)	\$ 29,315,000	\$ 1,370,000
Compensated Absences	<u>-</u>	<u>1,621,011</u>	<u>-</u>	<u>(15,922)</u>	<u>1,605,089</u>	<u>-</u>
Total	<u>\$ 14,585,000</u>	<u>\$ 1,621,011</u>	<u>\$16,000,000</u>	<u>\$ (1,285,922)</u>	<u>\$ 30,920,089</u>	<u>\$ 1,370,000</u>

Notes to Financial Statements (continued)

Payments on the general obligation bonds are made by the debt service funds. The compensated absences liability will ultimately be liquidated by several of the Districts governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

B. General Obligation Bonds

The general obligation bonds will be paid from taxes levied against property owners living within the School District boundaries. The annual requirements to retire general obligation bonds as of June 30, are as follows:

Date of Issue - September 1, 2007
 Original amount - \$3,000,000
 Interest rate - 3.75% to 3.95%

<u>Due in Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 625,000	\$ 62,237	\$ 687,237
2012	625,000	38,019	663,019
2013	<u>650,000</u>	<u>12,838</u>	<u>662,838</u>
Total	<u>\$ 1,900,000</u>	<u>\$ 113,094</u>	<u>\$ 2,013,094</u>

Date of issue - April 1, 1996
 Original amount - \$3,000,000
 Interest rate - 4.90% to 6.40%

<u>Due in Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 260,000	\$ 20,930	\$ 280,930
2012	<u>260,000</u>	<u>6,825</u>	<u>266,825</u>
Total	<u>\$ 520,000</u>	<u>\$ 27,755</u>	<u>\$ 547,755</u>

Date of issue - September 20, 2001
 Original amount - \$4,015,000
 Interest rate - 4.00% to 5.00%

<u>Due in Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 485,000	\$ 31,423	\$ 516,423
2012	<u>510,000</u>	<u>10,710</u>	<u>520,710</u>
Total	<u>\$ 995,000</u>	<u>\$ 42,133</u>	<u>\$ 1,037,133</u>

Notes to Financial Statements (continued)

Date of issue - December 23, 2008
 Original amount - \$9,900,000
 Interest rate - 3.50% to 4.50%

<u>Due in Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ 410,280	\$ 410,280
2012	-	410,280	410,280
2013	-	410,280	410,280
2014	460,000	402,230	862,230
2015	475,000	385,867	860,867
2016-2020	2,610,000	1,638,011	4,248,011
2021-2025	3,210,000	1,041,053	4,521,053
2026-2029	3,145,000	288,829	3,433,829
Total	\$ 9,900,000	\$ 4,986,830	\$14,886,830

Date of issue - December 15, 2009
 Original amount - \$16,000,000
 Interest rate - 2.125% to 6.500%

<u>Due in Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ 521,255	\$ 521,255
2012	-	771,636	771,636
2013	800,000	793,431	1,593,431
2014	1,035,000	770,700	1,805,700
2015	1,050,000	739,406	1,789,406
2016-2020	5,690,000	3,016,609	8,706,609
2021-2025	1,625,000	1,949,395	3,574,395
2026-2030	5,800,000	1,204,775	7,004,775
Total	\$16,000,000	\$ 9,767,207	\$25,767,207
Totals			
- all issues	\$29,315,000	\$14,937,019	\$44,252,019

C. Operating Leases

The District was not entered into any operating leases during the fiscal year.

D. Short-Term Liabilities

The District did not have any short-term liabilities during the fiscal year.

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and Workmens Compensation. For these risks of loss the School District belongs to a public entity risk pool currently operated as a common risk management and insurance program for 89 member school districts. (New Mexico Public School Insurance Authority). Amounts of settlement have not exceeded insurance coverage in the past three years.

Notes to Financial Statements (continued)

9. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

	<u>General</u>	<u>Title I</u>	<u>Bond Building</u>
Revenues per modified accrual basis	\$19,803,116	\$ 1,032,998	\$ 265,336
Receivables	3,706	-	-
Deferred revenues/Due from grantor	-	3,104	-
Revenues per budgetary basis	<u>\$19,806,822</u>	<u>\$ 1,036,102</u>	<u>\$ 265,336</u>
Expenditures per modified accrual basis	\$19,449,628	\$ 1,032,998	\$ 8,990,339
Accounts payable	(12,861)	-	597,829
Expenditures per budgetary basis	<u>\$19,436,767</u>	<u>\$ 1,032,998</u>	<u>\$ 9,588,168</u>
	<u>Non-Major Special Revenue</u>	<u>Non-Major Capital Projects</u>	<u>Non-Major Debt Service</u>
Revenues per modified accrual basis	\$ 6,513,917	\$ 2,078,507	\$ 2,294,943
Receivables	-	152,974	63,934
Deferred revenues/Due from grantor	143,320	(105,487)	(51,034)
Revenues per budgetary basis	<u>\$ 6,657,237</u>	<u>\$ 2,125,994</u>	<u>\$ 2,307,843</u>
Expenditures per modified accrual basis	\$ 6,636,471	\$ 1,535,494	\$ 1,952,095
Accounts payable	-	8,487	-
Decrease in inventory	3,124	-	-
Expenditures per budgetary basis	<u>\$ 6,639,595</u>	<u>\$ 1,543,981</u>	<u>\$ 1,952,095</u>

10. CAPITAL ASSETS

Capital assets balances and activity for the year ended June 30, 2010 are as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Governmental activities:					
Land	\$ 2,309,586	\$ -	\$ 233,000	\$ -	\$ 2,542,586
Total capital assets not being depreciated	<u>2,309,586</u>	<u>-</u>	<u>233,000</u>	<u>-</u>	<u>2,542,586</u>
Land improvements	-	60,164	349,111	-	409,275
Buildings & improvements	35,399,895	8,294,112	971,097	-	44,665,104
Furniture & equipment	3,244,178	265,498	(182,949)	-	3,326,727
Total	<u>38,644,073</u>	<u>8,619,774</u>	<u>1,137,259</u>	<u>-</u>	<u>48,401,106</u>

Notes to Financial Statements (continued)

Less accumulated depreciation:					
Land improvements	-	(30,099)	(16,726)	-	(46,825)
Buildings & improvements	(12,645,327)	(952,928)	(23,389)	-	(13,621,644)
Furniture & equipment	<u>(2,322,997)</u>	<u>(293,048)</u>	<u>404,021</u>	<u>-</u>	<u>(2,212,024)</u>
Total	<u>(14,968,324)</u>	<u>(1,276,075)</u>	<u>363,906</u>	<u>-</u>	<u>(15,880,493)</u>
Governmental activities Capital assets, net	<u>\$ 25,985,335</u>	<u>\$ 7,343,699</u>	<u>\$ 1,734,165</u>	<u>\$ -</u>	<u>\$ 35,063,199</u>

The District had no infrastructure as of June 30, 2010.

Depreciation expense was charged to governmental activities as follows:

Unallocated	<u>\$ 1,276,075</u>
Total depreciation expense	<u>\$ 1,276,075</u>

12. RETIREMENT PLAN

Plan Description. Substantially all of the Taos Municipal Schools 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 (ERA) 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). ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERA, PO Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERA's website at www.nmerb.org.

Funding Policy. Plan members are required to contribute 7.825% of their gross salary. Taos Municipal Schools is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross 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 Taos Municipal Schools are established in State Statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Taos Municipal Schools contributions to ERA for the years ending June 30, 2010, 2009, and 2008 were \$1,782,057, \$1,928,764 and \$2,868,280, respectively, which equals

the amount of the required contributions for each fiscal year.

13. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. Taos Municipal Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provided 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 event the time period required for employee and employer contributions shall become the period of time between the employers 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 post-employment healthcare plan. The report and further information can be obtained by writing to Retiree Health Care Authority, 4308 Carlisle Boulevard, Suite 104, Albuquerque, New Mexico 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorized 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 for the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the

Notes to Financial Statements (continued)

statutory authority that establishes the required contributions of participating employers and 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 01/01/98 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 Schools contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$206,603, \$215,193 and \$301,087, respectively, which equal the required contributions for each year.

14. CONTINGENT LIABILITIES

The Taos School District is engaged in several lawsuits as a defendant. Twelve individuals have joined in one lawsuit against Taos School District, alleging employment violations. In addition, six other individuals have filed charges with the United States Equal Employment Opportunity Commission, alleging employment violations. The District is unable to determine the potential and probable liability arising from these claims.

In addition, a breach of contract lawsuit has been filed against the District, in the amount of \$1,819,279, alleging breach of contract for electrical maintenance and improvements. The District is unable to determine the potential and probable liability arising from this claim.

The audited financial statements do not include liabilities for the above lawsuits, as the liability cannot be determined at this time.

15. BUDGET VIOLATIONS

The Debt Service Fund had a budget overrun of \$3,455 and the Educational Technology Debt Service Fund had a budget overrun of \$2,826.

Notes to Financial Statements (continued)

16. RESTATEMENT - FUND BALANCE/STATEMENT OF ACTIVITIES

The June 30, 2009 audit report did not include Capital Assets in the amount of \$1,370,259 and accumulated depreciation in the amount of \$363,906. The June 30, 2009 audit report did not include an amount accrued for compensated absences in the amount of \$1,621,011. Also, \$238,561 in deferred taxes that were reported in the 2009 audit report. The net effect being \$125,407.

17. COMPONENT UNIT - TAOS CHARTER SCHOOL/FRIENDS OF TAOS CHARTER

The Anansi Charter School is a discrete component unit of the School District.

The following are summarized details of the Charter's balances and transactions as of June 30, 2010 and for the year then ended:

A. Reporting Entity

Anansi Charter School is a special purpose government corporation established under the Public Charter Code and is governed by an elected nine-member council. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Charter. The Charter is responsible for activities related to public elementary school education. The Charter receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Charter's financial statements include all entities over which the Council 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, one component unit is included in the financial statements.

GAAP requires the financial statements present the Charter (primary government) and its component units. The Charter has one component unit that is 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*.

The Charter has one component unit reported as a discretely presented component unit. Friends of Anansi Charter School, a foundation, is closely related to Anansi Charter School and exists for the primary purpose of providing direct benefits to the Charter School.

B. Depository Collateral

The following is the Cash on Deposit at each financial institution.

Notes to Financial Statements (continued)

Cash on Deposit

First Community Bank - Checking	<u>\$ 192,688</u>
Total amount on deposit	\$ 192,688
Deposit in transit	215
Outstanding checks	<u>(25,682)</u>
Total per financial statements	<u>\$ 167,221</u>

First
Community Bank

Cash on deposit	\$ 192,688
Less FDIC	<u>(192,688)</u>
Amount uninsured	<u>\$ -0-</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balances June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2010</u>
Governmental activities: Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings and improvements	-	-	-	-
Furniture, fixtures and equipment	<u>127,795</u>	<u>22,077</u>	<u>(93,844)</u>	<u>56,028</u>
Total capital assets being depreciated	<u>127,795</u>	<u>22,077</u>	<u>(93,844)</u>	<u>56,028</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Furniture, fixtures and equipment	<u>(66,683)</u>	<u>(39,554)</u>	<u>93,844</u>	<u>(12,393)</u>
Total accumulated depreciation	<u>(66,683)</u>	<u>(39,554)</u>	<u>93,844</u>	<u>(12,393)</u>
Total capital assets, being depreciated, net	<u>61,112</u>	<u>(17,477)</u>	<u>-</u>	<u>43,635</u>
Total capital assets, net	<u>\$ 61,112</u>	<u>\$ (17,477)</u>	<u>\$ -</u>	<u>\$ 43,635</u>

Notes to Financial Statements (continued)

D. Retirement Plan

The Charter's contributions to the ERB for the years 2010, 2009 and 2008 were \$51,696, \$46,316 and \$53,442, respectively, equal to the amount of the required contribution for the year.

E. Retiree Health Care Act

The Charter's contributions to the RHCA for the years 2010, 2009 and 2008 were \$6,119, \$5,168 and \$5,565, respectively, which equal the required contributions for each year.

F. Compensated Absences

The Charter does not accrue a liability for compensated absences. Employees are contracted on an annual basis with all contracts being fully executed by the end of the year. Also, the current leave policy does not award any leave upon termination/retirement.

G. Budget Violations

The Public School Capital Outlay Fund had a budget overrun of \$945,367.

H. Prepaid Lease Expense

In May of 2010, the Anansi Charter School paid \$932,562 to the Friends of Anansi Charter School. The funds were used by the Friends to construct and improve real estate which is leased by the Charter. The payment represents prepayment of the lease expense for the twenty year period beginning July 1, 2010.

The Anansi Charter School will amortize the lease payment at the rate of \$3,882 monthly.

I. Friends of Taos Charter School

Friends of Anansi Charter School, Inc. (Foundation) is a legally separate, tax exempt component of Anansi Charter School (Charter). The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Foundation. The Foundation operates for the purpose of providing supporting funds to the Anansi Charter School. The Foundation received funds from renting facilities to the Charter, donations and fund raising.

The Foundation's financial statements include all entities over which the Board exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component unit and no fiduciary units were included in the financial statements.

Notes to Financial Statements (continued)

The Foundation is reported as discretely presented component unit of Anansi Charter School as required 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. Depository Collateral

The following is the Cash on Deposit at each financial institution.

Cash on Deposit

First Community Bank - Checking	<u>\$ 20,633</u>
Total amount on deposit	\$ 20,633
Outstanding checks	<u> -</u>
Total per financial statements	<u>\$ 20,633</u>
	First Community <u>Bank</u>
Cash on deposit	\$ 20,633
Less FDIC	<u>(20,633)</u>
Amount uninsured	<u>\$ -0-</u>

2. Capital Assets

	Balances <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>June 30, 2010</u>
Land	\$ 587,500	\$ -	\$ -	\$ 587,500
Buildings and improvements	963,041	315,533	-	1,278,574
Less accumulated depreciation	<u> -</u>	<u>(40,246)</u>	<u> -</u>	<u>(40,246)</u>
Total capital assets, net	<u>\$ 1,550,541</u>	<u>\$ 275,287</u>	<u>\$ -</u>	<u>\$ 1,825,828</u>

3. Retirement Plan

The Foundation does not participate in ERB.

4. Retiree Health Care Act

The Foundation does not participate in RHCA.

5. Compensated Absences

The Foundation does not accrue a liability for compensated absences as they have no employees.

Notes to Financial Statements (continued)

6. Cash and Cash Equivalents

For purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

7. Income Taxes

The Foundation is a tax exempt organization under Section 501(c) (3) of the IRS Code.

8. Long-Term Debt

The Foundation borrowed \$1,800,000 for the purpose of financing the construction of the Anansi Charter School Buildings. Funding to pay the debt is from rent charged to the Charter School for use of the buildings. The annual requirements to retire this loan as of June 30, are as follows:

<u>Due in Year</u> <u>Ending</u>	Date of issue - March 19, 2008		
	Original amount - \$1,800,000		
	Interest rate - 4.375%		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 17,403	\$ 77,974	\$ 95,377
2012	18,178	77,199	95,377
2013	18,990	76,387	95,377
2014	19,838	75,539	95,377
2015	20,724	74,653	95,377
2016-2020	118,347	358,538	476,885
2021-2025	147,227	329,658	476,885
2026-2030	183,154	293,731	476,885
2031-2035	227,849	249,036	476,885
2036-2040	281,544	195,341	476,885
2041-2045	353,239	123,646	476,885
2046-2050	383,410	93,475	476,885
	<u>\$1,789,903</u>	<u>\$2,025,177</u>	<u>\$ 3,815,080</u>

The Foundation did not have any short term debt.

9. Financial Statement Presentation

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No., 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

Notes to Financial Statements (continued)

10. Deferred Lease Income

In May of 2010, the Friends of Anansi Charter School received \$931,562 from the New Mexico Public Schools Facility Authority. The payment was for advance lease payments, for real property, from the Anansi Charter School. The proceeds were used for construction and improvements of the real property leased to Anansi Charter School.

The Friends of Anansi Charter School will recognize the lease income ratably over a twenty year period beginning July 1, 2010. The income recognition will be \$3,882 monthly.

18. COMPONENT UNIT - TAOS CHARTER SCHOOL/FRIENDS OF TAOS CHARTER

The Taos Charter School is a discrete component unit of the School District.

The following are summarized details of the Charter's balances and transactions as of June 30, 2010 and for the year then ended:

A. Reporting Entity

Taos Charter School is a special purpose government corporation established under the Public Charter Code and is governed by an elected nine-member council. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Charter. The Charter is responsible for activities related to public elementary school education. The Charter receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Charter's financial statements include all entities over which the Council 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, one component unit is included in the financial statements.

GAAP requires the financial statements present the Charter (primary government) and its component units. The Charter has one component unit that is 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.

The Charter has one component unit reported as a discretely presented component unit. Friends of Taos Charter School, a foundation, is closely related to Taos Charter School and exists for the primary purpose of providing direct benefits to the Charter School.

Notes to Financial Statements (continued)

B. Depository Collateral

The following is the Cash on Deposit at each financial institution.

Cash on Deposit

First Community Bank - Checking	\$ 136,462
First Community Bank - Checking	100
First Community Bank - Checking	<u>2,570</u>
	<u>\$ 139,132</u>

Total amount on deposit	\$ 139,132
Outstanding checks	<u>(33,035)</u>
Total per financial statements	<u>\$ 106,097</u>

	<u>First Community Bank</u>
Cash on deposit	\$ 139,132
Less FDIC	<u>(139,132)</u>
Amount uninsured	<u>\$ -0-</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balances June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2010</u>
Governmental activities: Capital assets, not being depreciated:				
Land	\$ <u>250,000</u>	\$ -	\$ -	\$ <u>250,000</u>
Total capital assets, not being depreciated	<u>250,000</u>	-	-	<u>250,000</u>
Capital assets, being depreciated				
Buildings and improvements	979,645	78,776	-	1,058,421
Furniture, fixtures and equipment	<u>148,463</u>	-	<u>(137,096)</u>	<u>11,367</u>
Total capital assets being depreciated	<u>1,128,108</u>	<u>78,776</u>	<u>(137,096)</u>	<u>1,069,788</u>

Notes to Financial Statements (continued)

Less accumulated depreciation for:

Buildings and improvements	(75,771)	(21,168)	-	(96,939)
Furniture, fixtures and equipment	<u>(139,970)</u>	<u>(1,137)</u>	<u>137,096</u>	<u>(4,011)</u>
Total accumulated depreciation	<u>(215,741)</u>	<u>(22,305)</u>	<u>137,096</u>	<u>(100,950)</u>
Total capital assets, being depreciated, net	<u>912,367</u>	<u>56,471</u>	<u>-</u>	<u>968,838</u>
Total capital assets, net	<u>\$ 1,162,367</u>	<u>\$ 56,471</u>	<u>\$ -</u>	<u>\$ 1,218,838</u>

D. Retirement Plan

The Charter's contributions to the ERB for the years 2010, 2009 and 2008 were \$86,691, \$92,653 and \$144,170, respectively, equal to the amount of the required contribution for the year.

E. Retiree Health Care Act

The Charter's contributions to the RHCA for the years 2010, 2009 and 2008 were \$10,315, \$10,339 and \$15,031, respectively, which equal the required contributions for each year.

F. Compensated Absences

The Charter does not accrue a liability for compensated absences. Employees are contracted on an annual basis with all contracts being fully executed by the end of the year. Also, the current leave policy does not award any leave upon termination/retirement.

G. Budget Violations

The Special Revenue Youth Service America Fund had a budget overrun of \$1,000, the Special Revenue Share Our Strength Fund for \$4,000, the Special Revenue LANL Foundation Fund for \$1,500, the Special Revenue Albert Pierce Foundation Fund for \$1,850 and the Operational Fund in the amount \$78,776.

H. Friends of Taos Charter School

Friends of Taos Charter School, Inc. (Foundation) is a legally separate, tax exempt component of Taos Charter School (Charter). The Foundation and is governed by an elected nine-member board. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Foundation. The Foundation operates for the purpose of providing supporting funds to the Taos Charter School. The Foundation received funds from renting facilities to the Charter, donations and fund raising.

Notes to Financial Statements (continued)

The Foundation's financial statements include all entities over which the Board exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component unit and no fiduciary units were included in the financial statements.

The Foundation is reported as discretely presented component unit of Taos Charter School as required 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. Depository Collateral

The following is the Cash on Deposit at each financial institution.

Cash on Deposit

Centinel Bank of Taos - Checking	<u>\$ 93,962</u>
Total amount on deposit	\$ 93,962
Outstanding checks	<u>(110)</u>
Total per financial statements	<u>\$ 93,852</u>
	<u>Centinel Bank of Taos</u>
Cash on deposit	\$ 93,962
Less FDIC	<u>(93,962)</u>
Amount uninsured	<u>\$ -0-</u>

2. Capital Assets

	Balances June 30, 2009	<u>Additions</u>	<u>Deletions</u>	Balances June 30, 2010
Buildings and improvements	734,956	-	-	734,956
Less accumulated depreciation	<u>(36,748)</u>	<u>(36,748)</u>	-	<u>(73,496)</u>
Total capital assets, net	<u>\$ 698,208</u>	<u>\$ (36,748)</u>	<u>\$ -</u>	<u>\$ 661,460</u>

3. Retirement Plan

The Foundation does not participate in ERB.

4. Retiree Health Care Act

The Foundation does not participate in RHCA.

Notes to Financial Statements (continued)

5. Compensated Absences

The Foundation does not accrue a liability for compensated absences as they have no employees.

6. Cash and Cash Equivalents

For purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

7. Income Taxes

The Foundation is a tax exempt organization under Section 501(c)(3) of the IRS Code.

8. Long-Term Debt

The Foundation borrowed \$750,000 for the purpose of financing the construction of the Taos Charter School Buildings. Funding to pay the debt is from rent charged to the Charter School for use of the buildings. The annual requirements to retire this loan as of June 30, are as follows:

	Date of issue - January 19, 2006		
	Original amount - \$750,000		
	Interest rate - 7.25%		
<u>Due in Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending</u>			
2011	\$ 116,868	\$ 20,551	\$ 137,419
2012	125,628	11,791	137,419
2013	<u>94,268</u>	<u>2,702</u>	<u>96,970</u>
	<u>\$ 336,764</u>	<u>\$ 35,044</u>	<u>\$ 371,808</u>

During the year the following changes occurred.

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u>
	<u>6-30-2009</u>			<u>6-30-2010</u>	<u>One Year</u>
Loan	<u>\$ 445,482</u>	<u>\$ -</u>	<u>\$108,718</u>	<u>\$ 336,764</u>	<u>\$ 116,868</u>

The Foundation did not have any short term debt.

9. Financial Statement Presentation

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No., 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

19. COMPONENT UNIT - VISTA GRANDE CHARTER SCHOOL

The Vista Grande High School (Charter) is a discrete component unit of the School District.

The following are summarized details of the Charter's balances and transactions as of June 30, 2010 and for the year then ended:

A. Reporting Entity

Vista Grande High School (Charter) is a special purpose government corporation established under the Public Charter Code and is governed by an elected five-member council. The Council is the basic level of government, which has oversight responsibility and control over all activities related to the Charter. The Charter is responsible for activities related to public elementary school education. The Charter received funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

B. Depository Collateral

The following is the Cash on Deposit at each financial institution.

<u>Cash on Deposit</u>	
Centinel Bank of Taos - Checking	<u>\$291,000</u>
Total amount on deposit	\$291,000
Outstanding checks	<u>(23,445)</u>
Total per financial statements	<u>\$267,555</u>
	<u>Centinel Bank</u>
	<u>of Taos</u>
Cash on deposit	\$291,000
Less FDIC	* <u>(291,000)</u>
Amount uninsured	<u>\$ -0-</u>

*This account participates in the Transaction Account Guarantee (TAG) Program.

C. Capital Assets

The Charter did not have any capital assets in excess of \$5,000 at June 30, 2010 and therefore did not have any accumulated depreciation or depreciation expense.

Notes to Financial Statements (continued)

D. Retirement Plan

The Charter's contributions to the ERB for the years 2010, 2009 and 2008 were \$63,230, \$66,827 and \$74,978, respectively, equal to the amount of the required contribution for the year.

E. Retiree Health Care Act

The Charter's contributions to the RHCA for the years 2010, 2009 and 2008 were \$7,498, \$7,452 and \$7,808.

F. Compensated Absences

The Charter does not accrue a liability for compensated absences. Employees are contracted on an annual basis with all contracts being fully executed by the end of the year. Also, the current leave policy does not award any leave upon termination/retirement.

G. Prior Period Adjustment

The Charter is reporting a prior period adjustment to fund balance. This adjustment is for cash in the amount of \$13,436 that was not properly included in the previous fiscal year.

H. Budget Violations

The Special Revenue - SEG - Stimulus Fund had a budget overrun of \$2,209.

OTHER MAJOR FUNDS BUDGETS

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Bond Building
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Earnings from investments	\$ 3,375	\$ 3,375	\$ 265,336	\$ 261,961
Total revenues	<u>\$ 3,375</u>	<u>\$ 3,375</u>	<u>\$ 265,336</u>	<u>\$ 261,961</u>
EXPENDITURES				
Capital outlay	\$ 16,000,000	\$ 16,000,000	\$ 9,588,168	\$ 6,411,832
Total expenditures	<u>\$ 16,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 9,588,168</u>	<u>\$ 6,411,832</u>
OTHER FINANCING SOURCES				
Loan proceeds	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ -
Total other financing sources	<u>\$ 16,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ -</u>

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

NON-MAJOR FUNDS

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Governmental Funds
 Combining Balance Sheet - By Fund Type
 June 30, 2010

Statement A-1

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Cash on deposit	\$ 631,317	\$ 2,793,327	\$ 1,857,550	\$ 5,282,194
Taxes receivable	-	44,983	51,783	96,766
Due from grantor	929,458	-	-	929,458
Inventory, at cost	32,180	-	-	32,180
Total assets	\$ 1,592,955	\$ 2,838,310	\$ 1,909,333	\$ 6,340,598
LIABILITIES				
Cash overdraft	\$ 929,458	\$ -	\$ -	\$ 929,458
Accounts payable	-	-	-	-
Deferred revenues	521,542	-	-	521,542
Total liabilities	1,451,000	-	-	1,451,000
FUND BALANCE				
Reserved for inventory	32,180	-	-	32,180
Reserved for retirement of long-term debt	-	-	1,909,333	1,909,333
Reserved for capital outlay	-	570,868	-	570,868
Unreserved: Undesignated	109,775	-	-	109,775
Designated for subsequent years expenditures	-	2,267,442	-	2,267,442
Total fund balance	141,955	2,838,310	1,909,333	4,889,598
Total liabilities and fund balance	\$ 1,592,955	\$ 2,838,310	\$ 1,909,333	\$ 6,340,598

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances - By Fund Type
 Year Ended June 30, 2010

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Property taxes	\$ -	\$ 1,950,158	\$ 2,249,576	\$ 4,199,734
Charges for services	204,879	-	-	204,879
Local sources	558,197	20,785	-	578,982
State sources	699,919	89,427	-	789,346
Federal sources	5,194,239	-	-	5,194,239
Earnings from investments	3	18,137	459	18,599
	<u>6,657,237</u>	<u>2,078,507</u>	<u>2,250,035</u>	<u>10,985,779</u>
EXPENDITURES				
Current:				
Direct instruction	2,391,753	-	-	2,391,753
Instructional support	2,084,364	1,323,979	25,546	3,433,889
Food services	2,057,609	-	-	2,057,609
Capital outlay	105,869	211,515	-	317,384
Debt service:				
Bonds	-	-	1,270,000	1,270,000
Interest	-	-	656,549	656,549
	<u>6,639,595</u>	<u>1,535,494</u>	<u>1,952,095</u>	<u>10,127,184</u>
Net change in fund balance	17,642	543,013	297,940	858,595
Fund balance beginning of year	<u>124,313</u>	<u>2,295,297</u>	<u>1,611,393</u>	<u>4,031,003</u>
Fund balance end of year	<u>\$ 141,955</u>	<u>\$ 2,838,310</u>	<u>\$ 1,909,333</u>	<u>\$ 4,889,598</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Combined Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Governmental Fund Types - Non-Major
Special Revenue Funds
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 201,366	\$ 201,366	\$ 204,879	\$ 3,513
Local sources	-	723,427	450,757	(272,670)
State sources	160,866	706,291	655,146	(51,145)
Federal sources	3,897,478	6,428,110	5,203,132	(1,224,978)
Earnings from investments	-	-	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 4,259,710</u>	<u>\$ 8,059,194</u>	<u>\$ 6,513,917</u>	<u>\$ (1,545,277)</u>
EXPENDITURES				
Direct instruction	\$ 839,430	\$ 3,232,301	\$ 2,221,709	\$ 1,010,592
Instructional support	1,552,934	2,713,732	2,288,445	425,287
Food services	2,025,413	2,206,637	2,061,726	144,911
Capital outlay	-	64,591	64,591	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 4,417,777</u>	<u>\$ 8,217,261</u>	<u>\$ 6,636,471</u>	<u>\$ 1,580,790</u>
BUDGETED CASH BALANCE	<u>\$ 158,067</u>	<u>\$ 158,067</u>		
REVENUES				
Budgetary basis			\$ 6,513,917	
Increase in deferred revenues/ due from grantor			<u>143,320</u>	
Modified accrual basis			<u>\$ 6,657,237</u>	
EXPENDITURES				
Budgetary basis			\$ 6,636,471	
Decrease in inventory			<u>3,124</u>	
Modified accrual basis			<u>\$ 6,639,595</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Combined Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Governmental Fund Types - Non-Major
Capital Projects Funds
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,850,090	\$ 1,850,090	\$ 1,997,645	\$ 147,555
Local sources	-	-	20,785	20,785
State sources	66,928	128,987	89,427	(39,560)
Earnings from investments	-	-	18,137	18,137
Total revenues	<u>\$ 1,917,018</u>	<u>\$ 1,979,077</u>	<u>\$ 2,125,994</u>	<u>\$ 146,917</u>
EXPENDITURES				
Instructional support	\$ 836,504	\$ 836,504	\$ 327,313	\$ 509,191
Capital outlay	<u>2,613,421</u>	<u>2,664,498</u>	<u>1,216,668</u>	<u>1,447,830</u>
Total expenditures	<u>\$ 3,449,925</u>	<u>\$ 3,501,002</u>	<u>\$ 1,543,981</u>	<u>\$ 1,957,021</u>
BUDGETED CASH BALANCE	<u>\$ 1,532,907</u>	<u>\$ 1,532,907</u>		
REVENUES				
Budgetary basis			\$ 2,125,994	
Decrease in receivables			(152,974)	
Decrease in deferred revenues			<u>105,487</u>	
Modified accrual basis			<u>\$ 2,078,507</u>	
EXPENDITURES				
Budgetary basis			\$ 1,543,981	
Decrease in accounts payable			<u>(8,487)</u>	
Modified accrual basis			<u>\$ 1,535,494</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Combined Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Governmental Fund Types - Non-Major
 Debt Service Funds
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,800	\$ 1,800	\$ 459	\$ (1,341)
Earnings from investments	<u>1,926,550</u>	<u>1,926,550</u>	<u>2,307,384</u>	<u>380,834</u>
Total revenues	<u>\$ 1,928,350</u>	<u>\$ 1,928,350</u>	<u>\$ 2,307,843</u>	<u>\$ 379,493</u>
EXPENDITURES				
Instructional support	\$ 19,265	\$ 19,265	\$ 25,546	\$ (6,281)
Bonds	1,270,000	1,270,000	1,270,000	-
Interest	<u>1,701,299</u>	<u>1,701,299</u>	<u>656,549</u>	<u>1,044,750</u>
Total expenditures	<u>\$ 2,990,564</u>	<u>\$ 2,990,564</u>	<u>\$ 1,952,095</u>	<u>\$ 1,038,469</u>
BUDGETED CASH BALANCE	<u>\$ 1,062,214</u>	<u>\$ 1,062,214</u>		
REVENUES				
Budgetary basis			\$ 2,307,843	
Decrease in deferred revenues			51,034	
Decrease in accounts receivable			<u>(63,934)</u>	
Modified accrual basis			<u>\$ 2,294,943</u>	

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

NON-MAJOR SPECIAL REVENUE FUNDS

ALL FUNDS - All funds were created by management directive.

PL 94-142-ENTITLEMENT - To account for resources for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

PL 94-142-PRESCHOOL - To account for monies received for the operation and maintenance of meeting the special education needs of children with disabilities. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

FRESH FRUIT & VEGETABLE PROGRAM - To account for cash received to assist States in providing free fresh fruits and vegetables to school children in designated participating schools. Authority is Section 120 of the Child Nutrition and WIC Reauthorization Act (Public Law 108-265).

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 THROUGH TECHNOLOGY FUND - To account for resources received from the Department of Education, Office of Elementary and Secondary Education through the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended. To provide grants to improve student academic achievement through the use of technology in schools.

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 modification 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.

INNOVATIVE EDUCATION PROGRAM STRATEGIES - To account for grant funds to help combat illiteracy among children through a reading program. Also, through the acquisition and use of instructional materials. Financing and authority is provided by Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

Non-Major Special Revenue Funds - continued

ENGLISH LANGUAGE ACQUISITION - To account for monies received to ensure that Limited English Proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet. Financing and authority for this program is Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101, 3129.

IMPROVING TEACHER QUALITY - To account for grant funds to increase student academic achievement through strategies such as improving teacher and principal quality. Financing and authority is Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

SAFE AND 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.

21ST 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 1 Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

RURAL LOW INCOME GRANT - Created to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. (Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended).

TITLE I SCHOOL IMPROVEMENT - To account for federal resources passed through the New Mexico Department of Education to provide for educational improvement through state assessments and related activities authorized by P.L. 107-110.

IMMIGRANT FUNDING - TITLE III - To ensure that Limited English Proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modification 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.

Non-Major Special Revenue Funds - continued

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 the 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.

CHILD NUTRITION - STIMULUS - To account for resources received for the purchase of food service equipment under the Equipment Assistance Program as stipulated in Public Law 111-5, FY 2009.

PL 94-142 - ENTITLEMENT - STIMULUS - To account for resources received for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority for this program are the American Recovery and Reinvestment Act.

IMPACT AID SPECIAL EDUCATION/IMPACT AID INDIAN EDUCATION - To provide financial assistance to local education agencies (LEAs) 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 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 - 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.

Non-Major Special Revenue Funds - continued

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.

MEDICAID FUND - To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions (Title XIX Social Security Act).

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

Non-Major Special Revenue Funds - continued

SEG - STIMULUS - To account for resources received to supplement State and Local funding normally received for the operation of the school district. Financing and authority for this program are the American Recovery and Reinvestment Act.

DUAL CREDIT - To account for resources received from House Bill 2, 2009, to be used for dual credit instructional materials through a course approved by Higher Education Department and through a college/university for which the district has an approved agreement.

GO BOND LIBRARY - To account for monies received from the SB301, Laws 2006 to be used to improve the library, acquire library books or library resources that support the library program.

TECHNOLOGY FOR EDUCATION - To account for State funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities.

OBESITY PROGRAM - To provide 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.

SUMMER BRIDGE - To account for revenues and expenditures from a state grant to provide funding for summer programs.

Non-Major Special Revenue Funds - continued

INCENTIVES FOR SCHOOL IMPROVEMENT ACT - To account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

BEGINNING TEACHER MENTORING PROGRAM - To account for monies appropriated by the State Legislature to be used for stipends to mentors, for professional development opportunities, release time; including payment of substitutes, materials and supplies and for minor administrative costs. Financing and authority is provided by the State Legislature.

BREAKFAST PROGRAM - To account for monies received from the 2006 Legislative General Appropriations Act to be used for Elementary Breakfast food expenses. Financing and authority is provided by the State Legislature.

K-3 PLUS PROGRAM - To account for resources received from the State of New Mexico for full-day Kindergarten and grades one through three for extended year classrooms.

STATE 21ST 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 receive a broad array of additional services, programs, and activities, such as youth development activities, drug and 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.

AFTER SCHOOL ENRICHMENT - To account for resources received to help increase math proficiency with a combination of academic enrichment, physical activity and nutrition education. Funding provided by the State of New Mexico.

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.

LIBRARY BOOK - To account for monies received to be used for the purchase of school library books. Financing and authority is provided by the New Mexico State Legislature, 2008 Senate Bill 471.

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 school. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget of the Taos Board of Education.

Non-Major Special Revenue Funds - continued

NM 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.

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.

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.

GOLDEN APPLE FOUNDATION - To account for resources received to provide opportunities for academic enrichment and to encourage positive change in classroom instruction. Funding is provided by the Wells Fargo Golden Apple Foundation.

NORTHERN NM NETWORK - TEACHER INCENTIVE - For the purpose of developing, implementing, and evaluating a teacher and principal performance-based compensation system.

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 account for a grant to provide support for Coordinated School Health (CHS) programs in the Health Services of the School District. This fund supports programs for prevention, health promotion and early intervention. Financing and authority is provided by the New Mexico Department of Health.

ATHLETICS FUND - To account for the activities of the athletic functions of the District. (State Department of Education Regulation 93-1).

SCHOOL LUNCH FUND - This program provides financing for the School Hot 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.

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	<u>PL 94-142 Entitlement</u>	<u>PL 94-142 Preschool</u>	<u>Fresh Fruit & Vegetable Program</u>	<u>Title I - 1003G</u>	<u>Enhancing Education Thru Technology</u>	<u>Title III Incentive Awards</u>	<u>Innovative Education</u>	<u>English Language Acquistion</u>
ASSETS								
Cash on deposit	\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ -	\$ 22	\$ -
Due from grantor	120,291	3,829	17,994	4,466	-	2,543	-	56,086
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 120,291</u>	<u>\$ 3,829</u>	<u>\$ 17,994</u>	<u>\$ 4,466</u>	<u>\$ 2,409</u>	<u>\$ 2,543</u>	<u>\$ 22</u>	<u>\$ 56,086</u>
LIABILITIES								
Cash overdraft	\$ 120,291	\$ 3,829	\$ 17,994	\$ 4,466	\$ -	\$ 2,543	\$ -	\$ 56,086
Deferred revenue	-	-	-	-	2,409	-	22	-
Total liabilities	<u>120,291</u>	<u>3,829</u>	<u>17,994</u>	<u>4,466</u>	<u>2,409</u>	<u>2,543</u>	<u>22</u>	<u>56,086</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved:								
Undesignated	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 120,291</u>	<u>\$ 3,829</u>	<u>\$ 17,994</u>	<u>\$ 4,466</u>	<u>\$ 2,409</u>	<u>\$ 2,543</u>	<u>\$ 22</u>	<u>\$ 56,086</u>

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

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	Improving Teacher Quality	Safe & Drug Free Schools	21st Century	Rural Low Income Schools	Title I - School Improvement	Title III - Imigrant Funding	Carl Perkins - Tech Prep	Carl Perkins - Tech Prep (Redistribution)
ASSETS								
Cash on deposit	\$ -	\$ -	\$ 8,123	\$ -	\$ -	\$ -	\$ -	\$ -
Due from grantor	140,391	4,293	-	39,122	46,168	19,711	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 140,391</u>	<u>\$ 4,293</u>	<u>\$ 8,123</u>	<u>\$ 39,122</u>	<u>\$ 46,168</u>	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES								
Cash overdraft	\$ 140,391	\$ 4,293	\$ -	\$ 39,122	\$ 46,168	\$ 19,711	\$ -	\$ -
Deferred revenue	-	-	8,123	-	-	-	-	-
Total liabilities	<u>140,391</u>	<u>4,293</u>	<u>8,123</u>	<u>39,122</u>	<u>46,168</u>	<u>19,711</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved:								
Undesignated	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 140,391</u>	<u>\$ 4,293</u>	<u>\$ 8,123</u>	<u>\$ 39,122</u>	<u>\$ 46,168</u>	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ -</u>

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

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	Carl Perkins - JAG	Carl Perkins - Secondary/ Culinary	Title I - Stimulus	Child Nutrituion - Stimulus	PL 94-142 Entitlement - Stimulus	Impact Aid - Special Education	Impact Aid - Indian Education	GRADS
ASSETS								
Cash on deposit	\$ 22,058	\$ -	\$ -	\$ -	\$ -	\$ 152,458	\$ 78,858	\$ 5,556
Due from grantor	-	49,852	64,476	-	10,040	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 22,058</u>	<u>\$ 49,852</u>	<u>\$ 64,476</u>	<u>\$ -</u>	<u>\$ 10,040</u>	<u>\$ 152,458</u>	<u>\$ 78,858</u>	<u>\$ 5,556</u>
LIABILITIES								
Cash overdraft	\$ -	\$ 49,852	\$ 64,476	\$ -	\$ 10,040	\$ -	\$ -	\$ -
Deferred revenue	22,058	-	-	-	-	152,458	78,858	5,556
Total liabilities	<u>22,058</u>	<u>49,852</u>	<u>64,476</u>	<u>-</u>	<u>10,040</u>	<u>152,458</u>	<u>78,858</u>	<u>5,556</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved:								
Undesignated	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 22,058</u>	<u>\$ 49,852</u>	<u>\$ 64,476</u>	<u>\$ -</u>	<u>\$ 10,040</u>	<u>\$ 152,458</u>	<u>\$ 78,858</u>	<u>\$ 5,556</u>

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

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	TANF GRADS	Medicaid	Indian Education	SEG- Stimulus	Dual Credit	GO Bond Library	Technology For Education	Obesity Program
ASSETS								
Cash on deposit	\$ 11,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,811	\$ 135
Due from grantor	-	37,312	30,579	-	16,999	1,648	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 11,757</u>	<u>\$ 37,312</u>	<u>\$ 30,579</u>	<u>\$ -</u>	<u>\$ 16,999</u>	<u>\$ 1,648</u>	<u>\$ 27,811</u>	<u>\$ 135</u>
LIABILITIES								
Cash overdraft	\$ -	\$ 37,312	\$ 30,579	\$ -	\$ 16,999	\$ 1,648	\$ -	\$ -
Deferred revenue	11,757	-	-	-	-	-	27,811	135
Total liabilities	<u>11,757</u>	<u>37,312</u>	<u>30,579</u>	<u>-</u>	<u>16,999</u>	<u>1,648</u>	<u>27,811</u>	<u>135</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved:								
Undesignated	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,757</u>	<u>\$ 37,312</u>	<u>\$ 30,579</u>	<u>\$ -</u>	<u>\$ 16,999</u>	<u>\$ 1,648</u>	<u>\$ 27,811</u>	<u>\$ 135</u>

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

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	Full Day Kindergarten	Incentives for School Improvements	Summer Bridge Program	Beginning Teacher Mentoring	Breakfast - Elementary Students	Kindergarten 3-Plus	21st/ Century - State	After School Enrichment
ASSETS								
Cash on deposit	\$ 207	\$ 44,234	\$ 107	\$ 9,934	\$ -	\$ 53,405	\$ -	\$ -
Due from grantor	-	-	-	-	16,998	-	-	6,430
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>	<u>\$ 9,934</u>	<u>\$ 16,998</u>	<u>\$ 53,405</u>	<u>\$ -</u>	<u>\$ 6,430</u>
LIABILITIES								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 16,998	\$ -	\$ -	\$ 6,430
Deferred revenue	207	44,234	107	9,934	-	53,405	-	-
Total liabilities	<u>207</u>	<u>44,234</u>	<u>107</u>	<u>9,934</u>	<u>16,998</u>	<u>53,405</u>	<u>-</u>	<u>6,430</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved:								
Undesignated	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 207</u>	<u>\$ 44,234</u>	<u>\$ 107</u>	<u>\$ 9,934</u>	<u>\$ 16,998</u>	<u>\$ 53,405</u>	<u>\$ -</u>	<u>\$ 6,430</u>

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

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	Water Conservation Program	Library Book	Assist Tobacco - DOH	Healthier Schools	NM Gear Up	ENLACE UNM	LANL Foundation
ASSETS							
Cash on deposit	\$ -	\$ 972	\$ 7,675	\$ 57,116	\$ -	\$ 840	\$ 2,937
Due from grantor	-	-	-	-	74,609	-	-
Inventory, at cost	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 7,675</u>	<u>\$ 57,116</u>	<u>\$ 74,609</u>	<u>\$ 840</u>	<u>\$ 2,937</u>
LIABILITIES							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 74,609	\$ -	\$ -
Deferred revenue	-	972	7,675	57,116	-	840	2,937
Total liabilities	<u>-</u>	<u>972</u>	<u>7,675</u>	<u>57,116</u>	<u>74,609</u>	<u>840</u>	<u>2,937</u>
FUND BALANCES							
Reserved for inventory	-	-	-	-	-	-	-
Unreserved:							
Undesignated	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 7,675</u>	<u>\$ 57,116</u>	<u>\$ 74,609</u>	<u>\$ 840</u>	<u>\$ 2,937</u>

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

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	INTEL Foundation	Golden Apple Foundation	Northern Network - Teacher Incentive	Yes I Can Fund	School Based Health Center	Athletics	Cafeteria	Totals
ASSETS								
Cash on deposit	\$ 3,000	\$ -	\$ -	\$ 1,943	\$ 29,985	\$ 35,505	\$ 74,270	\$ 631,317
Due from grantor	-	-	125,761	-	39,860	-	-	929,458
Inventory, at cost	-	-	-	-	-	-	32,180	32,180
Total assets	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 125,761</u>	<u>\$ 1,943</u>	<u>\$ 69,845</u>	<u>\$ 35,505</u>	<u>\$ 106,450</u>	<u>\$ 1,592,955</u>
LIABILITIES								
Cash overdraft	\$ -	\$ -	\$ 125,761	\$ -	\$ 39,860	\$ -	\$ -	\$ 929,458
Deferred revenue	3,000	-	-	1,943	29,985	-	-	521,542
Total liabilities	<u>3,000</u>	<u>-</u>	<u>125,761</u>	<u>1,943</u>	<u>69,845</u>	<u>-</u>	<u>-</u>	<u>1,451,000</u>
FUND BALANCES								
Reserved for inventory	-	-	-	-	-	-	32,180	32,180
Unreserved:								
Undesignated	-	-	-	-	-	35,505	74,270	109,775
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,505</u>	<u>106,450</u>	<u>141,955</u>
Total liabilities and fund balances	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 125,761</u>	<u>\$ 1,943</u>	<u>\$ 69,845</u>	<u>\$ 35,505</u>	<u>\$ 106,450</u>	<u>\$ 1,592,955</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures
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 Year Ended June 30, 2010

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	PL 94-142 Entitlement	PL 94-142 Preschool	Fresh Fruit & Vegetable Program	Title I - 1003G	Enhancing Education Thru Technology	Title III - Incentive Awards	Innovative Education	English Language Acquisition
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	608,285	9,684	63,750	9,457	-	2,918	4,168	61,139
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	<u>608,285</u>	<u>9,684</u>	<u>63,750</u>	<u>9,457</u>	<u>-</u>	<u>2,918</u>	<u>4,168</u>	<u>61,139</u>
EXPENDITURES								
Direct instruction	254,258	9,290	-	9,457	-	2,841	4,059	53,604
Instructional support	287,642	394	-	-	-	77	109	7,535
Food services	53,197	-	63,750	-	-	-	-	-
Capital outlay	13,188	-	-	-	-	-	-	-
Total expenditures	<u>608,285</u>	<u>9,684</u>	<u>63,750</u>	<u>9,457</u>	<u>-</u>	<u>2,918</u>	<u>4,168</u>	<u>61,139</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures
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	Improving Teacher Quality	Safe & Drug Free Schools	21st Century	Rural Low Income Schools	Title I - School Improvement	Title III - Imigrant Funding	Carl Perkins - Tech Prep	Carl Perkins - Tech Prep (Redistribution)
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	312,470	18,001	1,715	91,037	113,704	9,848	-	108,842
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	<u>312,470</u>	<u>18,001</u>	<u>1,715</u>	<u>91,037</u>	<u>113,704</u>	<u>9,848</u>	<u>-</u>	<u>108,842</u>
EXPENDITURES								
Direct instruction	276,638	17,483	1,715	86,893	55,200	9,589	-	104,856
Instructional support	35,832	518	-	4,144	58,504	259	-	3,986
Food services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>312,470</u>	<u>18,001</u>	<u>1,715</u>	<u>91,037</u>	<u>113,704</u>	<u>9,848</u>	<u>-</u>	<u>108,842</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
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	Carl Perkins - JAG	Carl Perkins - Secondary/ Culinary	Title I - Stimulus	Child Nutrituion - Stimulus	PL 94-142 Entitlement - Stimulus	Impact Aid - Special Education	Impact Aid - Indian Education	GRADS
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	19,775	266,001	64,591	120,533	6,621	7,604	-
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>19,775</u>	<u>266,001</u>	<u>64,591</u>	<u>120,533</u>	<u>6,621</u>	<u>7,604</u>	<u>-</u>
EXPENDITURES								
Direct instruction	-	19,255	228,612	-	76,017	-	977	-
Instructional support	-	520	16,540	-	44,516	6,621	6,627	-
Food services	-	-	-	-	-	-	-	-
Capital outlay	-	-	20,849	64,591	-	-	-	-
Total expenditures	<u>-</u>	<u>19,775</u>	<u>266,001</u>	<u>64,591</u>	<u>120,533</u>	<u>6,621</u>	<u>7,604</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures
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	TANF GRADS	Medicaid	Indian Education	SEG- Stimulus	Dual Credit	GO Bond Library	Technology For Education	Obesity Program
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	16,999	16,331	19,238	-
Federal sources	-	196,482	45,361	1,385,813	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>196,482</u>	<u>45,361</u>	<u>1,385,813</u>	<u>16,999</u>	<u>16,331</u>	<u>19,238</u>	<u>-</u>
EXPENDITURES								
Direct instruction	-	60,689	42,658	76,987	16,999	-	11,480	-
Instructional support	-	135,793	2,703	1,308,826	-	16,331	7,758	-
Food services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>196,482</u>	<u>45,361</u>	<u>1,385,813</u>	<u>16,999</u>	<u>16,331</u>	<u>19,238</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures
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	Full Day Kindergarten	Incentives for School Improvements	Summer Bridge Program	Beginning Teacher Mentoring	Breakfast -- Elementary Students	Kindergarten 3-Plus	21st/ Century - State	After School Enrichment
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	10,856	10,267	341,896	-	46,400
Federal sources	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,856</u>	<u>10,267</u>	<u>341,896</u>	<u>-</u>	<u>46,400</u>
EXPENDITURES								
Direct instruction	-	-	-	10,856	-	290,602	-	46,400
Instructional support	-	-	-	-	-	51,294	-	-
Food services	-	-	-	-	10,267	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,856</u>	<u>10,267</u>	<u>341,896</u>	<u>-</u>	<u>46,400</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
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 Year Ended June 30, 2010

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	Water Conservation Program	Library Book	Assist Tobacco - DOH	Healthier Schools	NM Gear Up	ENLACE UNM	LANL Foundation
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	4,098	61,757
State sources	-	-	47,019	4,192	53,529	-	-
Federal sources	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>47,019</u>	<u>4,192</u>	<u>53,529</u>	<u>4,098</u>	<u>61,757</u>
EXPENDITURES							
Direct instruction	-	-	2,808	-	40,002	4,098	61,757
Instructional support	-	-	44,211	4,192	13,527	-	-
Food services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>47,019</u>	<u>4,192</u>	<u>53,529</u>	<u>4,098</u>	<u>61,757</u>
Net change in fund balance	-	-	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
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	INTEL Foundation	Golden Apple Foundation	Northern Network - Teacher Incentive	Yes I Can Fund	School Based Health Center	Athletics	Cafeteria	Grand Totals
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,612	\$ 152,267	\$ 204,879
Local sources	-	1,000	271,246	25,472	190,893	1,402	2,329	558,197
State sources	-	-	-	-	-	-	133,192	699,919
Federal sources	-	-	-	-	-	-	1,666,440	5,194,239
Earnings from investments	-	-	-	-	-	-	3	3
Total revenues	-	1,000	271,246	25,472	190,893	54,014	1,954,231	6,657,237
EXPENDITURES								
Direct instruction	-	1,000	259,579	11,234	190,893	52,967	-	2,391,753
Instructional support	-	-	11,667	14,238	-	-	-	2,084,364
Food services	-	-	-	-	-	-	1,930,395	2,057,609
Capital outlay	-	-	-	-	-	-	7,241	105,869
Total expenditures	-	1,000	271,246	25,472	190,893	52,967	1,937,636	6,639,595
Net change in fund balance	-	-	-	-	-	1,047	16,595	17,642
Fund balance at beginning of year	-	-	-	-	-	34,458	89,855	124,313
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,505	\$ 106,450	\$ 141,955

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - PL 94-142 Entitlement
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 786,420	\$ 746,311	\$ (40,109)
Total revenues	<u>\$ -</u>	<u>\$ 786,420</u>	<u>\$ 746,311</u>	<u>\$ (40,109)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 322,683	\$ 254,258	\$ 68,425
Instructional support	-	410,530	300,830	109,700
Food services	-	53,207	53,197	10
Total expenditures	<u>\$ -</u>	<u>\$ 786,420</u>	<u>\$ 608,285</u>	<u>\$ 178,135</u>
REVENUES				
Budgetary basis			\$ 746,311	
Decrease in due from grantor			<u>(138,026)</u>	
Modified accrual basis			<u>\$ 608,285</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - PL 94-142 Preschool
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 22,466	\$ 19,280	\$ (3,186)
Total revenues	<u>\$ -</u>	<u>\$ 22,466</u>	<u>\$ 19,280</u>	<u>\$ (3,186)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 21,127	\$ 9,290	\$ 11,837
Instructional support	-	1,339	394	945
Total expenditures	<u>\$ -</u>	<u>\$ 22,466</u>	<u>\$ 9,684</u>	<u>\$ 12,782</u>
REVENUES				
Budgetary basis			\$ 19,280	
Decrease in due from grantor			<u>(9,596)</u>	
Modified accrual basis			<u>\$ 9,684</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Fresh Fruit & Vegetable Program
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 63,750	\$ 63,060	\$ (690)
Total revenues	<u>\$ -</u>	<u>\$ 63,750</u>	<u>\$ 63,060</u>	<u>\$ (690)</u>
EXPENDITURES				
Food services	\$ -	\$ 63,750	\$ 63,750	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 63,750</u>	<u>\$ 63,750</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 63,060	
Increase in due from grantor			<u>690</u>	
Modified accrual basis			<u>\$ 63,750</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Title I - 1003G
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 15,009	\$ 139,982	\$ 124,973
Total revenues	<u>\$ -</u>	<u>\$ 15,009</u>	<u>\$ 139,982</u>	<u>\$ 124,973</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 15,009	\$ 9,457	\$ 5,552
Total expenditures	<u>\$ -</u>	<u>\$ 15,009</u>	<u>\$ 9,457</u>	<u>\$ 5,552</u>
REVENUES				
Budgetary basis			\$ 139,982	
Decrease in due from grantor			<u>(130,525)</u>	
Modified accrual basis			<u>\$ 9,457</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Enhancing Education Through Technology
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Title III - Incentive Awards
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 3,000	\$ 2,841	\$ (159)
Total revenues	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 2,841</u>	<u>\$ (159)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 2,841	\$ 2,841	\$ -
Instructional support	-	159	77	82
Total expenditures	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 2,918</u>	<u>\$ 82</u>
REVENUES				
Budgetary basis			\$ 2,841	
Increase in due from grantor			<u>77</u>	
Modified accrual basis			<u>\$ 2,918</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Innovative Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 4,206	\$ -	\$ (4,206)
Total revenues	<u>\$ -</u>	<u>\$ 4,206</u>	<u>\$ -</u>	<u>\$ (4,206)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 4,092	\$ 4,059	\$ 33
Instructional support	-	114	109	5
Total expenditures	<u>\$ -</u>	<u>\$ 4,206</u>	<u>\$ 4,168</u>	<u>\$ 38</u>
REVENUES				
Budgetary basis			\$ -	
Decrease in deferred revenue			<u>4,168</u>	
Modified accrual basis			<u>\$ 4,168</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - English Language Acquisition
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 81,536	\$ 27,444	\$ (54,092)
Total revenues	<u>\$ -</u>	<u>\$ 81,536</u>	<u>\$ 27,444</u>	<u>\$ (54,092)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 57,927	\$ 53,604	\$ 4,323
Instructional support	-	23,609	7,535	16,074
Total expenditures	<u>\$ -</u>	<u>\$ 81,536</u>	<u>\$ 61,139</u>	<u>\$ 20,397</u>
REVENUES				
Budgetary basis			\$ 27,444	
Increase in due from grantor			33,695	
Modified accrual basis			<u>\$ 61,139</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Improving Teacher Quality
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 246,095	\$ 521,482	\$ 222,119	\$ (299,363)
Total revenues	<u>\$ 246,095</u>	<u>\$ 521,482</u>	<u>\$ 222,119</u>	<u>\$ (299,363)</u>
EXPENDITURES				
Direct instruction	\$ 184,283	\$ 430,004	\$ 276,638	\$ 153,366
Instructional support	61,812	91,478	35,832	55,646
Total expenditures	<u>\$ 246,095</u>	<u>\$ 521,482</u>	<u>\$ 312,470</u>	<u>\$ 209,012</u>
REVENUES				
Budgetary basis			\$ 222,119	
Increase in due from grantor			90,351	
Modified accrual basis			<u>\$ 312,470</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Safe & Drug Free Schools
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 16,669	\$ 33,397	\$ 17,510	\$ (15,887)
Total revenues	<u>\$ 16,669</u>	<u>\$ 33,397</u>	<u>\$ 17,510</u>	<u>\$ (15,887)</u>
EXPENDITURES				
Direct instruction	\$ 12,726	\$ 25,002	\$ 17,483	\$ 7,519
Instructional support	3,943	8,395	518	7,877
Total expenditures	<u>\$ 16,669</u>	<u>\$ 33,397</u>	<u>\$ 18,001</u>	<u>\$ 15,396</u>
REVENUES				
Budgetary basis			\$ 17,510	
Increase in due from grantor			491	
Modified accrual basis			<u>\$ 18,001</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - 21st Century - Federal
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 1,715	\$ 13,251	\$ 11,536
Total revenues	<u>\$ -</u>	<u>\$ 1,715</u>	<u>\$ 13,251</u>	<u>\$ 11,536</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 1,715	\$ 1,715	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 1,715</u>	<u>\$ 1,715</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 13,251	
Increase in deferred revenue			<u>(11,536)</u>	
Modified accrual basis			<u>\$ 1,715</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Rural Low Income Schools
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 111,764	\$ 58,895	\$ (52,869)
Total revenues	<u>\$ -</u>	<u>\$ 111,764</u>	<u>\$ 58,895</u>	<u>\$ (52,869)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 106,500	\$ 86,893	\$ 19,607
Instructional support	-	5,264	4,144	1,120
Total expenditures	<u>\$ -</u>	<u>\$ 111,764</u>	<u>\$ 91,037</u>	<u>\$ 20,727</u>
REVENUES				
Budgetary basis			\$ 58,895	
Increase in due from grantor			<u>32,142</u>	
Modified accrual basis			<u>\$ 91,037</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Title I - School Improvement
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 120,000	\$ 67,536	\$ (52,464)
Total revenues	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 67,536</u>	<u>\$ (52,464)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 61,496	\$ 55,200	\$ 6,296
Instructional support	-	58,504	58,504	-
Total expenditures	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 113,704</u>	<u>\$ 6,296</u>
REVENUES				
Budgetary basis			\$ 67,536	
Increase in due from grantor			46,168	
Modified accrual basis			<u>\$ 113,704</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Title III - Immigrant Funding
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 9,855	\$ -	\$ (9,855)
Total revenues	<u>\$ -</u>	<u>\$ 9,855</u>	<u>\$ -</u>	<u>\$ (9,855)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 9,589	\$ 9,589	\$ -
Instructional support	-	266	259	7
Total expenditures	<u>\$ -</u>	<u>\$ 9,855</u>	<u>\$ 9,848</u>	<u>\$ 7</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>9,848</u>	
Modified accrual basis			<u>\$ 9,848</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Carl Perkins Tech Prep
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ -	\$ 37,191	\$ 37,191
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,191</u>	<u>\$ 37,191</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 37,191	
Decrease in due from grantor			<u>(37,191)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Carl Perkins - Tech Prep (Redistribution)
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 108,940	\$ 108,842	\$ (98)
Total revenues	<u>\$ -</u>	<u>\$ 108,940</u>	<u>\$ 108,842</u>	<u>\$ (98)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 104,949	\$ 104,856	\$ 93
Instructional support	-	3,991	3,986	5
Total expenditures	<u>\$ -</u>	<u>\$ 108,940</u>	<u>\$ 108,842</u>	<u>\$ 98</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Carl Perkins - JAG
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ -	\$ 2,058	\$ 2,058
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,058</u>	<u>\$ 2,058</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 2,058	
Increase in deferred revenue			<u>(2,058)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Carl Perkins - Secondary/Culinary
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 37,745	\$ 4,325	\$ (33,420)
Total revenues	<u>\$ -</u>	<u>\$ 37,745</u>	<u>\$ 4,325</u>	<u>\$ (33,420)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 35,586	\$ 19,255	\$ 16,331
Instructional support	-	2,159	520	1,639
Total expenditures	<u>\$ -</u>	<u>\$ 37,745</u>	<u>\$ 19,775</u>	<u>\$ 17,970</u>
REVENUES				
Budgetary basis			\$ 4,325	
Increase in due from grantor			<u>15,450</u>	
Modified accrual basis			<u>\$ 19,775</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Title I - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 281,665	\$ 553,779	\$ 202,204	\$ (351,575)
Total revenues	<u>\$ 281,665</u>	<u>\$ 553,779</u>	<u>\$ 202,204</u>	<u>\$ (351,575)</u>
EXPENDITURES				
Direct instruction	\$ 257,560	\$ 508,750	\$ 249,461	\$ 259,289
Instructional support	<u>24,105</u>	<u>45,029</u>	<u>16,540</u>	<u>28,489</u>
Total expenditures	<u>\$ 281,665</u>	<u>\$ 553,779</u>	<u>\$ 266,001</u>	<u>\$ 287,778</u>
REVENUES				
Budgetary basis			\$ 202,204	
Increase in due from grantor			<u>63,797</u>	
Modified accrual basis			<u>\$ 266,001</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Child Nutrition - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 64,591	\$ 64,591	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 64,591</u>	<u>\$ 64,591</u>	<u>\$ -</u>
EXPENDITURES				
Capital outlay	\$ -	\$ 64,591	\$ 64,591	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 64,591</u>	<u>\$ 64,591</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - PL 94-142 Entitlement - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 268,593	\$ 214,959	\$ (53,634)
Total revenues	<u>\$ -</u>	<u>\$ 268,593</u>	<u>\$ 214,959</u>	<u>\$ (53,634)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 178,269	\$ 76,017	\$ 102,252
Instructional support	-	90,324	44,516	45,808
Total expenditures	<u>\$ -</u>	<u>\$ 268,593</u>	<u>\$ 120,533</u>	<u>\$ 148,060</u>
REVENUES				
Budgetary basis			\$ 214,959	
Decrease in due from grantor			<u>(94,426)</u>	
Modified accrual basis			<u>\$ 120,533</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Impact Aid - Special Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 59,773	\$ 136,480	\$ 21,600	\$ (114,880)
Total revenues	<u>\$ 59,773</u>	<u>\$ 136,480</u>	<u>\$ 21,600</u>	<u>\$ (114,880)</u>
EXPENDITURES				
Direct instruction	\$ 55,827	\$ 81,346	\$ -	\$ 81,346
Instructional support	3,946	55,134	6,621	48,513
Total expenditures	<u>\$ 59,773</u>	<u>\$ 136,480</u>	<u>\$ 6,621</u>	<u>\$ 129,859</u>
REVENUES				
Budgetary basis			\$ 21,600	
Increase in deferred revenue			(14,979)	
Modified accrual basis			<u>\$ 6,621</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Impact Aid - Indian Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 22,968	\$ 75,304	\$ 8,744	\$ (66,560)
Total revenues	<u>\$ 22,968</u>	<u>\$ 75,304</u>	<u>\$ 8,744</u>	<u>\$ (66,560)</u>
EXPENDITURES				
Direct instruction	\$ 16,479	\$ 36,624	\$ 977	\$ 35,647
Instructional support	6,489	38,680	6,627	32,053
Total expenditures	<u>\$ 22,968</u>	<u>\$ 75,304</u>	<u>\$ 7,604</u>	<u>\$ 67,700</u>
REVENUES				
Budgetary basis			\$ 8,744	
Increase in deferred revenue			(1,140)	
Modified accrual basis			<u>\$ 7,604</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - GRADS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 3,000	\$ 3,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 3,000	\$ -	\$ 3,000
Total expenditures	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
REVENUES				
Budgetary basis			\$ 3,000	
Increase in deferred revenue			<u>(3,000)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - TANF GRADS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 8,000	\$ 8,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 8,000	\$ -	\$ 8,000
Total expenditures	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 8,000</u>
REVENUES				
Budgetary basis			\$ 8,000	
Increase in deferred revenue			<u>(8,000)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Medicaid
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 303,844	\$ 303,844	\$ 80,655	\$ (223,189)
Total revenues	<u>\$ 303,844</u>	<u>\$ 303,844</u>	<u>\$ 80,655</u>	<u>\$ (223,189)</u>
EXPENDITURES				
Direct instruction	\$ 155,268	\$ 100,972	\$ 60,689	\$ 40,283
Instructional support	148,576	202,872	135,793	67,079
Total expenditures	<u>\$ 303,844</u>	<u>\$ 303,844</u>	<u>\$ 196,482</u>	<u>\$ 107,362</u>
REVENUES				
Budgetary basis			\$ 80,655	
Increase in due from grantor			37,312	
Decrease in deferred revenue			78,515	
Modified accrual basis			<u>\$ 196,482</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Indian Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 45,421	\$ 16,481	\$ (28,940)
Total revenues	<u>\$ -</u>	<u>\$ 45,421</u>	<u>\$ 16,481</u>	<u>\$ (28,940)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 42,694	\$ 42,658	\$ 36
Instructional support	-	2,727	2,703	24
Total expenditures	<u>\$ -</u>	<u>\$ 45,421</u>	<u>\$ 45,361</u>	<u>\$ 60</u>
REVENUES				
Budgetary basis			\$ 16,481	
Increase in due from grantor			28,880	
Modified accrual basis			<u>\$ 45,361</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - SEG Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 1,358,464	\$ 1,385,813	\$ 1,385,813	\$ -
Total revenues	<u>\$ 1,358,464</u>	<u>\$ 1,385,813</u>	<u>\$ 1,385,813</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ 76,987	\$ 76,987	\$ 76,987	\$ -
Instructional support	1,281,477	1,308,826	1,308,826	-
Total expenditures	<u>\$ 1,358,464</u>	<u>\$ 1,385,813</u>	<u>\$ 1,385,813</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Dual Credit
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 20,000	\$ -	\$ (20,000)
Total revenues	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 20,000	\$ 16,999	\$ 3,001
Total expenditures	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 16,999</u>	<u>\$ 3,001</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>16,999</u>	
Modified accrual basis			<u>\$ 16,999</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - GO Bond Library
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 25,660	\$ 14,683	\$ (10,977)
Total revenues	<u>\$ -</u>	<u>\$ 25,660</u>	<u>\$ 14,683</u>	<u>\$ (10,977)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 25,660	\$ 16,331	\$ 9,329
Total expenditures	<u>\$ -</u>	<u>\$ 25,660</u>	<u>\$ 16,331</u>	<u>\$ 9,329</u>
REVENUES				
Budgetary basis			\$ 14,683	
Increase in due from grantor			<u>1,648</u>	
Modified accrual basis			<u>\$ 16,331</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Technology for Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 20,441	\$ 20,753	\$ 312
Total revenues	<u>\$ -</u>	<u>\$ 20,441</u>	<u>\$ 20,753</u>	<u>\$ 312</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 11,480	\$ 11,480	\$ -
Instructional support	-	8,961	7,758	1,203
Total expenditures	<u>\$ -</u>	<u>\$ 20,441</u>	<u>\$ 19,238</u>	<u>\$ 1,203</u>
REVENUES				
Budgetary basis			\$ 20,753	
Increase in deferred revenue			<u>(1,515)</u>	
Modified accrual basis			<u>\$ 19,238</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Obesity Program
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Instructional support	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Full Day Kindergarten
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Incentives for School Improvements
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Summer Bridge Program
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Beginning Teacher Mentoring
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 20,545	\$ 6,407	\$ (14,138)
Total revenues	<u>\$ -</u>	<u>\$ 20,545</u>	<u>\$ 6,407</u>	<u>\$ (14,138)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 19,345	\$ 10,856	\$ 8,489
Instructional support	-	1,200	-	1,200
Total expenditures	<u>\$ -</u>	<u>\$ 20,545</u>	<u>\$ 10,856</u>	<u>\$ 9,689</u>
REVENUES				
Budgetary basis			\$ 6,407	
Decrease in deferred revenue			<u>4,449</u>	
Modified accrual basis			<u>\$ 10,856</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Breakfast - Elementary Students
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 10,267	\$ 10,267	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 10,267</u>	<u>\$ 10,267</u>	<u>\$ -</u>
EXPENDITURES				
Food services	\$ -	\$ 10,267	\$ 10,267	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 10,267</u>	<u>\$ 10,267</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Kindergarten 3-Plus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 341,896	\$ 341,779	\$ (117)
Total revenues	<u>\$ -</u>	<u>\$ 341,896</u>	<u>\$ 341,779</u>	<u>\$ (117)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 290,602	\$ 290,602	\$ -
Instructional support	-	51,294	51,294	-
Total expenditures	<u>\$ -</u>	<u>\$ 341,896</u>	<u>\$ 341,896</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 341,779	
Decrease in deferred revenue			<u>117</u>	
Modified accrual basis			<u>\$ 341,896</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - 21st Century - State
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 480	\$ 480
State sources	-	-	17,335	17,335
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,815</u>	<u>\$ 17,815</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 17,815	
Decrease in due from grantor			<u>(17,815)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - After School Enrichment
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 46,400	\$ 39,970	\$ (6,430)
Total revenues	<u>\$ -</u>	<u>\$ 46,400</u>	<u>\$ 39,970</u>	<u>\$ (6,430)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 46,400	\$ 46,400	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 46,400</u>	<u>\$ 46,400</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 39,970	
Increase in due from grantor			<u>6,430</u>	
Modified accrual basis			<u>\$ 46,400</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Water Conservation Program
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 2,305	\$ 2,305
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,305</u>	<u>\$ 2,305</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 2,305	
Decrease in due from grantor			<u>(2,305)</u>	
Modified accrual basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Library Book
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Assist Tobacco - DOH
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 55,203	\$ 50,100	\$ (5,103)
Total revenues	<u>\$ -</u>	<u>\$ 55,203</u>	<u>\$ 50,100</u>	<u>\$ (5,103)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 4,096	\$ 2,808	\$ 1,288
Instructional support	-	51,107	44,211	6,896
Total expenditures	<u>\$ -</u>	<u>\$ 55,203</u>	<u>\$ 47,019</u>	<u>\$ 8,184</u>
REVENUES				
Budgetary basis			\$ 50,100	
Increase in deferred revenue			(3,081)	
Modified accrual basis			<u>\$ 47,019</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Healthier Schools
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 4,336	\$ 29,900	\$ 25,564
Total revenues	<u>\$ -</u>	<u>\$ 4,336</u>	<u>\$ 29,900</u>	<u>\$ 25,564</u>
EXPENDITURES				
Instructional support	\$ -	\$ 4,336	\$ 4,192	\$ 144
Total expenditures	<u>\$ -</u>	<u>\$ 4,336</u>	<u>\$ 4,192</u>	<u>\$ 144</u>
REVENUES				
Budgetary basis			\$ 29,900	
Increase in deferred revenue			<u>(25,708)</u>	
Modified accrual basis			<u>\$ 4,192</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - NM Gear Up
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 55,880	\$ 23,455	\$ (32,425)
Total revenues	<u>\$ -</u>	<u>\$ 55,880</u>	<u>\$ 23,455</u>	<u>\$ (32,425)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 42,242	\$ 40,002	\$ 2,240
Instructional support	-	13,638	13,527	111
Total expenditures	<u>\$ -</u>	<u>\$ 55,880</u>	<u>\$ 53,529</u>	<u>\$ 2,351</u>
REVENUES				
Budgetary basis			\$ 23,455	
Increase in due from grantor			<u>30,074</u>	
Modified accrual basis			<u>\$ 53,529</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - ENLACE UNM
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 12,938	\$ -	\$ (12,938)
Total revenues	<u>\$ -</u>	<u>\$ 12,938</u>	<u>\$ -</u>	<u>\$ (12,938)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 12,212	\$ 4,098	\$ 8,114
Instructional support	-	726	-	726
Total expenditures	<u>\$ -</u>	<u>\$ 12,938</u>	<u>\$ 4,098</u>	<u>\$ 8,840</u>
REVENUES				
Budgetary basis			\$ -	
Decrease in deferred revenue			<u>4,098</u>	
Modified accrual basis			<u>\$ 4,098</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - LANL Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 62,860	\$ 64,360	\$ 1,500
Total revenues	<u>\$ -</u>	<u>\$ 62,860</u>	<u>\$ 64,360</u>	<u>\$ 1,500</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 62,860	\$ 61,757	\$ 1,103
Total expenditures	<u>\$ -</u>	<u>\$ 62,860</u>	<u>\$ 61,757</u>	<u>\$ 1,103</u>
REVENUES				
Budgetary basis			\$ 64,360	
Increase in deferred revenue			<u>(2,603)</u>	
Modified accrual basis			<u>\$ 61,757</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - INTEL Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Golden Apple Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 1,000	\$ 1,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 1,000	\$ 1,000	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Northern Network - Teacher Incentive
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 429,508	\$ 138,691	\$ (290,817)
Total revenues	<u>\$ -</u>	<u>\$ 429,508</u>	<u>\$ 138,691</u>	<u>\$ (290,817)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 406,602	\$ 259,579	\$ 147,023
Instructional support	-	22,906	11,667	11,239
Total expenditures	<u>\$ -</u>	<u>\$ 429,508</u>	<u>\$ 271,246</u>	<u>\$ 158,262</u>
REVENUES				
Budgetary basis			\$ 138,691	
Increase in due from grantor			<u>132,555</u>	
Modified accrual basis			<u>\$ 271,246</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Yes I Can Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 35,866	\$ 35,866	\$ 17,405	\$ (18,461)
Total revenues	<u>\$ 35,866</u>	<u>\$ 35,866</u>	<u>\$ 17,405</u>	<u>\$ (18,461)</u>
EXPENDITURES				
Direct instruction	\$ 13,280	\$ 13,280	\$ 11,234	\$ 2,046
Instructional support	22,586	22,586	14,238	8,348
Total expenditures	<u>\$ 35,866</u>	<u>\$ 35,866</u>	<u>\$ 25,472</u>	<u>\$ 10,394</u>
REVENUES				
Budgetary basis			\$ 17,405	
Decrease in deferred revenue			<u>8,067</u>	
Modified accrual basis			<u>\$ 25,472</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - School Based Health Center
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local sources	\$ -	\$ 161,918	\$ 190,090	\$ 28,172
Total revenues	<u>\$ -</u>	<u>\$ 161,918</u>	<u>\$ 190,090</u>	<u>\$ 28,172</u>
EXPENDITURES				
Instructional support	\$ -	\$ 161,918	\$ 190,893	\$ (28,975)
Total expenditures	<u>\$ -</u>	<u>\$ 161,918</u>	<u>\$ 190,893</u>	<u>\$ (28,975)</u>
REVENUES				
Budgetary basis			\$ 190,090	
Increase in due from grantor			<u>803</u>	
Modified accrual basis			<u>\$ 190,893</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Athletics
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 1,402	\$ 1,402
Charges for services	<u>41,366</u>	<u>41,366</u>	<u>52,612</u>	<u>11,246</u>
Total revenues	<u>\$ 41,366</u>	<u>\$ 41,366</u>	<u>\$ 54,014</u>	<u>\$ 12,648</u>
EXPENDITURES				
Direct instruction	\$ 67,020	\$ 67,020	\$ 52,967	\$ 14,053
Total expenditures	<u>\$ 67,020</u>	<u>\$ 67,020</u>	<u>\$ 52,967</u>	<u>\$ 14,053</u>
BUDGETED CASH BALANCE	<u>\$ 25,654</u>	<u>\$ 25,654</u>		

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Special Revenue Fund - Cafeteria
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 160,000	\$ 160,000	\$ 152,267	\$ (7,733)
Local sources	-	-	2,329	2,329
State sources	125,000	125,000	133,192	8,192
Federal sources	1,608,000	1,662,000	1,666,440	4,440
Earnings from investments	-	-	3	3
	<u>\$ 1,893,000</u>	<u>\$ 1,947,000</u>	<u>\$ 1,954,231</u>	<u>\$ 7,231</u>
EXPENDITURES				
Food services	\$ 2,025,413	\$ 2,079,413	\$ 1,934,512	\$ 144,901
	<u>\$ 2,025,413</u>	<u>\$ 2,079,413</u>	<u>\$ 1,934,512</u>	<u>\$ 144,901</u>
BUDGETED CASH BALANCE	<u>\$ 132,413</u>	<u>\$ 132,413</u>		
EXPENDITURES				
Budgetary basis			\$ 1,934,512	
Decrease in inventory			3,124	
			<u>\$ 1,937,636</u>	
Modified accrual basis				

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

NON-MAJOR CAPITAL PROJECTS FUND

SPECIAL CAPITAL OUTLAY - LOCAL - To account for resources received from local revenues for the construction and improvements to District buildings and facilities.

CAPITAL IMPROVEMENTS SB-9 - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also, for resources received from State of New Mexico Severance Tax Bonds.

ED TECHNOLOGY EQUIPMENT ACT - To account for resources received from the issuance of Educational Technology Notes to enable the District to acquire educational technology equipment for 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.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Capital Projects Funds
 Combining Balance Sheet
 June 30, 2010

	Special Capital Outlay - Local	Capital Improvements SB-9	Educational Technology Equipment Act	Total
ASSETS				
Cash on deposit	\$ 32,153	\$ 2,222,459	\$ 538,715	\$ 2,793,327
Taxes receivable	-	44,983	-	44,983
Total assets	<u>\$ 32,153</u>	<u>\$ 2,267,442</u>	<u>\$ 538,715</u>	<u>\$ 2,838,310</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
FUND BALANCE				
Reserved for capital outlay	32,153	-	538,715	570,868
Unreserved:				
Undesignated	-	-	-	-
Designated for subsequent years expenditures	-	2,267,442	-	2,267,442
Total fund balance	<u>32,153</u>	<u>2,267,442</u>	<u>538,715</u>	<u>2,838,310</u>
Total liabilities and fund balance	<u>\$ 32,153</u>	<u>\$ 2,267,442</u>	<u>\$ 538,715</u>	<u>\$ 2,838,310</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year Ended June 30, 2010

	Special Capital Outlay - Local	Capital Improvements SB-9	Educational Technology Equipment Act	Total
REVENUES				
Taxes	\$ -	\$ 1,950,158	\$ -	\$ 1,950,158
Local sources	-	-	20,785	20,785
State sources	-	89,427	-	89,427
Earnings from investments	-	11,972	6,165	18,137
Total revenues	-	2,051,557	26,950	2,078,507
EXPENDITURES				
Instructional support	-	996,666	327,313	1,323,979
Capital outlay	-	211,515	-	211,515
Total expenditures	-	1,208,181	327,313	1,535,494
Net change in fund balance	-	843,376	(300,363)	543,013
Fund balance at beginning of year	32,153	1,424,066	839,078	2,295,297
Fund balance at end of year	<u>\$ 32,153</u>	<u>\$ 2,267,442</u>	<u>\$ 538,715</u>	<u>\$ 2,838,310</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Capital Projects Fund - Special Capital Outlay - Local
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Capital outlay	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Total expenditures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>
BUDGETED CASH BALANCE	<u>\$ 25,000</u>	<u>\$ 25,000</u>		

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Capital Projects Fund - Capital Improvements SB-9
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,850,090	\$ 1,850,090	\$ 1,997,645	\$ 147,555
State sources	66,928	128,987	89,427	(39,560)
Earnings from investments	-	-	11,972	11,972
Total revenues	<u>\$ 1,917,018</u>	<u>\$ 1,979,077</u>	<u>\$ 2,099,044</u>	<u>\$ 119,967</u>
EXPENDITURES				
Capital outlay	\$ 2,588,421	\$ 2,639,498	\$ 1,216,668	\$ 1,422,830
Total expenditures	<u>\$ 2,588,421</u>	<u>\$ 2,639,498</u>	<u>\$ 1,216,668</u>	<u>\$ 1,422,830</u>
BUDGETED CASH BALANCE	<u>\$ 671,403</u>	<u>\$ 671,403</u>		
REVENUES				
Budgetary basis			\$ 2,099,044	
Decrease in receivables			(152,974)	
Decrease in deferred revenues			105,487	
Modified accrual basis			<u>\$ 2,051,557</u>	
EXPENDITURES				
Budgetary basis			\$ 1,216,668	
Decrease in accounts payable			(8,487)	
Modified accrual basis			<u>\$ 1,208,181</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Capital Projects Fund -Educational Technology Equipment Act
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 20,785	\$ 20,785
Earnings from investments	-	-	6,165	6,165
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,950</u>	<u>\$ 26,950</u>
EXPENDITURES				
Instructional support	\$ 836,504	\$ 836,504	\$ 327,313	\$ 509,191
Total expenditures	<u>\$ 836,504</u>	<u>\$ 836,504</u>	<u>\$ 327,313</u>	<u>\$ 509,191</u>
BUDGETED CASH BALANCE	<u>\$ 836,504</u>	<u>\$ 836,504</u>		

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

NON-MAJOR DEBT SERVICE FUND

GENERAL OBLIGATION BONDS - To account for resources received for the purpose of paying general obligation bonds and interest coupons. Funds are received from property taxes levied against property located within the school district and levied specifically for this purpose.

EDUCATIONAL TECHNOLOGY BONDS - To account for resources received for the purpose of paying technology bonds and interest coupons. Funds are received from property taxes levied against property located within the school district and levied specifically for this purpose.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Debt Service Funds
 Combining Balance Sheet
 June 30, 2010

Statement D-1

	Debt Service	Educational Technology Debt Service	Total
ASSETS			
Cash on deposit	\$ 1,055,102	\$ 802,448	\$ 1,857,550
Taxes receivable	31,888	19,895	51,783
Total assets	\$ 1,086,990	\$ 822,343	\$ 1,909,333
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-	-	-
FUND BALANCE			
Reserved for retirement of long-term debt	1,086,990	822,343	1,909,333
Unreserved:			
Designated for subsequent years expenditures	-	-	-
Total fund balance	1,086,990	822,343	1,909,333
Total liabilities and fund balance	\$ 1,086,990	\$ 822,343	\$ 1,909,333

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Non-Major Debt Service Funds
 Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Funds
 Year Ended June 30, 2010

Statement D-2

	Debt Service	Educational Technology Debt Service	Total
REVENUES			
Taxes	\$ 1,501,823	\$ 747,753	\$ 2,249,576
Charges for services	-	-	-
Local sources	-	-	-
State sources	-	-	-
Federal sources	-	-	-
Earnings from investments	223	236	459
Total revenues	1,502,046	747,989	2,250,035
EXPENDITURES			
Current:			
Instructional support	16,120	9,426	25,546
Debt service:			
Bonds	695,000	575,000	1,270,000
Interest	571,511	85,038	656,549
Total expenditures	1,282,631	669,464	1,952,095
Net change in fund balances	219,415	78,525	297,940
Fund balance beginning of year	867,575	743,818	1,611,393
Fund balance end of year	\$ 1,086,990	\$ 822,343	\$ 1,909,333

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Debt Service
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,266,512	\$ 1,266,512	\$ 1,514,723	\$ 248,211
Earnings from investments	950	950	223	(727)
Total revenues	<u>\$ 1,267,462</u>	<u>\$ 1,267,462</u>	<u>\$ 1,514,946</u>	<u>\$ 247,484</u>
EXPENDITURES				
Instructional support	\$ 12,665	\$ 12,665	\$ 16,120	\$ (3,455)
Bonds	695,000	695,000	695,000	-
Interest	1,257,482	1,257,482	571,511	685,971
Total expenditures	<u>\$ 1,965,147</u>	<u>\$ 1,965,147</u>	<u>\$ 1,282,631</u>	<u>\$ 682,516</u>
BUDGETED CASH BALANCE	<u>\$ 697,685</u>	<u>\$ 697,685</u>		
REVENUES				
Budgetary basis			\$ 1,514,946	
Decrease in deferred revenue			51,034	
Decrease in accounts receivable			<u>(63,934)</u>	
Modified accrual basis			<u>\$ 1,502,046</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Educational Technology Debt Service
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 660,038	\$ 660,038	\$ 792,661	\$ 132,623
Earnings from investments	850	850	236	(614)
Total revenues	<u>\$ 660,888</u>	<u>\$ 660,888</u>	<u>\$ 792,897</u>	<u>\$ 132,009</u>
EXPENDITURES				
Instructional support	\$ 6,600	\$ 6,600	\$ 9,426	\$ (2,826)
Bonds	575,000	575,000	575,000	-
Interest	443,817	443,817	85,038	358,779
Total expenditures	<u>\$ 1,025,417</u>	<u>\$ 1,025,417</u>	<u>\$ 669,464</u>	<u>\$ 355,953</u>
BUDGETED CASH BALANCE	<u>\$ 364,529</u>	<u>\$ 364,529</u>		

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

GENERAL FUND

OPERATIONAL FUND - This fund is the chief operating fund of the School District. It is used to account for all financial resources of the School District except for those required to be accounted for in another fund.

TRANSPORTATION FUND - To account for resources received from the Public Education Department to be used only for eligible to and from school transportation costs.

INSTRUCTIONAL MATERIALS FUND - to account for resources received from the Public Education Department to be used to purchase materials used as the basis for instruction.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Combining Balance Sheet
General Fund
June 30, 2010

	<u>Operational</u>	<u>Transporation</u>	<u>Instructional Materials</u>	<u>Total</u>
ASSETS				
Cash on deposit	\$ 1,123,383	\$ 46,249	\$ 107,946	\$ 1,277,578
Accounts receivable, collectible	3,463	-	-	3,463
Due from other funds	21,498	-	-	21,498
	<u>21,498</u>	<u>-</u>	<u>-</u>	<u>21,498</u>
Total assets	<u>\$ 1,148,344</u>	<u>\$ 46,249</u>	<u>\$ 107,946</u>	<u>\$ 1,302,539</u>
LIABILITIES				
Accounts payable	\$ 33,971	\$ -	\$ -	\$ 33,971
	<u>33,971</u>	<u>-</u>	<u>-</u>	<u>33,971</u>
Total liabilities	<u>33,971</u>	<u>-</u>	<u>-</u>	<u>33,971</u>
FUND BALANCES				
Unreserved:				
Undesignated	1,114,373	46,249	107,946	1,268,568
	<u>1,114,373</u>	<u>46,249</u>	<u>107,946</u>	<u>1,268,568</u>
Total fund balance	<u>1,114,373</u>	<u>46,249</u>	<u>107,946</u>	<u>1,268,568</u>
Total liabilities and fund balances	<u>\$ 1,148,344</u>	<u>\$ 46,249</u>	<u>\$ 107,946</u>	<u>\$ 1,302,539</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 General Fund
 Year Ended June 30, 2010

REVENUES	Operational	Transporation	Instructional Materials	Total
Taxes	\$ 147,622	\$ -	\$ -	\$ 147,622
Charges for services	43,476	-	-	43,476
Local sources	114,992	2,063	-	117,055
State sources	17,992,915	993,784	102,836	19,089,535
Federal sources	383,048	-	-	383,048
Earnings from investments	22,380	-	-	22,380
 Total revenues	 <u>18,704,433</u>	 <u>995,847</u>	 <u>102,836</u>	 <u>19,803,116</u>
 EXPENDITURES				
Current:				
Direct instruction	11,705,231	-	75,287	11,780,518
Instructional support	6,673,221	990,499	-	7,663,720
Food services	5,390	-	-	5,390
Capital outlay	-	-	-	-
 Total expenditures	 <u>18,383,842</u>	 <u>990,499</u>	 <u>75,287</u>	 <u>19,449,628</u>
 Net change in fund balance	 320,591	 5,348	 27,549	 353,488
 Fund balance at beginning of year	 <u>793,782</u>	 <u>40,901</u>	 <u>80,397</u>	 <u>915,080</u>
 Fund balance at end of year	 <u>\$ 1,114,373</u>	 <u>\$ 46,249</u>	 <u>\$ 107,946</u>	 <u>\$ 1,268,568</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 General Fund - Operational Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 138,445	\$ 138,445	\$ 151,328	\$ 12,883
Charges for services	165,631	165,631	43,476	(122,155)
Local sources	5,209	5,209	114,992	109,783
State sources	18,668,000	18,668,000	17,992,915	(675,085)
Federal sources	492,128	492,128	383,048	(109,080)
Earnings from investments	46,000	46,000	22,380	(23,620)
Total revenues	<u>\$ 19,515,413</u>	<u>\$ 19,515,413</u>	<u>\$ 18,708,139</u>	<u>\$ (807,274)</u>
EXPENDITURES				
Direct instruction	\$ 12,651,739	\$ 12,746,505	\$ 11,757,049	\$ 989,456
Instructional support	6,811,313	6,607,276	6,607,276	-
Food services	41,200	5,390	5,390	-
Total expenditures	<u>\$ 19,504,252</u>	<u>\$ 19,359,171</u>	<u>\$ 18,369,715</u>	<u>\$ 989,456</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		
REVENUES				
Budgetary basis			\$ 18,708,139	
Decrease in receivables			(3,706)	
Modified accrual basis			<u>\$ 18,704,433</u>	
EXPENDITURES				
Budgetary basis			\$ 18,369,715	
Increase in payables			14,127	
Modified accrual basis			<u>\$ 18,383,842</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 General Fund - Transportation Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	2,063	2,063
State sources	962,583	993,784	993,784	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 962,583</u>	<u>\$ 993,784</u>	<u>\$ 995,847</u>	<u>\$ 2,063</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support	962,583	993,784	991,765	2,019
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 962,583</u>	<u>\$ 993,784</u>	<u>\$ 991,765</u>	<u>\$ 2,019</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 General Fund - Instructional Materials Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	102,110	102,867	102,836	(31)
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 102,110</u>	<u>\$ 102,867</u>	<u>\$ 102,836</u>	<u>\$ (31)</u>
EXPENDITURES				
Direct instruction	\$ 102,110	\$ 102,867	\$ 75,287	\$ 27,580
Instructional support	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 102,110</u>	<u>\$ 102,867</u>	<u>\$ 75,287</u>	<u>\$ 27,580</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

COMPONENT UNIT
INFORMATION

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Combining Statement of Net Assets - All Component Units
June 30, 2010

Statement F-1

	Anansi Charter	Taos Charter	Vista Grande Charter	Totals
ASSETS				
Cash	\$ 1,159,828	\$ 439,260	\$ 269,281	\$ 1,868,369
Accounts receivable	-	35,525	-	35,525
Due from grantor	32,137	200,148	2,029	234,314
Prepaid lease (current portion)	46,584	-	-	46,584
Total current assets	<u>1,238,549</u>	<u>674,933</u>	<u>271,310</u>	<u>2,184,792</u>
Land (non-depreciable)	587,500	250,000	-	837,500
Capital assets (non-depreciable)	1,334,602	1,804,744	-	3,139,346
Less accumulated depreciation	(52,639)	(174,446)	-	(227,085)
Total non-current assets	<u>1,869,463</u>	<u>1,880,298</u>	<u>-</u>	<u>3,749,761</u>
Prepaid lease (non-current portion)	884,978	-	-	884,978
Total other non-current assets	<u>884,978</u>	<u>-</u>	<u>-</u>	<u>884,978</u>
Total assets	<u>3,992,990</u>	<u>2,555,231</u>	<u>271,310</u>	<u>6,819,531</u>
LIABILITIES				
Cash overdraft	33,714	240,381	2,029	276,124
Deferred revenue	-	6,621	6,183	12,804
Accounts payable	43,110	124,828	-	167,938
Loan payable (current portion)	27,335	116,868	-	144,203
Deferred lease income (current portion)	46,584	-	-	46,584
Accrued interest	1,952	-	-	1,952
Total current liabilities	<u>152,695</u>	<u>488,698</u>	<u>8,212</u>	<u>649,605</u>
Loan payable	1,762,567	219,896	-	1,982,463
Deferred lease income	884,978	-	-	884,978
Total non-current liabilities	<u>2,647,545</u>	<u>219,896</u>	<u>-</u>	<u>2,867,441</u>
Total liabilities	<u>2,800,240</u>	<u>708,594</u>	<u>8,212</u>	<u>3,517,046</u>
NET ASSETS				
Invested in capital assets, net of related debt	77,608	1,543,534	-	1,621,142
Restricted for				
Capital projects	931,545	57,294	8,001	996,840
Unrestricted	183,597	245,809	255,097	684,503
Total net assets	<u>\$ 1,192,750</u>	<u>\$ 1,846,637</u>	<u>\$ 263,098</u>	<u>\$ 3,302,485</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Combining Statement of Activities - All Component Units
 Year Ended June 30, 2010

Statement F-2

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
EXPENSES:				
Governmental activities:				
Anansi Charter	\$ 1,231,508	\$ 157,757	\$ 137,248	\$ 1,028,439
Taos Charter	1,739,792	152,913	130,350	220,876
Vista Grande Charter	<u>1,154,683</u>	<u>1,200</u>	<u>98,902</u>	<u>-</u>
Total	<u>\$ 4,125,983</u>	<u>\$ 311,870</u>	<u>\$ 366,500</u>	<u>\$ 1,249,315</u>
General revenues:				
Federal, State and Local aid not restricted to specific purpose General				3,060,221
SEG - Stimulus				300,930
Interest and investment earnings				<u>2,412</u>
Sub-total, general revenues				<u>3,363,563</u>
Change in net assets				1,165,265
Net assets - beginning of year				2,123,784
Restatement				<u>13,436</u>
Net assets - beginning of year - restated				<u>2,137,220</u>
Net assets - end of year				<u>\$ 3,302,485</u>

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

ANANSI CHARTER

OPERATIONAL FUND - This fund is the chief operating fund of the School District. It is used to account for all financial resources of the School District except for those required to be accounted for in another fund.

INSTRUCTIONAL MATERIALS FUND - To account for resources received from the Public Education Department to be used to purchase materials used as the basis for instruction.

SEG - STIMULUS - SPECIAL REVENUE FUND - To account for resources received to supplement State and Local funding normally received for the operation of the school district. Financing and authority for this program are the American Recovery and Reinvestment Act.

TITLE I ESEA FUND - SPECIAL REVENUE FUND - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, part A, 20 U.S.C. 2701 et seq.

PL94-142-ENTITLEMENT - SPECIAL REVENUE FUND - To account for resources for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17

CHARTER SCHOOL - SPECIAL REVENUE FUND - The program supports the planning, development, and initial implementation of Charter Schools and the dissemination of information on Charter Schools. Charter Schools provide enhanced parental choice and are exempt from many statutory and regulatory requirements. In exchange for this increased flexibility, Charter Schools establish plans to improve student academic achievement and to stimulate the creativity and commitment of teachers, parents, and the public. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Executive Order Title V Part B, Subpart 1.

PL 94-142 ENTITLEMENT (IDEA-B) - STIMULUS - SPECIAL REVENUE FUND - To account for resources received for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority for this program are the American Recovery and Reinvestment Act.

GO BOND STUDENT LIBRARY - SPECIAL REVENUE FUND - To account for monies received from the SB333, Laws 2008 Appropriation to be used to improve the library, acquire library books or library resources that support the library program.

TECHNOLOGY FOR EDUCATION - SPECIAL REVENUE FUND - To account for State funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities.

LIBRARY GO BOND - SPECIAL REVENUE FUND - To account for resources received from the State of New Mexico Public Education Department and the Department of Cultural Affairs through a GO Bond C specifically issued for public school libraries. Laws 2002, Chapter 93 appropriate "funds to acquire library books, equipment and library resources for public school libraries".

PUBLIC SCHOOL CAPITAL OUTLAY - CAPITAL PROJECTS FUND - To account for resources received from a PSCOC award to make the monthly rent payments for the facilities that the School resides its classrooms in. Financing provided by the Public Schools Facilities Authority.

CAPITAL IMPROVEMENTS SB-9 - CAPITAL PROJECTS FUND - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also, for resources received from State of New Mexico Severance Tax Bonds.

EDUCATION TECHNOLOGY EQUIPMENT ACT - CAPITAL PROJECTS FUND - To account for resources received from the issuance of Educational Technology Notes to enable the Charter School to acquire educational technology equipment for learning and administrative use in the School and related facilities.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Statement of Net Assets
 June 30, 2010

Statement G-1

	Primary Government	Component Unit
	Governmental Activities	Friends of Taos Charter School
ASSETS		
Cash	\$ 200,935	\$ 958,893
Accounts receivable	-	-
Due from grantor	32,137	-
Prepaid lease (current portion)	46,584	-
Total current assets	279,656	958,893
Land (non-depreciable)	-	587,500
Capital assets (non-depreciable)	56,028	1,278,574
Less accumulated depreciation	(12,393)	(40,246)
Total non-current assets	43,635	1,825,828
Prepaid lease (non-current portion)	884,978	-
Total other non-current assets	884,978	-
Total assets	1,208,269	2,784,721
LIABILITIES		
Cash overdraft	33,714	-
Deferred revenue	-	-
Accounts payable	25,843	17,267
Loan payable (current portion)	-	27,335
Deferred lease income (current portion)	-	46,584
Accrued interest payable	-	1,952
Total current liabilities	59,557	93,138
Loan payable	-	1,762,567
Deferred lease income	-	884,978
Total non-current liabilities	-	2,647,545
Total liabilities	59,557	2,740,683
NET ASSETS		
Invested in capital assets, net of related deb	43,635	33,973
Restricted for		
Capital projects	-	931,545
Unrestricted	1,105,077	(921,480)
Total net assets	\$ 1,148,712	\$ 44,038

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Statement of Activities
 Year Ended June 30, 2010

Statement G-2

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets	Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
EXPENSES:						
Governmental activities:						
Direct instruction	\$ 599,479	\$ 43,004	\$ 35,833	\$ 10,237	\$ (510,405)	\$ -
Instructional support	453,036	-	68,847	984,410	600,221	-
Depreciation	39,554	-	-	-	(39,554)	-
Total	<u>\$ 1,092,069</u>	<u>\$ 43,004</u>	<u>\$ 104,680</u>	<u>\$ 994,647</u>	<u>50,262</u>	<u>-</u>
Component Units:						
Friends of Anansi Charter School	<u>\$ 139,439</u>	<u>\$ 114,753</u>	<u>\$ 32,568</u>	<u>\$ 33,792</u>	<u>-</u>	<u>41,674</u>
General revenues:						
Federal, State and Local aid not restricted to specific purpose					805,465	-
General					78,979	-
SEG - Stimulus						
Interest and investment earnings					1,502	655
Sub-total, general revenues					<u>885,946</u>	<u>655</u>
Change in net assets					936,208	42,329
Net assets - beginning of year					<u>212,504</u>	<u>1,709</u>
Net assets - end of year					<u>\$ 1,148,712</u>	<u>\$ 44,038</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement G-3
 Page 1 of 2

	General Fund		SEG-Stimulus	Title I	PL 94-142 Entitlement	Charter Schools Fund	PL 94-142 Entitlement - Stimulus
	Operational	Instructional Materials					
ASSETS							
Cash on deposit	\$ 192,538	\$ 6,821	\$ -	\$ -	\$ -	\$ -	\$ -
Due from grantor	-	-	1,045	3,840	9,700	-	13,583
Total assets	\$ 192,538	\$ 6,821	\$ 1,045	\$ 3,840	\$ 9,700	\$ -	\$ 13,583
LIABILITIES							
Cash overdraft	\$ -	\$ -	\$ 1,045	\$ 3,840	\$ 9,700	\$ -	\$ 13,583
Deferred revenues	-	-	-	-	-	-	-
Accounts payable	25,843	-	-	-	-	-	-
Total liabilities	25,843	-	1,045	3,840	9,700	-	13,583
FUND BALANCE							
Reserved for capital outlay	-	-	-	-	-	-	-
Unreserved:							
Designated for subsequent years expenditures	-	6,821	-	-	-	-	-
Undesignated, reported in:							
General Fund	166,695	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Total fund balance	166,695	6,821	-	-	-	-	-
Total liabilities and fund balance	\$ 192,538	\$ 6,821	\$ 1,045	\$ 3,840	\$ 9,700	\$ -	\$ 13,583

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement G-3
 Page 2 of 2

ASSETS	GO Bond Student Library	Technology for Education	Library GO Bond Fund	Public School Capital Outlay	Capital Improvements	Education Technology Equipment Act	Total
Cash on deposit	\$ -	\$ -	\$ -	\$ 980	\$ -	\$ 596	\$ 200,935
Due from grantor	3,104	-	865	-	-	-	32,137
Total assets	<u>\$ 3,104</u>	<u>\$ -</u>	<u>\$ 865</u>	<u>\$ 980</u>	<u>\$ -</u>	<u>\$ 596</u>	<u>\$ 233,072</u>
LIABILITIES							
Cash overdraft	\$ 3,104	\$ -	\$ 865	\$ -	\$ 1,577	\$ -	\$ 33,714
Deferred revenues	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	25,843
Total liabilities	<u>3,104</u>	<u>-</u>	<u>865</u>	<u>-</u>	<u>1,577</u>	<u>-</u>	<u>59,557</u>
FUND BALANCE							
Reserved for capital outlay	-	-	-	980	(1,577)	596	(1)
Unreserved:							
Designated for subsequent years expenditures	-	-	-	-	-	-	6,821
Undesignated, reported in:							
General Fund	-	-	-	-	-	-	166,695
Special Revenue Funds	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>980</u>	<u>(1,577)</u>	<u>596</u>	<u>173,515</u>
Total liabilities and fund balance	<u>\$ 3,104</u>	<u>\$ -</u>	<u>\$ 865</u>	<u>\$ 980</u>	<u>\$ -</u>	<u>\$ 596</u>	<u>\$ 233,072</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
ANANSI CHARTER

Statement G-4

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
June 30, 2010

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

Total fund balances - governmental funds		\$	173,515
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds			
The cost of capital assets	56,028		
Accumulated depreciation	(12,393)		
Net capital assets			43,635
Prepaid leases acquired in governmental activities are not financial resources and therefore are not reported as assets in governmental funds			
			<u>931,562</u>
Total net assets - governmental funds		\$	<u><u>1,148,712</u></u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Funds
 Year Ended June 30, 2010

Statement G-5
 Page 1 of 2

	General Fund		SEG - Stimulus	Title I	PL 94-142 Entitlement	Charter Schools Fund	PL 94-142 Entitlement - Stimulus
	Operational	Instructional Materials					
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	39,795	-	-	-	-	-	-
Local sources	2,734	-	-	-	-	-	-
State sources	805,465	20,909	-	-	-	-	-
Federal sources	-	-	78,979	3,840	23,640	38,634	13,583
Earnings from investments	1,502	-	-	-	-	-	-
Total revenues	<u>849,496</u>	<u>20,909</u>	<u>78,979</u>	<u>3,840</u>	<u>23,640</u>	<u>38,634</u>	<u>13,583</u>
EXPENDITURES							
Current:							
Direct instruction	538,784	17,573	27,596	3,840	-	-	10,241
Instructional support	246,814	127	51,383	-	23,640	38,634	3,342
Capital outlay	11,840	-	-	-	-	-	-
Total expenditures	<u>797,438</u>	<u>17,700</u>	<u>78,979</u>	<u>3,840</u>	<u>23,640</u>	<u>38,634</u>	<u>13,583</u>
Net change in fund balances	52,058	3,209	-	-	-	-	-
Fund balance beginning of year	114,637	3,612	-	-	-	-	-
Fund balance end of year	<u>\$ 166,695</u>	<u>\$ 6,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Funds
 Year Ended June 30, 2010

Statement G-5
 Page 2 of 2

REVENUES	GO Bond Student Library	Technology for Education	Library GO Bond Fund	Public School Capital Outlay	Capital Improvements SB-9	Education Technology Equipment Act	Total
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	39,795
Local sources	-	-	-	-	-	-	2,734
State sources	3,104	1,445	-	994,647	-	-	1,825,570
Federal sources	-	-	-	-	-	-	158,676
Earnings from investments	-	-	-	-	-	-	1,502
Total revenues	<u>3,104</u>	<u>1,445</u>	<u>-</u>	<u>994,647</u>	<u>-</u>	<u>-</u>	<u>2,028,277</u>
EXPENDITURES							
Current:							
Direct instruction	-	1,445	-	-	-	-	599,479
Instructional support	3,104	-	-	984,410	1,577	31,567	1,384,598
Capital outlay	-	-	-	10,237	-	-	22,077
Total expenditures	<u>3,104</u>	<u>1,445</u>	<u>-</u>	<u>994,647</u>	<u>1,577</u>	<u>31,567</u>	<u>2,006,154</u>
Net change in fund balances	-	-	-	-	(1,577)	(31,567)	22,123
Fund balance beginning of year	-	-	-	980	-	32,163	151,392
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980</u>	<u>\$ (1,577)</u>	<u>\$ 596</u>	<u>\$ 173,515</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
ANANSI CHARTER

Statement G-6

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds		\$	22,123
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceeds capital outlays in the period			
Depreciation expense		(39,554)	
Capital outlays		<u>22,077</u>	
Excess of capital outlays over depreciation expense			(17,477)
Prepaid expenses used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds			
Prepaid lease			<u>931,562</u>
Change in net assets of governmental activities		\$	<u><u>936,208</u></u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
ANANSI CHARTER
Operational Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	21,500	21,500	39,795	18,295
Local sources	-	-	2,734	2,734
State sources	837,290	805,467	805,465	(2)
Federal sources	-	-	-	-
Earnings from investments	400	400	1,502	1,102
Total revenues	<u>\$ 859,190</u>	<u>\$ 827,367</u>	<u>\$ 849,496</u>	<u>\$ 22,129</u>
EXPENDITURES				
Direct instruction	\$ 586,909	\$ 592,909	\$ 551,275	\$ 41,634
Instructional support	324,423	300,404	246,814	53,590
Total expenditures	<u>\$ 911,332</u>	<u>\$ 893,313</u>	<u>\$ 798,089</u>	<u>\$ 95,224</u>
BUDGETED CASH BALANCE	<u>\$ 52,142</u>	<u>\$ 65,946</u>		
EXPENDITURES				
Budgetary basis			\$ 798,089	
Decrease in accounts payable			(651)	
Modified accrual basis			<u>\$ 797,438</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Instructional Materials
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 21,572	\$ 17,799	\$ 20,909	\$ 3,110
Total revenues	<u>\$ 21,572</u>	<u>\$ 17,799</u>	<u>\$ 20,909</u>	<u>\$ 3,110</u>
EXPENDITURES				
Direct instruction	\$ 21,346	\$ 17,573	\$ 17,573	\$ -
Instructional support	226	226	127	99
Total expenditures	<u>\$ 21,572</u>	<u>\$ 17,799</u>	<u>\$ 17,700</u>	<u>\$ 99</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 SEG - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 52,246	\$ 78,979	\$ 77,934	\$ (1,045)
Total revenues	<u>\$ 52,246</u>	<u>\$ 78,979</u>	<u>\$ 77,934</u>	<u>\$ (1,045)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 27,596	\$ 27,596	\$ -
Instructional support	52,246	51,383	51,383	-
Total expenditures	<u>\$ 52,246</u>	<u>\$ 78,979</u>	<u>\$ 78,979</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 77,934	
Increase in due from grantor			1,045	
Modified accrual basis			<u>\$ 78,979</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
ANANSI CHARTER
Title I

Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal sources	\$ 3,840	\$ 3,840	\$ -	\$ (3,840)
Total revenues	<u>\$ 3,840</u>	<u>\$ 3,840</u>	<u>\$ -</u>	<u>\$ (3,840)</u>
EXPENDITURES				
Direct instruction	\$ 3,840	\$ 3,840	\$ 3,840	\$ -
Total expenditures	<u>\$ 3,840</u>	<u>\$ 3,840</u>	<u>\$ 3,840</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>3,840</u>	
Modified accrual basis			<u>\$ 3,840</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 PL 94-142 Entitlement
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal sources	\$ -	\$ 23,641	\$ 20,543	\$ (3,098)
Total revenues	<u>\$ -</u>	<u>\$ 23,641</u>	<u>\$ 20,543</u>	<u>\$ (3,098)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 23,641	\$ 23,640	\$ 1
Total expenditures	<u>\$ -</u>	<u>\$ 23,641</u>	<u>\$ 23,640</u>	<u>\$ 1</u>
REVENUES				
Budgetary basis			\$ 20,543	
Increase in due from grantor			<u>3,097</u>	
Modified accrual basis			<u>\$ 23,640</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Charter Schools Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 72,196	\$ 94,680	\$ 22,484
Total revenues	<u>\$ -</u>	<u>\$ 72,196</u>	<u>\$ 94,680</u>	<u>\$ 22,484</u>
EXPENDITURES				
Instructional support	\$ -	\$ 72,196	\$ 38,634	\$ 33,562
Total expenditures	<u>\$ -</u>	<u>\$ 72,196</u>	<u>\$ 38,634</u>	<u>\$ 33,562</u>
REVENUES				
Budgetary basis			\$ 94,680	
Decrease in due from grantor			<u>(56,046)</u>	
Modified accrual basis			<u>\$ 38,634</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 PL 94-142 Entitlement - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 13,583	\$ -	\$ (13,583)
Total revenues	<u>\$ -</u>	<u>\$ 13,583</u>	<u>\$ -</u>	<u>\$ (13,583)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 10,241	\$ 10,241	\$ -
Instructional support	-	3,342	3,342	-
Total expenditures	<u>\$ -</u>	<u>\$ 13,583</u>	<u>\$ 13,583</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>13,583</u>	
Modified accrual basis			<u>\$ 13,583</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 GO Bond Student Library
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 3,104	\$ -	\$ (3,104)
Total revenues	<u>\$ -</u>	<u>\$ 3,104</u>	<u>\$ -</u>	<u>\$ (3,104)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 3,104	\$ 3,104	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 3,104</u>	<u>\$ 3,104</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>3,104</u>	
Modified accrual basis			<u>\$ 3,104</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Technology for Education
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 1,445	\$ -	\$ (1,445)
Total revenues	<u>\$ -</u>	<u>\$ 1,445</u>	<u>\$ -</u>	<u>\$ (1,445)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 1,445	\$ 1,445	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 1,445</u>	<u>\$ 1,445</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ -	
Decrease in deferred revenue			<u>1,445</u>	
Modified accrual basis			<u>\$ 1,445</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Library GO Bond Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Public School Capital Outlay
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 49,280	\$ 994,647	\$ 945,367
Total revenues	<u>\$ -</u>	<u>\$ 49,280</u>	<u>\$ 994,647</u>	<u>\$ 945,367</u>
EXPENDITURES				
Instructional support	\$ -	\$ 49,280	\$ 994,647	\$ (945,367)
Total expenditures	<u>\$ -</u>	<u>\$ 49,280</u>	<u>\$ 994,647</u>	<u>\$ (945,367)</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Captial Improvements SB-9
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 1,577	\$ -	\$ (1,577)
Total revenues	<u>\$ -</u>	<u>\$ 1,577</u>	<u>\$ -</u>	<u>\$ (1,577)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 1,577	\$ 1,577	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 1,577</u>	<u>\$ 1,577</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Education Technology Equipment Act
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Instructional support	\$ 32,163	\$ 32,163	\$ 31,567	\$ 596
Total expenditures	<u>\$ 32,163</u>	<u>\$ 32,163</u>	<u>\$ 31,567</u>	<u>\$ 596</u>
BUDGETED CASH BALANCE	<u>\$ 32,163</u>	<u>\$ 32,163</u>		

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

TAOS CHARTER

OPERATIONAL FUND - This fund is the chief operating fund of the School District. It is used to account for all financial resources of the School District except for those required to be accounted for in another fund.

INSTRUCTIONAL MATERIALS FUND - To account for resources received from the Public Education Department to be used to purchase materials used as the basis for instruction.

SEG - STIMULUS - SPECIAL REVENUE FUND - To account for resources received to supplement State and Local funding normally received for the operation of the school district. Financing and authority for this program are the American Recovery and Reinvestment Act.

TITLE I ESEA FUND - SPECIAL REVENUE FUND - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, part A, 20 U.S.C. 2701 et seq.

PL94-142-ENTITLEMENT - SPECIAL REVENUE FUND - To account for resources for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17

SERVICE LEARNING - SPECIAL REVENUE FUND - To account for monies received to encourage elementary and secondary schools and community-based agencies to create, develop, and offer service-learning opportunities for school-age youth; educate teachers about service-learning and incorporate service-learning opportunities into classrooms to enhance academic learning; coordinate adult volunteers in schools; and introduce young people to a broad range of careers and encourage them to pursue further education and training. The program is funded by National and Community Service Act of 1990, as amended.

PL 94-142 ENTITLEMENT (IDEA-B) - STIMULUS - SPECIAL REVENUE FUND - To account for resources received for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority for this program are the American Recovery and Reinvestment Act.

GO BOND STUDENT LIBRARY - SPECIAL REVENUE FUND - To account for monies received from the SB333, Laws 2008 Appropriation to be used to improve the library, acquire library books or library resources that support the library program.

TRUANCY INITIATIVE - SPECIAL REVENUE FUND - To account for monies received to implement and strengthen programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures; establish collaborative partnerships and agreements with New Mexico's communities, including public schools, correction entities, community based organizations, youth advocates and others for the purpose of implementing effective truancy prevention programs and strategies at the local level; and establish collaborative partnerships and agreements with New Mexico's Native America tribes and pueblos for the purpose of implementing effective truancy prevention programs and strategies.

LIBRARY GO BOND - SPECIAL REVENUE FUND - To account for resources received from the State of New Mexico Public Education Department and the Department of Cultural Affairs through a GO Bond C specifically issued for public school libraries. Laws 2002, Chapter 93 appropriate "funds to acquire library books, equipment and library resources for public school libraries".

WALTON FAMILY FOUNDATION - SPECIAL REVENUE FUND - To account for monies received from the Foundation to help assist Charter Schools in providing educational services. Financing and authority is provided by the Grant Agreement.

YOUTH SCIENCE AMERICA - SPECIAL REVENUE FUND - To account for monies received from State Farm Good Neighbor Grant to help support the Science program. Financing and authority is provided by the Grant Agreement.

SHARE OUR STRENGTH - SPECIAL REVENUE FUND - To account for monies received to help alleviate and prevent childhood hunger in the community. Financing and authority is provided by the Grant Agreement.

LANL FOUNDATION - SPECIAL REVENUE FUND - To account for monies received from the Foundation to support the Plant Science Program. Financing and authority is provided by the Grant Agreement.

ALBERT PIERCE FOUNDATION - SPECIAL REVENUE FUND - To account for monies received from the Foundation to support the Arts Program. Financing and authority is provided by the Grant Agreement.

PUBLIC SCHOOL CAPITAL OUTLAY - CAPITAL PROJECTS FUND - To account for resources received from a PSCOC award to make the monthly rent payments for the facilities that the School resides its classrooms in. Financing provided by the Public Schools Facilities Authority.

CAPITAL IMPROVEMENTS SB-9 - CAPITAL PROJECTS FUND - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also, for resources received from State of New Mexico Severance Tax Bonds.

EDUCATION TECHNOLOGY EQUIPMENT ACT - CAPITAL PROJECTS FUND - To account for resources received from the issuance of Educational Technology Notes to enable the Charter School to acquire educational technology equipment for learning and administrative use in the School and related facilities.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Statement of Net Assets
 June 30, 2010

Statement H-1

	Primary Government	Component Unit
	Governmental Activities	Friends of Taos Charter School
ASSETS		
Cash	\$ 345,408	\$ 93,852
Accounts receivable	35,525	-
Due from grantor	200,148	-
Total current assets	581,081	93,852
Land (non-depreciable)	250,000	-
Capital assets (non-depreciable)	1,069,788	734,956
Less accumulated depreciation	(100,950)	(73,496)
Total non-current assets	1,218,838	661,460
Total assets	1,799,919	755,312
LIABILITIES		
Cash overdraft	240,381	-
Deferred revenue	6,621	-
Accounts payable	123,713	1,115
Current portion loan payable	-	116,868
Total current liabilities	370,715	117,983
Loan payable	-	219,896
Total non-current liabilities	-	219,896
Total liabilities	370,715	337,879
NET ASSETS		
Invested in capital assets, net of related debt	1,218,838	324,696
Restricted for		
Capital projects	57,294	-
Unrestricted	153,072	92,737
Total net assets	\$ 1,429,204	\$ 417,433

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Statement of Activities
 Year Ended June 30, 2010

Statement H-2

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets	Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
EXPENSES:						
Governmental activities:						
Direct instruction	\$ 1,022,482	\$ 10,813	\$ 94,782	\$ 78,776	\$ (838,111)	\$ -
Instructional support	536,427	-	14,837	142,100	(379,490)	-
Depreciation	22,305	-	-	-	(22,305)	-
Total	<u>\$ 1,581,214</u>	<u>\$ 10,813</u>	<u>\$ 109,619</u>	<u>\$ 220,876</u>	<u>(1,239,906)</u>	<u>-</u>
Component Units:						
Friends of Taos Charter School	<u>\$ 158,578</u>	<u>\$ 142,100</u>	<u>\$ 20,731</u>	<u>\$ -</u>	<u>-</u>	<u>4,253</u>
General revenues:						
Federal, State and Local aid not restricted to specific purpose					1,227,198	-
General					120,499	-
SEG - Stimulus						-
Interest and investment earnings					255	-
Sub-total, general revenues					<u>1,347,952</u>	<u>-</u>
Change in net assets					108,046	4,253
Net assets - beginning of year					<u>1,321,158</u>	<u>413,180</u>
Net assets - end of year					<u>\$ 1,429,204</u>	<u>\$ 417,433</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement H-3
 Page 1 of 2

	General Fund		SEG-Stimulus	Title I	PL-94-142 Entitlement	Service Learning	PL-94-142 Entitlement - Stimulus	GO Bond Student Library	Truancy Initiative	Library GO Bond
	Operational	Instructional Materials								
ASSETS										
Cash on deposit	\$ 279,231	\$ 2,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Due from grantor	-	-	1,760	27,353	57,212	27,389	18,110	3,311	62,304	2,709
Total assets	\$ 279,231	\$ 2,262	\$ 1,760	\$ 27,353	\$ 57,212	\$ 27,389	\$ 18,110	\$ 3,311	\$ 62,304	\$ 2,709
LIABILITIES										
Cash overdraft	\$ -	\$ -	\$ 1,760	\$ 27,353	\$ 57,212	\$ 27,389	\$ 18,110	\$ 3,311	\$ 62,304	\$ 2,709
Deferred revenues	-	-	-	-	-	-	-	-	-	-
Accounts payable	123,713	-	-	-	-	-	-	-	-	-
Total liabilities	123,713	-	1,760	27,353	57,212	27,389	18,110	3,311	62,304	2,709
FUND BALANCE										
Reserved for capital outlay	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated for subsequent years expenditures	-	2,262	-	-	-	-	-	-	-	-
Undesignated, reported in:										
General Fund	155,518	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Total fund balance	155,518	2,262	-	-	-	-	-	-	-	-
Total liabilities and fund balance	\$ 279,231	\$ 2,262	\$ 1,760	\$ 27,353	\$ 57,212	\$ 27,389	\$ 18,110	\$ 3,311	\$ 62,304	\$ 2,709

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement H-3
 Page 2 of 2

	Walton Family Foundation	Youth Science America	Share Our Strength	LANL Foundation	Albert Pierce Foundation	Public School Capital Outlay	Capital Improvements SB-9	Education Technology Equipment Act	Total
ASSETS									
Cash on deposit	\$ 5,959	\$ 295	\$ -	\$ -	\$ 367	\$ -	\$ -	\$ 57,294	\$ 345,408
Accounts receivable	-	-	-	-	-	35,525	-	-	35,525
Due from grantor	-	-	-	-	-	-	-	-	200,148
Total assets	\$ 5,959	\$ 295	\$ -	\$ -	\$ 367	\$ 35,525	\$ -	\$ 57,294	\$ 581,081
LIABILITIES									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,525	\$ 4,708	\$ -	\$ 240,381
Deferred revenues	5,959	295	-	-	367	-	-	-	6,621
Accounts payable	-	-	-	-	-	-	-	-	123,713
Total liabilities	5,959	295	-	-	367	35,525	4,708	-	370,715
FUND BALANCE									
Reserved for capital outlay	-	-	-	-	-	-	-	57,294	57,294
Unreserved:									
Designated for subsequent years expenditures	-	-	-	-	-	-	-	-	2,262
Undesignated, reported in:									
General Fund	-	-	-	-	-	-	-	-	155,518
Special Revenue Funds	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	(4,708)	-	(4,708)
Total fund balance	-	-	-	-	-	-	(4,708)	57,294	210,366
Total liabilities and fund balance	\$ 5,959	\$ 295	\$ -	\$ -	\$ 367	\$ 35,525	\$ -	\$ 57,294	\$ 581,081

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
TAOS CHARTER

Statement H-4

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
June 30, 2010

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

Total fund balances - governmental funds \$ 210,366

Capital assets used in governmental activities are
not financial resources and therefore are not
reported as assets in governmental funds

The cost of capital assets	1,319,788	
Accumulated depreciation	<u>(100,950)</u>	
Net capital assets		<u>1,218,838</u>

Total net assets - governmental funds \$ 1,429,204

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Funds
 Year Ended June 30, 2010

	General Fund		SEG - Stimulus	Title I	PL 94-142 Entitlement	Service Learning	PL 94-142 Entitlement - Stimulus	GO Bond Student Library	Truancy Initiative	Library GO Bond
	Operational	Instructional Materials								
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	10,813	-	-	-	-	-	-	-	-	-
Local sources	79,432	-	-	-	-	-	-	-	-	-
State sources	1,227,198	9,018	-	-	-	-	-	-	-	-
Federal sources	-	-	120,499	12,600	31,522	-	18,110	3,311	12,796	-
Earnings from investments	255	-	-	-	-	-	-	-	-	-
Total revenues	1,317,698	9,018	120,499	12,600	31,522	-	18,110	3,311	12,796	-
EXPENDITURES										
Current:										
Direct instruction	878,714	11,255	47,405	12,600	31,522	-	18,110	-	1,270	-
Instructional support	286,409	-	73,094	-	-	-	-	3,311	11,526	-
Capital outlay	78,776	-	-	-	-	-	-	-	-	-
Total expenditures	1,243,899	11,255	120,499	12,600	31,522	-	18,110	3,311	12,796	-
Net change in fund balances	73,799	(2,237)	-	-	-	-	-	-	-	-
Fund balance beginning of year	81,719	4,499	-	-	-	-	-	-	-	-
Fund balance end of year	\$ 155,518	\$ 2,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
TAOS CHARTER
Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Funds
Year Ended June 30, 2010

	Walton Family Foundation	Youth Service America	Share Our Strength	LANL Foundation	Albert Pierce Foundation	Public School Capital Outlay	Capital Improvements SB-9	Education Technology Equipment Act	Total
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
State sources	13,918	705	4,000	1,500	1,483	-	-	-	10,813
Federal sources	-	-	-	-	-	-	-	-	101,038
Earnings from investments	-	-	-	-	-	142,100	-	-	1,394,423
Total revenues	<u>13,918</u>	<u>705</u>	<u>4,000</u>	<u>1,500</u>	<u>1,483</u>	<u>142,100</u>	<u>-</u>	<u>-</u>	<u>1,689,260</u>
EXPENDITURES									
Current:									
Direct instruction	-	-	-	-	-	-	-	-	1,022,482
Instructional support	13,918	705	4,000	1,500	1,483	-	-	-	536,427
Capital outlay	-	-	-	-	-	-	4,708	15,279	78,776
Total expenditures	<u>13,918</u>	<u>705</u>	<u>4,000</u>	<u>1,500</u>	<u>1,483</u>	<u>142,100</u>	<u>4,708</u>	<u>15,279</u>	<u>1,637,685</u>
Net change in fund balances	-	-	-	-	-	-	(4,708)	(15,279)	51,575
Fund balance beginning of year	-	-	-	-	-	-	-	72,573	158,791
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,708)</u>	<u>\$ 57,294</u>	<u>\$ 210,366</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
TAOS CHARTER

Statement H-6

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds		\$	51,575
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period			
Capital outlays		78,776	
Depreciation expense		<u>(22,305)</u>	
Excess of capital outlays over depreciation expense			<u>56,471</u>
Change in net assets of governmental activities		\$	<u>108,046</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Operational
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	5,000	5,000	10,813	5,813
Local sources	-	-	79,432	79,432
State sources	1,279,841	1,227,198	1,227,198	-
Federal sources	-	-	-	-
Earnings from investments	200	200	255	55
	<u>200</u>	<u>200</u>	<u>255</u>	<u>55</u>
Total revenues	<u>\$ 1,285,041</u>	<u>\$ 1,232,398</u>	<u>\$ 1,317,698</u>	<u>\$ 85,300</u>
EXPENDITURES				
Direct instruction	\$ 946,002	\$ 917,559	\$ 791,997	\$ 125,562
Instructional support	361,722	337,522	289,556	47,966
Capital outlay	-	-	78,776	(78,776)
	<u>-</u>	<u>-</u>	<u>78,776</u>	<u>(78,776)</u>
Total expenditures	<u>\$ 1,307,724</u>	<u>\$ 1,255,081</u>	<u>\$ 1,160,329</u>	<u>\$ 94,752</u>
BUDGETED CASH BALANCE	<u>\$ 22,683</u>	<u>\$ 22,683</u>		
REVENUES				
Budgetary basis			\$ 1,160,329	
Increase in accounts payable			<u>83,570</u>	
Modified accrual basis			<u>\$ 1,243,899</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Instructional Materials
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 7,671	\$ 12,171	\$ 9,018	\$ (3,153)
Total revenues	<u>\$ 7,671</u>	<u>\$ 12,171</u>	<u>\$ 9,018</u>	<u>\$ (3,153)</u>
EXPENDITURES				
Direct instruction	\$ 7,671	\$ 12,171	\$ 11,255	\$ 916
Total expenditures	<u>\$ 7,671</u>	<u>\$ 12,171</u>	<u>\$ 11,255</u>	<u>\$ 916</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 SEG - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 87,948	\$ 120,499	\$ 118,739	\$ (1,760)
Total revenues	<u>\$ 87,948</u>	<u>\$ 120,499</u>	<u>\$ 118,739</u>	<u>\$ (1,760)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 47,405	\$ 47,405	\$ -
Instructional support	87,948	73,094	73,094	-
Total expenditures	<u>\$ 87,948</u>	<u>\$ 120,499</u>	<u>\$ 120,499</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 118,739	
Increase in due from grantor			1,760	
Modified accrual basis			<u>\$ 120,499</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Title I
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 12,600	\$ 12,600	\$ 10,310	\$ (2,290)
Total revenues	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ 10,310</u>	<u>\$ (2,290)</u>
EXPENDITURES				
Direct instruction	\$ 12,600	\$ 12,600	\$ 12,600	\$ -
Total expenditures	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 PL 94-142 Entitlement
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 31,522	\$ 29,338	\$ (2,184)
Total revenues	<u>\$ -</u>	<u>\$ 31,522</u>	<u>\$ 29,338</u>	<u>\$ (2,184)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 31,522	\$ 31,522	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 31,522</u>	<u>\$ 31,522</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 29,338	
Increase in due from grantor			<u>2,184</u>	
Modified accrual basis			<u>\$ 31,522</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Service Learning
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 94-142 Entitlement - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 18,110	\$ -	\$ (18,110)
Total revenues	<u>\$ -</u>	<u>\$ 18,110</u>	<u>\$ -</u>	<u>\$ (18,110)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 18,110	\$ 18,110	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 18,110</u>	<u>\$ 18,110</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>18,110</u>	
Modified accrual basis			<u>\$ 18,110</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 GO Bond Student Library
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 3,312	\$ -	\$ (3,312)
Total revenues	<u>\$ -</u>	<u>\$ 3,312</u>	<u>\$ -</u>	<u>\$ (3,312)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 3,312	\$ 3,311	\$ 1
Total expenditures	<u>\$ -</u>	<u>\$ 3,312</u>	<u>\$ 3,311</u>	<u>\$ 1</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>3,311</u>	
Modified accrual basis			<u>\$ 3,311</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Truancy Initiative
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 12,796	\$ 41,644	\$ 28,848
Total revenues	<u>\$ -</u>	<u>\$ 12,796</u>	<u>\$ 41,644</u>	<u>\$ 28,848</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 1,270	\$ 1,270	\$ -
Instructional support	-	11,526	11,526	-
Total expenditures	<u>\$ -</u>	<u>\$ 12,796</u>	<u>\$ 12,796</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 41,644	
Decrease in due from grantor			<u>(28,848)</u>	
Modified accrual basis			<u>\$ 12,796</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Library GO Bond
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Instructional support	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Walton Family Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 19,877	\$ -	\$ (19,877)
Total revenues	<u>\$ -</u>	<u>\$ 19,877</u>	<u>\$ -</u>	<u>\$ (19,877)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 19,877	\$ 13,918	\$ 5,959
Total expenditures	<u>\$ -</u>	<u>\$ 19,877</u>	<u>\$ 13,918</u>	<u>\$ 5,959</u>
REVENUES				
Budgetary basis			\$ -	
Increase in due from grantor			<u>13,918</u>	
Modified accrual basis			<u>\$ 13,918</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Youth Service America
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 1,000	\$ 1,000
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
EXPENDITURES				
Direct support	\$ -	\$ -	\$ 705	\$ (705)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ (705)</u>
REVENUES				
Budgetary basis			\$ 1,000	
Increase in deferred revenue			<u>(295)</u>	
Modified accrual basis			<u>\$ 705</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Share Our Strength
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 4,000	\$ 4,000
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ 4,000	\$ (4,000)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ (4,000)</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 LANL Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 1,500	\$ 1,500
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ 1,500	\$ (1,500)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ (1,500)</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Albert Pierce Foundation
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ -	\$ 1,850	\$ 1,850
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ 1,850</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ 1,483	\$ (1,483)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,483</u>	<u>\$ (1,483)</u>
REVENUES				
Budgetary basis			\$ 1,850	
Increase in deferred revenues			<u>(367)</u>	
Modified accrual basis			<u>\$ 1,483</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Public School Capital Outlay
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 142,100	\$ 106,575	\$ (35,525)
Total revenues	<u>\$ -</u>	<u>\$ 142,100</u>	<u>\$ 106,575</u>	<u>\$ (35,525)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 142,100	\$ 142,100	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 142,100</u>	<u>\$ 142,100</u>	<u>\$ -</u>
REVENUES				
Budgetary basis			\$ 106,575	
Increase in receivables			<u>35,525</u>	
Modified accrual basis			<u>\$ 142,100</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Capital Improvements - SB-9
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 4,708	\$ -	\$ (4,708)
Total revenues	<u>\$ -</u>	<u>\$ 4,708</u>	<u>\$ -</u>	<u>\$ (4,708)</u>
EXPENDITURES				
Instructional support	\$ -	\$ 4,708	\$ 4,708	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 4,708</u>	<u>\$ 4,708</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Education Technology Equipment Act
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Instructional support	\$ 72,746	\$ 72,746	\$ 15,279	\$ 57,467
Total expenditures	<u>\$ 72,746</u>	<u>\$ 72,746</u>	<u>\$ 15,279</u>	<u>\$ 57,467</u>
BUDGETED CASH BALANCE	<u>\$ 72,746</u>	<u>\$ 72,746</u>		

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
TAOS CHARTER
Statement of Fiduciary
Assets and Liabilities - Agency Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash on deposit	\$ <u>1,070</u>
Total assets	<u>\$ 1,070</u>
LIABILITIES	
Deposits held for others	\$ <u>1,070</u>
Total liabilities	<u>\$ 1,070</u>

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

VISTA GRANDE CHARTER

OPERATIONAL FUND - This fund is the chief operating fund of the School District. It is used to account for all financial resources of the School District except for those required to be accounted for in another fund.

INSTRUCTIONAL MATERIALS FUND - To account for resources received from the Public Education Department to be used to purchase materials used as the basis for instruction.

SEG - STIMULUS - SPECIAL REVENUE FUND - To account for resources received to supplement State and Local funding normally received for the operation of the school district. Financing and authority for this program are the American Recovery and Reinvestment Act.

TITLE I ESEA FUND - SPECIAL REVENUE FUND - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, part A, 20 U.S.C. 2701 et seq.

LIBRARY GO BOND - SPECIAL REVENUE FUND - To account for resources received from the State of New Mexico Public Education Department and the Department of Cultural Affairs through a GO Bond C specifically issued for public school libraries. Laws 2002, Chapter 93 appropriate "funds to acquire library books, equipment and library resources for public school libraries".

LIBRARY BOOK - SPECIAL REVENUE FUND - To account for monies received to be used for the purchase of school library books. Financing and authority is provided by the New Mexico State Legislature, 2008 Senate bill 471.

QWEST - SPECIAL REVENUE FUND - To account for monies received to be used to create 21st century learners who are capable of using technology, collaboration and revisions to bring their work to a quality that will meet national standards. Financing and authority is provided by the grant agreement.

PUBLIC SCHOOL CAPITAL OUTLAY - CAPITAL PROJECTS FUND - To account for resources received from a PSCOC award to make the monthly rent payments for the facilities that the School resides its classrooms in. Financing provided by the Public Schools Facilities Authority.

EDUCATION TECHNOLOGY EQUIPMENT ACT - CAPITAL PROJECTS FUND - To account for resources received from the issuance of Educational Technology Notes to enable the Charter School to acquire educational technology equipment for learning and administrative use in the School and related facilities.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Statement of Net Assets
 June 30, 2010

Statement I-1

		Governmental Activities
ASSETS		
Cash	\$	269,281
Due from grantor		2,029
Total assets		271,310
LIABILITIES		
Cash overdraft		2,029
Deferred revenue		6,183
Accounts payable		-
Total liabilities		8,212
NET ASSETS		
Restricted for Capital projects		8,001
Unrestricted		255,097
Total net assets	\$	263,098

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Statement of Activities
 Year Ended June 30, 2010

Statement I-2

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
EXPENSES:				
Governmental activities:				
Direct instruction	\$ 439,660	\$ 1,200	\$ 35,852	\$ -
Instructional support	715,023	-	63,050	-
Total	\$ 1,154,683	\$ 1,200	\$ 98,902	\$ -
General revenues:				
Federal, State and Local aid not restricted to specific purpose General				1,027,558
SEG - Stimulus				101,452
Interest and investment earnings				-
Sub-total, general revenues				1,129,010
Change in net assets				74,429
Net assets - beginning of year				175,233
Restatement				13,436
Net assets - beginning of year - restated				188,669
Net assets - end of year				\$ 263,098

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Balance Sheet - All Governmental Funds
 June 30, 2010

Statement I-3

	General Fund		SEG-Stimulus	Title I	Library GO Bond Fund	Library Books Fund	QWEST	Public School Capital Outlay	Education Technology Equipment Act	Total
	Operational	Instructional Materials								
ASSETS										
Cash on deposit	\$ 240,311	\$ 14,786	\$ -	\$ -	\$ 5,879	\$ 304	\$ -	\$ -	\$ 8,001	\$ 269,281
Due from grantor	-	-	2,029	-	-	-	-	-	-	2,029
Total assets	\$ 240,311	\$ 14,786	\$ 2,029	\$ -	\$ 5,879	\$ 304	\$ -	\$ -	\$ 8,001	\$ 271,310
LIABILITIES										
Cash overdraft	\$ -	\$ -	\$ 2,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,029
Deferred revenues	-	-	-	-	5,879	304	-	-	-	6,183
Accounts payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	2,029	-	5,879	304	-	-	-	8,212
FUND BALANCE										
Reserved for capital outlay	-	-	-	-	-	-	-	-	8,001	8,001
Unreserved:										
Designated for subsequent years expenditures	-	14,786	-	-	-	-	-	-	-	14,786
Undesignated, reported in:										
General Fund	240,311	-	-	-	-	-	-	-	-	240,311
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Total fund balance	240,311	14,786	-	-	-	-	-	-	8,001	263,098
Total liabilities and fund balance	\$ 240,311	\$ 14,786	\$ 2,029	\$ -	\$ 5,879	\$ 304	\$ -	\$ -	\$ 8,001	\$ 271,310

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
VISTA GRANDE CHARTER

Statement I-4

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
June 30, 2010

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

Total fund balances - governmental funds	\$	263,098
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Capital assets used in governmental activities are
not financial resources and therefore are not
reported as assets in governmental funds

The cost of capital assets	-	
Accumulated depreciation	-	
Net capital assets		<u>-</u>

Total net assets - governmental funds	\$	<u>263,098</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Statement of Revenues, Expenditures and Changes in
 Fund Balances - All Governmental Funds
 Year Ended June 30, 2010

	General Fund		SEG - Stimulus	Title I	Library GO Bond Fund	Library Books Fund	QWEST	Public School Capital Outlay	Education Technology Equipment Act	Total
	Operational	Instructional Materials								
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,200	-	-	-	-	-	-	-	-	1,200
Local sources	24,653	-	-	-	-	-	5,000	-	-	29,653
State sources	1,027,558	3,799	-	-	-	-	-	63,050	-	1,094,407
Federal sources	-	-	101,452	2,400	-	-	-	-	-	103,852
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	1,053,411	3,799	101,452	2,400	-	-	5,000	63,050	-	1,229,112
EXPENDITURES										
Current:										
Direct instruction	410,227	3,779	18,254	2,400	-	-	5,000	-	-	439,660
Instructional support	523,566	-	83,198	-	-	-	-	63,050	45,209	715,023
Total expenditures	933,793	3,779	101,452	2,400	-	-	5,000	63,050	45,209	1,154,683
Net change in fund balances	119,618	20	-	-	-	-	-	-	(45,209)	74,429
Fund balance beginning of year	107,257	14,766	-	-	-	-	-	-	53,210	175,233
Prior period adjustment	13,436	-	-	-	-	-	-	-	-	13,436
Fund balance beginning of year-restated	120,693	14,766	-	-	-	-	-	-	53,210	188,669
Fund balance end of year	\$ 240,311	\$ 14,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,001	\$ 263,098

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
VISTA GRANDE CHARTER

Statement I-6

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds \$ 74,429

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

Capital outlays to purchase or build capital
assets are reported in governmental funds as
expenditures. However, for governmental
activities those costs are shown in the statement
of net assets and allocated over their estimated
useful lives as annual depreciation expenses in the
statement of activities. This is the amount by which
capital outlays exceed depreciation expense in the period

Capital outlays	-
Depreciation expense	-
	<hr/>

Excess of depreciaton expense over capital outlays	<hr/>
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Change in net assets of governmental activities	\$ <u>74,429</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Operational Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	10,000	10,000	1,200	(8,800)
Local sources	500	500	106,489	105,989
State sources	1,150,830	1,027,558	1,027,558	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 1,161,330</u>	<u>\$ 1,038,058</u>	<u>\$ 1,135,247</u>	<u>\$ 97,189</u>
EXPENDITURES				
Direct instruction	\$ 582,454	\$ 459,182	\$ 410,452	\$ 48,730
Instructional support	684,154	684,154	523,566	160,588
Total expenditures	<u>\$ 1,266,608</u>	<u>\$ 1,143,336</u>	<u>\$ 934,018</u>	<u>\$ 209,318</u>
BUDGETED CASH BALANCE	<u>\$ 105,278</u>	<u>\$ 105,278</u>		
REVENUES				
Budgetary basis			\$ 1,135,247	
Decrease in receivables			(81,836)	
Modified accrual basis			<u>\$ 1,053,411</u>	
EXPENDITURES				
Budgetary basis			\$ 934,018	
Decrease in accounts payable			(225)	
Modified accrual basis			<u>\$ 933,793</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Instructional Materials
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 3,779	\$ 3,779	\$ 3,799	\$ 20
Total revenues	<u>\$ 3,779</u>	<u>\$ 3,779</u>	<u>\$ 3,799</u>	<u>\$ 20</u>
EXPENDITURES				
Direct instruction	\$ 3,779	\$ 3,779	\$ 3,779	\$ -
Total expenditures	<u>\$ 3,779</u>	<u>\$ 3,779</u>	<u>\$ 3,779</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 SEG - Stimulus
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 82,241	\$ 99,423	\$ 99,423	\$ -
Total revenues	<u>\$ 82,241</u>	<u>\$ 99,423</u>	<u>\$ 99,423</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ 18,254	\$ 18,254	\$ 18,254	\$ -
Instructional support	63,987	81,169	83,198	(2,029)
Total expenditures	<u>\$ 82,241</u>	<u>\$ 99,423</u>	<u>\$ 101,452</u>	<u>\$ (2,029)</u>
REVENUES				
Budgetary basis			\$ 99,423	
Increase in due from grantor			2,029	
Modified accrual basis			<u>\$ 101,452</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Title I
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 8,000	\$ 8,000	\$ 2,400	\$ (5,600)
Total revenues	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 2,400</u>	<u>\$ (5,600)</u>
EXPENDITURES				
Direct instruction	\$ 8,000	\$ 8,000	\$ 2,400	\$ 5,600
Total expenditures	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 2,400</u>	<u>\$ 5,600</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Library GO Bond Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Library Book Fund
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
VISTA GRANDE CHARTER
QWEST

Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	\$ -	\$ 5,000	\$ 5,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 5,000	\$ 5,000	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Public School Capital Outlay
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 63,050	\$ 63,050	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 63,050</u>	<u>\$ 63,050</u>	<u>\$ -</u>
EXPENDITURES				
Instructional support	\$ -	\$ 63,050	\$ 63,050	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 63,050</u>	<u>\$ 63,050</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Education Technology Equipment Act
 Statement of Revenues and Expenditures -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ 50,064	\$ 50,064	\$ -	\$ (50,064)
Total revenues	<u>\$ 50,064</u>	<u>\$ 50,064</u>	<u>\$ -</u>	<u>\$ (50,064)</u>
EXPENDITURES				
Instructional support	\$ 50,064	\$ 50,064	\$ 45,209	\$ 4,855
Total expenditures	<u>\$ 50,064</u>	<u>\$ 50,064</u>	<u>\$ 45,209</u>	<u>\$ 4,855</u>
BUDGETED CASH BALANCE	<u>\$ 53,210</u>			

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
VISTA GRANDE CHARTER
Statement of Fiduciary
Assets and Liabilities - Agency Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash on deposit	\$ <u>303</u>
Total assets	<u>\$ 303</u>
LIABILITIES	
Deposits held for others	\$ <u>303</u>
Total liabilities	<u>\$ 303</u>

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Schedule of Changes in Assets
 and Liabilities - All Agency Funds
 Year Ended June 30, 2010

	Balances June 30, 2009	Additions	Deletions	Balances June 30, 2010
ASSETS				
Cash of deposit	\$ 361,526	\$ 503,982	\$ 495,191	\$ 370,317
Total assets	<u>\$ 361,526</u>	<u>\$ 503,982</u>	<u>\$ 495,191</u>	<u>\$ 370,317</u>
LIABILITIES				
Deposits held for others				
Arroyos Del Norte	\$ 13,018	\$ 29,652	\$ 30,116	\$ 12,554
Enos Elementary	46,711	50,054	53,667	43,098
Ranchos Elementary	18,658	46,039	46,186	18,511
Taos Middle School	55,807	58,652	72,866	41,593
Taos High School	158,686	250,628	235,528	173,786
Administration	68,646	68,957	56,828	80,775
Total liabilities	<u>\$ 361,526</u>	<u>\$ 503,982</u>	<u>\$ 495,191</u>	<u>\$ 370,317</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Schedule of Changes in Assets
 and Liabilities - All Agency Funds
 Year Ended June 30, 2010

	Balances June 30, 2009	Additions	Deletions	Balances June 30, 2010
ASSETS				
Cash of deposit	\$ 3,387	\$ 18,673	\$ 20,990	\$ 1,070
Total assets	<u>\$ 3,387</u>	<u>\$ 18,673</u>	<u>\$ 20,990</u>	<u>\$ 1,070</u>
LIABILITIES				
Deposits held for others				
Activity K-8	\$ 618	\$ 8,107	\$ 8,725	\$ -
Miscellaneous Activity	1,260	9,137	10,017	380
LANL CPR	1,510	28	1,486	52
Plant Science	<u>-</u>	<u>1,400</u>	<u>762</u>	<u>638</u>
Total liabilities	<u>\$ 3,388</u>	<u>\$ 18,672</u>	<u>\$ 20,990</u>	<u>\$ 1,070</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Schedule of Changes in Assets
 and Liabilities - All Agency Funds
 Year Ended June 30, 2010

	Balances June 30, 2009	Additions	Deletions	Balances June 30, 2010
ASSETS				
Cash of deposit	\$ -	\$ 2,821	\$ 2,518	\$ 303
Total assets	<u>\$ -</u>	<u>\$ 2,821</u>	<u>\$ 2,518</u>	<u>\$ 303</u>
LIABILITIES				
Deposits held for others				
General activity	\$ -	\$ 2,066	\$ 1,832	\$ 234
Wilderness experience	-	360	360	-
Tech Team	-	69	-	69
Senior Class	-	326	326	-
Total liabilities	<u>\$ -</u>	<u>\$ 2,821</u>	<u>\$ 2,518</u>	<u>\$ 303</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 Schedule of Cash Receipts and
 Disbursements - All Funds by
 School District Classification
 Year Ended June 30, 2010

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Cafeteria</u>	<u>Athletics</u>
Cash balance, June 30, 2009	\$ 784,959	\$ 42,167	\$ 80,397	\$ 54,551	\$ 34,458
Cash Receipts, 2009-2010	18,708,139	995,847	102,836	1,954,231	54,014
Cash Disbursements, 2009-2010	<u>(18,369,715)</u>	<u>(991,765)</u>	<u>(75,287)</u>	<u>(1,934,512)</u>	<u>(52,967)</u>
Cash balance, June 30, 2010	<u>\$ 1,123,383</u>	<u>\$ 46,249</u>	<u>\$ 107,946</u>	<u>\$ 74,270</u>	<u>\$ 35,505</u>

	<u>Federal Projects</u>	<u>Local/ State</u>	<u>Bond Building</u>	<u>Special Capital Outlay State</u>	<u>Capital Improvement SB-9</u>
Cash balance, June 30, 2009	\$ (756,852)	\$ 150,699	\$ 10,172,542	\$ 32,153	\$ 1,340,083
Cash Receipts, 2009-2010	4,572,794	968,080	265,336	-	2,099,044
Loan proceeds	-	-	16,000,000	-	-
Cash Disbursements, 2009-2010	<u>(4,577,796)</u>	<u>(1,104,194)</u>	<u>(9,588,168)</u>	<u>-</u>	<u>(1,216,668)</u>
Cash balance, June 30, 2010	<u>\$ (761,854)</u>	<u>\$ 14,585</u>	<u>\$ 16,849,710</u>	<u>\$ 32,153</u>	<u>\$ 2,222,459</u>

	<u>Educational Technology Equipment Act</u>	<u>Debt Service</u>	<u>Educational Technology Debt Service</u>
Cash balance, June 30, 2009	\$ 839,078	\$ 822,787	\$ 679,015
Cash Receipts, 2009-2010	26,950	1,514,946	792,897
Cash Disbursements, 2009-2010	<u>(327,313)</u>	<u>(1,282,631)</u>	<u>(669,464)</u>
Cash balance, June 30, 2010	<u>\$ 538,715</u>	<u>\$ 1,055,102</u>	<u>\$ 802,448</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER
 Schedule of Cash Receipts and
 Disbursements - All Funds by
 School District Classification
 Year Ended June 30, 2010

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Federal Projects</u>	<u>Local/ State</u>
Cash balance, June 30, 2009	\$ 141,131	\$ 3,612	\$ (62,649)	\$ 580
Cash Receipts, 2009-2010	849,496	20,909	193,157	-
Cash Disbursements, 2009-2010	<u>(798,089)</u>	<u>(17,700)</u>	<u>(158,676)</u>	<u>(4,549)</u>
Cash balance, June 30, 2010	<u><u>\$ 192,538</u></u>	<u><u>\$ 6,821</u></u>	<u><u>\$ (28,168)</u></u>	<u><u>\$ (3,969)</u></u>
	<u>Public School Capital Outlay</u>	<u>Capital Improvements SB-9</u>	<u>Education Technology Equipment Act</u>	
Cash balance, June 30, 2009	\$ 980	\$ -	\$ 32,163	
Cash Receipts, 2009-2010	994,647	-	-	
Cash Disbursements, 2009-2010	<u>(994,647)</u>	<u>(1,577)</u>	<u>(31,567)</u>	
Cash balance, June 30, 2010	<u><u>\$ 980</u></u>	<u><u>\$ (1,577)</u></u>	<u><u>\$ 596</u></u>	

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER
 Schedule of Cash Receipts and
 Disbursements - All Funds by
 School District Classification
 Year Ended June 30, 2010

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Federal Projects</u>	<u>Local/ State</u>
Cash balance, June 30, 2009	\$ 121,862	\$ 4,499	\$ (107,480)	\$ (73,984)
Cash Receipts, 2009-2010	1,317,698	9,018	158,387	49,994
Cash Disbursements, 2009-2010	<u>(1,160,329)</u>	<u>(11,255)</u>	<u>(182,731)</u>	<u>(37,713)</u>
Cash balance, June 30, 2010	<u>\$ 279,231</u>	<u>\$ 2,262</u>	<u>\$ (131,824)</u>	<u>\$ (61,703)</u>
	<u>Public School Capital Outlay</u>	<u>Capital Improvements SB-9</u>	<u>Education Technology Equipment Act</u>	<u>Non- Instructional</u>
Cash balance, June 30, 2009	\$ -	\$ -	\$ 72,573	\$ 3,387
Cash Receipts, 2009-2010	106,575	-	-	18,673
Cash Disbursements, 2009-2010	<u>(142,100)</u>	<u>(4,708)</u>	<u>(15,279)</u>	<u>(20,990)</u>
Cash balance, June 30, 2010	<u>\$ (35,525)</u>	<u>\$ (4,708)</u>	<u>\$ 57,294</u>	<u>\$ 1,070</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE CHARTER
 Schedule of Cash Receipts and
 Disbursements - All Funds by
 School District Classification
 Year Ended June 30, 2010

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Federal Projects</u>	<u>Local/ State</u>	<u>Public School Capital Outlay</u>	<u>Education Technology Equipment Act</u>	<u>Non- Instructional</u>
Cash balance, June 30, 2009	\$ 25,646	\$ 14,766	\$ 13,436	\$ 6,183	\$ -	\$ 53,210	\$ -
Cash Receipts, 2009-2010	1,135,247	3,799	101,823	5,000	63,050	-	2,821
Restatement	13,436	-	(13,436)	-	-	-	-
Cash Disbursements, 2009-2010	<u>(934,018)</u>	<u>(3,779)</u>	<u>(103,852)</u>	<u>(5,000)</u>	<u>(63,050)</u>	<u>(45,209)</u>	<u>(2,518)</u>
Cash balance, June 30, 2010	<u>\$ 240,311</u>	<u>\$ 14,786</u>	<u>\$ (2,029)</u>	<u>\$ 6,183</u>	<u>\$ -</u>	<u>\$ 8,001</u>	<u>\$ 303</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 FRIENDS OF ANANSI CHARTER SCHOOL
 Statement of Cash Flows
 For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 181,768
Cash payments for supplies and maintenance	<u>(200,307)</u>
Net cash used by operating activities	<u>(18,539)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(315,533)
Prepaid lease income	931,562
Proceeds on loan	370,635
Interest paid on capital debt	<u>(50,828)</u>
Net cash provided by (used in capital and related financing activities	<u>935,836</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in cash and cash equivalents	917,297
Cash and cash equivalents, at beginning of year	<u>41,596</u>
Cash and cash equivalents, at end of year	<u><u>\$ 958,893</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 93,157
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	40,246
Decrease in accounts payable	(114,159)
Decrease in accrued interest	<u>(37,783)</u>
Net cash provided (used) by operating activities	<u><u>\$ (18,539)</u></u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 FRIENDS OF TAOS CHARTER SCHOOL
 Statement of Cash Flows
 For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 162,831
Cash payments for supplies and maintenance	<u>(91,601)</u>
Net cash used by operating activities	<u>71,230</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(108,300)
Interest paid on capital debt	<u>(29,114)</u>
Net cash provided by (used in capital and related financing activities)	<u>(137,414)</u>
Net increase (decrease) in cash and cash equivalents	(66,184)
Cash and cash equivalents, at beginning of year	<u>160,036</u>
Cash and cash equivalents, at end of year	<u><u>\$ 93,852</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 33,367
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	36,748
Increase in accounts payable	<u>1,115</u>
Net cash provided (used) by operating activities	<u><u>\$ 71,230</u></u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<u>Source and Program</u>	<u>Federal Number</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Passed through State of NM			
Department of Education:			
Title I Basic	84.010	24.101	\$ 1,032,998
94-142 Entitlement	84.027	24.106	608,285
94-142 Preschool	84.173	24.109	9,684
Title I - 1003A	84.337	24.124	9,457
Enhancing Education Through Technology	84.318	24.133	-
Title III - Incentive Awards	84.365	24.143	2,918
Innovative Education	84.298	24.150	4,168
English Language Acquisition	84.365	24.153	61,139
Improving Teacher Quality	84.367	24.154	312,470
Safe & Drug Free Schools	84.186	24.157	18,001
21 st Century	84.287	24.159	1,715
Rural Low Income	84.358	24.160	91,037
Title I - School Improvement	84.010	24.162	113,704
Title III - Immigrant	84.263	24.163	9,848
Carl D. Perkins-Tech Prep	84.243	24.168	-
Carl D. Perkins-Tech Prep Redist.	84.243	24.170	108,842
Carl D. Perkins-JAG	84.048	24.171	-
Carl D. Perkins-Secondary/Culinary	84.048	24.174	19,775
Title I - Stimulus	84.010	24.201	266,001
Entitlement - Stimulus	84.391	24.206	120,533
Sub-total			<u>2,790,575</u>
<u>U.S. Department of Education</u>			
Direct Program			
Impact Aid - Special Education	84.041	25.145	6,621
Impact Aid - Indian Education	84.041	25.147	45,466
Indian Education	84.060	25.184	45,361
* SEG-Stimulus	84.394	25.250	1,385,813
Sub-total			<u>1,483,261</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program			
GRADS	93.590	25.149	-
TANF/GRADS	93.558	25.162	-
Sub-total			<u>-</u>
<u>U.S. Department of Agriculture</u>			
Passed through State of NM			
Department of Finance and Administration:			
* Forest Reserve	10.665	N/A	212,455
Passed through State of NM			
Department of Education:			
* National School Lunch Program	10.555	N/A	1,000,567
* School Breakfast Program	10.553	N/A	579,527
Fresh Fruit & Vegetable Program	10.582	N/A	63,750
Child Nutrition - Stimulus	10.579	24.218	64,591
Passed through State of NM			
Health and Human Services:			
U.S.D.A. Commodities	10.550	N/A	86,385
Sub-total			<u>2,007,275</u>
Total Expenditures of Federal Awards			<u>\$ 6,281,111</u>
<u>Charter School Awards</u>			
<u>Anansi Charter School</u>			
SEG - Stimulus	84.394	25.250	\$ 78,979
Title I - Basic	84.010	24.101	3,840
94-142 Entitlement	84.027	24.106	23,640
Charter Schools	84.282	24.142	38,634
94-142 - Entitlement-Stimulus	84.391	24.206	13,583
Sub-total			<u>158,676</u>
<u>Taos Charter School</u>			
SEG - Stimulus	84.394	25.250	120,499
Title I - Basic	84.010	24.101	10,310
94-142 Entitlement	84.027	24.106	31,522
94-142 - Entitlement-Stimulus	84.391	24.206	18,110
Sub-total			<u>180,441</u>

Schedule of Expenditures of Federal Awards - continued

Vista Grande Charter School			
SEG - Stimulus	84.394	25.250	101,452
Title I - Basic	84.010	24.101	<u>2,400</u>
Sub-total			<u>103,852</u>
Total Expenditures of Charter School Awards			<u><u>\$ 442,969</u></u>

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Taos Municipal Schools and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Non-Cash Assistance

The District did not receive any federal awards in the form of non-cash assistance except for U.S.D.A. Commodities during the year.

3. Subrecipients

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

*Treated as a Major Program

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part 1 - Summary of Auditor Results

1. Type of Report - Unqualified
2. Significant Deficiency - NONE
3. Non-Compliance - Late Audit Report (09-02), Budget Overruns (09-04), Inadequate Pledged Collateral (09-05), Outstanding Balances (10-02), Cash Deficits (10-03), Monies Co-Mingled With Other Funds (10-07), CFDA Data Collection Form (10-08), Depreciation Policy (10-09), Payment Made Before Approval on Contract Received (10-10), Contract Additions/Amendments (10-11), Vendor Overpaid (10-12), Required Support for Disbursements (10-13), Missing Background Check Policy (10-15), RHCA Reports Incorrect (10-17), New Hire Reporting (10-20), Late IRS Notices (10-23), DOL Reports Submitted Late (10-24), Leave Policy (10-25), Payroll Paid Before Services Rendered (10-26) and Employee Overpaid (10-27)
4. Reportable Conditions Over Major Programs - NONE
5. Type of Report Issued on Compliance with the Major Program - Unqualified
6. A-133 Audit Findings - NONE
7. Major Programs - SEG - Stimulus CFDA #84.394, National School Lunch/Breakfast Program CFDA #10.555 and #10.553 AND Forest Reserve CFDA #10.665
8. Dollar Threshold Used to Distinguish Type A and Type B Programs - \$300,000
9. Taos Municipal Schools did not qualify as a low-risk auditee

Part 2 - Findings

Late Audit Report (09-02), Budget Overruns (09-04), Inadequate Pledged Collateral (09-05), Imprest Bank Account (10-01), Outstanding Balances (10-02), Cash Deficits (10-03), Outstanding Checks Restored to Cash (10-04), Deposits in Transit (10-05), Transfer of Cash (10-06), Monies Co-Mingled With Other Funds (10-07), CFDA Data Collection Form (10-08), Depreciation Policy (10-09), Payment Made Before Approval on Contract Received (10-10), Contract Additions/Amendments (10-11), Vendor Overpaid (10-12), Required Support for Disbursements (10-13), Unnecessary Fees (10-14), Missing Background Check Policy (10-15), Missing W-3 Report (10-16), RHCA Reports Incorrect (10-17), Missing 941 Reports (10-18), Missing DOL Reports (10-19), New Hire Reporting (10-20), Segregation of Duties (10-21), Addendums to Employee Contracts (10-22), Late IRS Notices (10-23), DOL Reports Submitted Late (10-24), Leave Policy (10-25), Payroll Paid Before Services Rendered (10-26), Employee Overpaid (10-27) and Cash Reconciliation Problems (10-28)

Part 3 - Questioned Costs

NONE

Rice and Associates, C.P.A.

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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**

Mr. Hector H. Balderas
New Mexico State Auditor
and
Board of Education
Taos Municipal Schools
Taos, New Mexico

We have audited the financial statements of the governmental activities, the aggregate discretely presented Component Units, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the General and Title I Funds of Taos Municipal Schools, as of and for the year ended June 30, 2010, and have issued our report thereon dated July 23, 2012. We also have audited the financial statements of each of the Schools' non-major governmental and fiduciary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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 the Taos Municipal Schools 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 Schools internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Schools' internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over

financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Taos Municipal Schools financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 were described in the accompanying Status of Findings and the Schedule of Findings and Questioned Costs as Non-Compliance - Late Audit Report (09-02), Budget Overruns (09-04), Inadequate Pledged Collateral (09-05), Outstanding Balances (10-02), Cash Deficits (10-03), Monies Co-Mingled With Other Funds (10-07), CFDA Data Collection Form (10-08), Depreciation Policy (10-09), Payment Made Before Approval on Contract Received (10-10), Contract Additions/Amendments (10-11), Vendor Overpaid (10-12), Required Support for Disbursements (10-13), Missing Background Check Policy (10-15), RHCA Reports Incorrect (10-17), New Hire Reporting (10-20), Late IRS Notices (10-23), DOL Reports Submitted Late (10-24), Leave Policy (10-25), Payroll Paid Before Services Rendered (10-26) and Employee Overpaid (10-27).

The Taos Municipal Schools responses to the findings identified in our audit is described in the accompanying Status of Findings and Schedule of Findings and Questioned Costs. We did not audit the District responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Office of the State Auditor, the New Mexico State Legislature, applicable federal grantors and the Public Education Department and is not intended to be used by anyone other than these specified parties.

Rice & Associates, C.P.A.

July 23, 2012

Rice and Associates, C.P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Hector H. Balderas
New Mexico State Auditor
and
Board of Education
Taos Municipal Schools
Taos, New Mexico

Compliance

We have audited the compliance of Taos Municipal Schools (District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District'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*, issued by the Comptroller General of the United States; 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 the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District 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, 2010.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 the District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the School Board, management, the Office of the State Auditor, and the Public Education Department, the New Mexico Legislature, and any applicable federal granting agency and is not intended to be and should not be used by anyone other than these specified parties.

Rice & Associates, C.P.A.

July 23, 2012

**TAOS MUNICIPAL SCHOOLS
STATUS OF FINDINGS**

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Untimely Capital Asset Schedule (09-03) - Resolved.
4. Budget Overruns (09-04) - Repeated.
5. Inadequate Pledged Collateral (09-05)- Repeated.
6. Bank Accounts Not Reconciled to General Ledger (09-06) - Resolved.
7. Pre-numbered Receipts Not Used (09-07) - Resolved.
8. Missing Background Checks (09-08) - Resolved.
9. Missing Information From Employee Files (09-09) - Resolved.

Current Year Audit Findings:

1. Imprest Bank Account (10-01)
2. Outstanding Balances (10-02)
3. Cash Deficits (10-03)
4. Outstanding Checks Restored to Cash (10-04)
5. Deposits in Transit (10-05)
6. Transfers of Cash (10-06)
7. Monies Co-Mingled With Other Funds (10-07)
8. CFDA Data Collection Form (10-08)
9. Depreciation Policy (10-09)
10. Payment Made Before Approval on Contract Received (10-10)
11. Contract Additions (10-11)
12. Vendor Overpaid (10-12)
13. Required Support for Disbursements (10-13)

14. Unnecessary Fees (10-14)
15. Missing Background Check Policy (10-15)
16. Missing W-3 Report (10-16)
17. RHCA Reports Incorrect (10-17)
18. Missing 941 Reports (10-18)
19. Missing Department of Labor Reports (10-19)
20. New Hire Reporting (10-20)
21. Segregation of Duties (10-21)
22. Addendums to Employee Contracts (10-22)
23. Late IRS Notices (10-23)
24. Department of Labor Reports Not Submitted on Time (10-24)
25. Leave Policy (10-25)
26. Payroll Paid Before Services Rendered (10-26)
27. Employee Overpaid (10-27)
28. Cash Reconciliation Problems (10-28)

Late Audit Report

(09-02)

CONDITION	The June 30, 2010 audit report was not submitted to the State Auditors Office by the required deadline of November 15, 2010.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditors Office by November 15, 2010.
CAUSE	The School District had three different business managers during the audit. The Business Office moved to a new facility. Documents were very hard to find and, finally the prior year audit report was not submitted by the prior year due date.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Board should help stabilize the Business Office so the documents and employees are available for the auditors.
RESPONSE	We are now settled into our new facility and are in the process of organizing all of our records. A contract for the 10-11 Audit has already been approved by the State Auditor and we are moving forward immediately with this audit.

Budget Overruns

(09-04)

CONDITION	The School District had two budget overruns. One is in the Debt Service Fund in the amount of \$3,455. The other is in the Educational Technology Debt Service Fund in the amount of \$2,826.
CRITERIA	NMSA 1978 Section 22-8-11 B requires all grants to be spent within the established guidelines set for budgets.
CAUSE	Management did not make a budget adjustment request to ensure these expenditures had budget authority.
EFFECT	Approved budget authority was not obtained for these expenditures.
RECOMMENDATION	The general ledger and budgets for each fund should be reviewed periodically to ensure budget adjustment requests are submitted timely for approval.
RESPONSE	The District will review the budgets periodically to ensure budget adjustment requests are prepared and submitted in time for approval.

Inadequate Pledged Collateral

(09-05)

CONDITION	The School District was not adequately collateralized with a local banking institution in the amount of \$688,492.
CRITERIA	According to Section 6-10-17, NMSA 1978, "shall deliver securities...in 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".
CAUSE	The School District did not ensure that the bank in New York housing a special amount understood NM laws requiring one-half of public monies to be ensured.
EFFECT	The School District did not comply with Section 6-10-17, NMSA 1978.
RECOMMENDATION	An employee should be charged with the duty of reviewing these statements monthly to ensure adequate collateral has been pledged.
RESPONSE	All monies with the Bank of New York Mellon have been expended. The present Finance Director reviews all monthly statements to ensure we are adequately collateralized.

Imprest Bank Account

(10-01)

CONDITION	The imprest account payroll clearing is not being reconciled correctly on a monthly basis. Because it is not reconciled correctly on a monthly basis it is ending the year with an incorrect cash balance.
CRITERIA	All imprest accounts should be reconciled correctly on a monthly basis, resulting in zero balances.
CAUSE	Management is not ensuring that this bank account be reconciled to a zero balance each month. The reconciliation has some sort of balance each month that is not being investigated as to what is creating the balance.
EFFECT	The operational fund must make up for all cash deficiencies.
RECOMMENDATION	Management needs to ensure that this account is reconciled correctly each month.
RESPONSE	The payroll clearing account is being reconciled by the present Finance Director on a monthly basis.

Outstanding Balances

(10-02)

CONDITION	The School District has cash balances in its Special Revenue Funds totaling \$491,557 that represent grants that have not been utilized for several years.
CRITERIA	Each grant has a specified time period in which they are to be utilized.
CAUSE	Management has not taken measures to ensure that all grants received are utilized in a timely manner according to the grant restrictions.
EFFECT	Monies are available to be used for special projects and the School District has not used them.
RECOMMENDATION	Management should approve budgets and spend the assets received according to the grant agreements.
RESPONSE	Management is reviewing all budgets monthly to assure these grants are being spent. Many grants can carryover a balance equal to 15% of the allocation, which in some circumstances we choose to do due to District needs.

Cash Deficits

(10-03)

CONDITION	The School District has numerous funds with cash deficits totaling \$892,146.
CRITERIA	The School District must request reimbursements of grant disbursements immediately as to have a proper cash balance at all times to ensure purchase obligations are met.
CAUSE	A large turnover in Business Office.
EFFECT	The School District has to use Operational monies to cover these disbursements until they receive their reimbursements. Thus, depleting their Operational cash that is needed and budgeted for other expenditures.
RECOMMENDATION	The Business Office should implement procedures to ensure reimbursement requests are submitted timely and often to ensure monies earned are received.
RESPONSE	Requests for reimbursement are done at least once a month, usually twice a month. PED is sometimes slow in processing these RFR's and they are continually requiring more and more information. Also, late carryover allocations which are now coming to us in late March or April making it difficult to expend all monies till late May or June.

Outstanding Checks Restored to Cash

(10-04)

CONDITION	The business office is not restoring to cash the outstanding checks over one year old.
CRITERIA	All checks outstanding that are over one year old should be restored to cash and deleted from the outstanding check listing.
CAUSE	Management has not ensured that a business office employee perform this function.
EFFECT	The cash balance could be misstated and failure to properly control old outstanding checks could result in defalcations.
RECOMMENDATION	When the business office becomes aware of an outstanding check that is over one year old it should be deleted from the outstanding check listing and restored to cash.
RESPONSE	The Finance Director is now restoring checks over a year old to cash.

Deposits in Transit

(10-05)

CONDITION	The business system is not being used correctly as there are incorrect deposits in transit being reported on the bank reconciliation documents.
CRITERIA	Bank reconciliation documents need to have accurate information to ensure the amounts reconcile to the general ledger.
CAUSE	Staff turnover has contributed to the situation whereby the controls over data information have been neglected/overridden.
EFFECT	The bank reconciliations are incorrect.
RECOMMENDATION	The current business office staff should ensure that all transactions are entered correctly in the system.
RESPONSE	We are now using the Visions Enterprise software which makes it possible for us to void incorrect deposits so that our software reconciles to the general ledger.

Transfers of Cash

(10-06)

CONDITION	The business office is transferring cash between bank accounts too often and without the proper corresponding journal entries.
CRITERIA	All funds should have their deposits and disbursements made out of the bank account assigned to that fund.
CAUSE	A new business manager was transferring monies because the Human Resources Department was transferring employees salaries and benefits to other funds. The business office was also trying to ensure the correct disbursements were being charged to the correct fund. Also, there were several instances where the wrong set of checks was used, thus, the good/service came out of the wrong bank account.
EFFECT	Expenditures could be understated/overstated if the corresponding journal entry is not made. If cash transfers are not recorded/reported or tracked correctly, then cash in bank may not be reconciled to the general ledger correctly.
RECOMMENDATION	The School District has now consolidated all its bank accounts into one so this situation appears to be resolved.
RESPONSE	We now have consolidated all our bank accounts to avoid this problem of transfer.

Monies Co-Mingled With Other Funds

(10-07)

CONDITION	The School District was including monies received for the School Based Health Center fund in an Activity Fund.
CRITERIA	All monies received should be appropriately recorded in its specific fund that is pre-determined by the Public Education Department.
CAUSE	Management was unaware that these monies still need to follow certain restrictions imposed by PED.
EFFECT	The monies received for this fund were incorrectly reported in the Activity Fund.
RECOMMENDATION	Management is now aware of PED's requirements and how to report these monies.
RESPONSE	All monies received from State or local sources are now deposited to the appropriate fund and not to an activity account.

CFDA Data Collection Form

(10-08)

CONDITION

The CFDA Data Collection Form was not submitted to the federal clearing house within nine months after the fiscal year end due to the audit not being completed within nine months after the fiscal year end.

CRITERIA

The CFDA Data Collection Form is to be submitted to the federal clearing house within nine months after the fiscal year end according to OMB Circular A-133.320.

CAUSE

The audit was not completed within the nine month period after the fiscal year end. The audit report must be submitted with the Data Collection Form. Thus, the Data Collection Form could not be submitted until the audit report was completed.

EFFECT

The School District was unable to comply with OMB Circular A-133.

RECOMMENDATION

The audit report should be completed within nine months after the fiscal year end.

RESPONSE

The District is now aware of this and will be sure that the nine month deadline is complied with.

Depreciation Policy

(10-09)

CONDITION	The School District has not approved a depreciation policy so depreciation can be charged to capital assets.
CRITERIA	The School District needs a depreciation policy so capital assets can be depreciated correctly. This is due to the implementation of GASB 34.
CAUSE	The School Board has not approved a policy for management to follow.
EFFECT	Depreciation may be charged incorrectly because no set policy is in place.
RECOMMENDATION	The School Board should approve a policy as soon as possible. Management should then implement that policy as soon as possible.
RESPONSE	The School Board is now aware of this and will be sure to get a depreciation policy in place.

Payment Made Before Approval or Contract Received

(10-10)

CONDITION	An amendment to a bus operator contract was signed and approved after the operator was paid. Amended contract amount was \$12,497.
CRITERIA	According to PED regulations all goods/services should be requested, a contract signed and a purchase order issued before the goods/services are received and/or paid for.
CAUSE	It is unclear as to which employee requested this service and why they were allowed to provide these services before the contract was signed.
EFFECT	The School District is not following PED regulations.
RECOMMENDATION	The School District should implement procedures to ensure that goods/services are not received before a contract is signed.
RESPONSE	The present School District staff is aware of the PED regulation and our Payroll Clerk will not pay an employee if she has not seen an amendment.

Contract Additions

(10-11)

CONDITION	Two different bus operators were obtained for the summer K-3+ program. However, a signed and approved addendum to the contract specifying the additional duties and additional payment of \$4,375 each was not prepared.
CRITERIA	According to PED regulations all goods/services should be requested, a contract signed and a purchase order issued before the goods/services are received and/or paid for.
CAUSE	It is unclear as to which employee requested this service and why they were allowed to provide these services before the contract addendum was signed.
EFFECT	The School District is not following PED regulations.
RECOMMENDATION	The School District should implement procedures to ensure that goods/services are not received before a contract addendum is signed. Also, any additions of pay, duties or other agreements should be included in an addendum to the original contract.
RESPONSE	The present School District Staff is aware of this regulation and our Payroll Clerk does not pay an employee if she has not seen the amendment.

Vendor Overpaid

(10-12)

CONDITION	A bus contractor was overpaid by \$8,771.
CRITERIA	According to PED regulations all goods/services should be requested, a contract signed and a purchase order issued before the goods/services are received and/or paid for.
CAUSE	It is unclear as to why the Human Resources Department requested this payment and why the business office allowed this payment when it clearly exceeded the approved purchase order.
EFFECT	Payment was made for goods/services that had not been rendered.
RECOMMENDATION	Management should implement procedures to ensure overpayments cannot occur.
RESPONSE	The present staff is aware of this regulation and requires copies of all contracts, W-9's, invoices and signed gold copies of purchase orders stating these services have been completed before paying for any services.

Required Support for Disbursements

(10-13)

CONDITION	Three payments were made to vendors without the proper documentation to support the disbursement. There was no signature of receipt or documentation that the goods received were verified complete.
CRITERIA	<p>The State Department of Education requires adequate support and approval of all disbursements made. These items include:</p> <ol style="list-style-type: none">1. Approved purchase orders,2. Approved requisitions,3. An invoice,4. Three quotes or sealed bids (if applicable),5. Evidence of signature of approvals and signatures of receipt.
CAUSE	Management of the School District is not requiring all documentation be attached before purchases are made.
EFFECT	Public Education Department regulations have not been followed.
RECOMMENDATION	The School District should implement policies to ensure that all Public Education Department regulations are followed.
RESPONSE	Present School District staff does require all five of the support documentation listed above before payments are made to vendors.

Unnecessary Fees

(10-14)

CONDITION The School District paid an administrative fee to the Bank of Mellon in the amount of \$1,500. This is unnecessary and the monies should have been moved to another bank. CRITERIA The School District should ensure that it is not paying any unnecessary fees/charges when they can be avoided.

CAUSE A large turnover in the Business Office allowed this fee to be paid, as no one questioned why it was being paid and no one ensured the monies were moved so the fee could be avoided. EFFECT The School District is not utilizing its resources to its best potential.

RECOMMENDATION All monies should be moved out of Mellon Bank immediately.

RESPONSE All monies in the Bank of New York Mellon have been expended at this time.

Missing Background Check Policy

(10-15)

CONDITION	The School District does not have a written policy on background checks.
CRITERIA	According to NMSA 22-10A-5 School Districts are required to have a written policy on background checks.
CAUSE	It is unclear why there is no policy as the Human Resources Department is aware of this requirement.
EFFECT	Background checks may not be obtained in accordance with NMSA 22-10A-5.
RECOMMENDATION	The School District should prepare, approve, and distribute a background check policy.
RESPONSE	The School District will prepare a policy on background checks and have it Board approved.

Missing W-3 Report

(10-16)

CONDITION	A W-3 report could not be obtained for calendar year 2010.
CRITERIA	The W-3 report should agree and be prepared from the four quarterly 941 reports (federal tax reports).
CAUSE	The Business Office moved during the year misplacing documents. Also, a high turnover in staff occurred.
EFFECT	It cannot be determined if the W-2's for the calendar year 2010 are correct.
RECOMMENDATION	The W-3 report should be obtained, corrected if needed and re-submitted as soon as possible.
RESPONSE	If the W-3 report is not found once we have completely unloaded and organized our vault in our new facility, we will request a copy from the SS Administration.

RHCA Reports Incorrect
(10-17)

CONDITION	The Retiree Health Care Reports submitted have different salary amounts than what is required to be reported.
CRITERIA	Salaries of which RHCA is charged should be equal to all salaries subject to ERA.
CAUSE	The payroll department is not ensuring these reports are correct before they are being submitted.
EFFECT	The School District is responsible for all amounts owed. Penalties and interest could be owed.
RECOMMENDATION	These reports should be corrected and re-submitted as soon as possible.
RESPONSE	The Payroll Department is now reconciling these reports monthly.

Missing 941 Reports

(10-18)

CONDITION	Pages of two 941 reports are missing.
CRITERIA	All documents, books of record, etc. should be kept on file for future review and reference.
CAUSE	The Business Office moved during the year misplacing documents. Also, a high turnover in staff occurred.
EFFECT	The 941 reports that were submitted could not be verified.
RECOMMENDATION	Copies should be obtained from the IRS immediately and kept on file.
RESPONSE	If these 941 report pages are not found the District will request copies from the IRS.

Missing Department of Labor Reports

(10-19)

CONDITION	The four DOL reports for the year could not be found and tested.
CRITERIA	All documents, books of record, etc. should be kept on file for future review and reference.
CAUSE	The Business Office moved during the year misplacing documents. Also, a high turnover in staff occurred.
EFFECT	The Department of Labor reports could be incorrect.
RECOMMENDATION	Copies should be obtained from the Department of Labor immediately and kept on file.
RESPONSE	If these reports are not located the District will request copies from the Department of Labor.

New Hire Reporting

(10-20)

CONDITION The School District did not properly report newly hired employees to a State directory within 20 days of their hire date.

CRITERIA New Mexico law (50-13-1 to 50-13-4 NMSA) and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42. U.S.C. 653A, requires all employers to report newly hired employees to a State directory within 20 days of their hire.

CAUSE Management did not know of this requirement.

EFFECT The School District did not comply with New Mexico State Statute 50-13-1 or the PRWORA of 1996.

RECOMMENDATION The School District is now complying with this law, however, management should have a system in place to ensure all future reports are submitted on time.

RESPONSE Our Human Resources Department is now aware of this requirement and is complying with filing this report within 20 days of hiring a new employee.

Segregation of Duties

(10-21)

CONDITION	The payroll Department is inputting contracts and running/preparing payroll.
CRITERIA	To keep a proper separation of duties the Human Resource Department should input all payroll information and the payroll department would then prepare payroll each pay period.
CAUSE	The Human Services Department is unwilling to accept this extra duty as it involves computer data input.
EFFECT	A proper segregation of duties is not implemented. Payroll errors/irregularities could occur.
RECOMMENDATION	The Human resources Department should be required to input all payroll information.
RESPONSE	The District will make the necessary changes to see that this segregation of duties is put in place.

Addendums to Employee Contracts

(10-22)

CONDITION	The Human Resource Department of the School District did not obtain signed addendums to existing employee contracts when additional duties were added/approved.
CRITERIA	According to Public Education Department Regulations any additional duties assigned to existing employees with additional pay should be included in an addendum to the original contract. The contract should be signed by both parties (School District/employee) to ensure the additional duties and additional corresponding pay have been agreed to.
CAUSE	This procedure was not done by the Human Resources Department.
EFFECT	Services rendered could be paid for without proper approval.
RECOMMENDATION	Addendums to contracts should be obtained for all additional duties/assignments assigned to employees.
RESPONSE	The Human Resources Department is now aware of this and will see that all contract changes have proper approval.

Late IRS Notices

(10-23)

CONDITION	A notice from the IRS concerning 2006 was not attended to and resolved until January 5, 2010. Obviously the business office is not ensuring notices from the IRS are investigated and resolved immediately.
CRITERIA	All notice's from any agency requesting penalties, interest or additional fees should be investigated and resolved immediately.
CAUSE	In this circumstance we could not obtain the reason why this notice was ignored.
EFFECT	Penalties and interest will continue to accrue if not addressed.
RECOMMENDATION	These notices should be investigated and resolved immediately
RESPONSE	The Finance Director and Payroll Clerk now research and respond to all IRS notices as soon as they are received.

Department of Labor Reports not Submitted on time

(10-24)

CONDITION	Three Department of Labor Reports were not submitted timely to the State of New Mexico resulting in a \$150.00 penalty.
CRITERIA	Penalties and interest are not budgeted for and unnecessary.
CAUSE	The payroll department for the calendar year 2009 did not submit these reports by the due date.
EFFECT	The School District paid \$150 unnecessarily.
RECOMMENDATION	All payroll reports should be submitted by the due date.
RESPONSE	The present Payroll Clerk is aware of the deadline for submitting this report and submits all reports timely.

Leave Policy

(10-25)

CONDITION	The School District leave policy is not adequate as it was written in 2010. It is not specific as to who can be paid leave upon termination. It also states that any unused portions of such allowance shall accumulate indefinitely. This creates a huge liability.
CRITERIA	Personnel leave policies should be clear and precise on how leave will be accrued, used, carried forward and paid for each class of employee and every type of leave provided.
CAUSE	Management has not been provided guidance on how the leave policy should be written so as to ensure all leave is accrued, used and paid for based on the manner decided by the Board.
EFFECT	This item has never been brought to the attention of the Board. This includes prior auditors or the School District's attorney.
RECOMMENDATION	The School District should revise its leave policy as soon as possible to ensure these details are addressed so as to avoid a lawsuit.
RESPONSE	The School District will review its present leave policy and make the necessary changes to avoid the possibility of a huge liability and or a lawsuit in the immediate future.

Payroll Paid Before Services Rendered

(10-26)

CONDITION Pay periods are structured so employees are paid for five days before they start work. CRITERIA According to PED regulations all goods/services should be requested, a contract signed before the goods/services are received and/or paid for.

CAUSE The negotiations with the Union led to the agreement that the payroll periods would start before employees started work.

EFFECT Services have been paid for before they have been rendered.

RECOMMENDATION The School District needs to renegotiate these payroll dates with the Union to ensure violations of the procurement code and PED regulations do not occur.

RESPONSE The School District will work with the Union to negotiate an agreement that will allow the District to only pay employees for services that have been rendered.

Employee Overpaid

(10-27)

CONDITION	An employee took a leave of absence for a year. The Human Resources Department did not notify the payroll department. The employee had direct deposit and was paid \$565. The employee has not paid back this money.
CRITERIA	According to PED regulations all goods/services should be requested and a contract signed before goods/services are received and/or paid for.
CAUSE	There are no defined separate duties between the HR and Payroll department in place to eliminate these types of occurrences.
EFFECT	The School District has overpaid an employee by \$565 that may never be recovered.
RECOMMENDATION	The School District should implement internal controls to ensure these overpayments never occur.
RESPONSE	The School District will be implementing internal controls and segregation of duties between HR and Payroll to help avoid this sort of problem in the future.

Cash Reconciliation Problems

(10-28)

CONDITION	The School District has had trouble reconciling cash for each fund because of how entries/data are made to the system by the employees in the business office.
CRITERIA	All staff should be adequately trained and knowledgeable of their duties and how to perform the various business software functions.
CAUSE	Management did not ensure all employees were adequately trained and knowledgeable of their required duties. Also, there were several business managers who were not employed long enough to correct or reconcile the cash balances.
EFFECT	The School District had to hire a private consultant to reconcile the June 30, 2010 cash balances and to re-reconcile the June 30, 2009 cash balances.
RECOMMENDATION	Management now has an adequate knowledgeable staff. However, the board should insure this situation does not happen in the future.
RESPONSE	The School District will make all efforts to be sure all staff is well trained in their duties through Professional development opportunities and cross training.

COMPONENT UNIT
COMMENTS

**COMPONENT UNITS
STATUS OF FINDINGS**

ANANSI CHARTER

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Council Member Missing From Exit Conference (09-03) - Resolved.
4. Budget Overruns (09-04) - Repeated.

Current Year Audit Findings:

1. Board Minutes Incomplete (10-01)
2. Receipt Books (10-02)
3. Direct Payments Not Posted (10-03)
4. Aftercare Charges (10-04)
5. Aftercare Balances (10-05)
6. Activity Programs (10-06)
7. Bank Service Charges (10-07)
8. Fund Deficit (10-08)
9. Damage Deposit For Lease Agreement (10-09)
10. Leave Policy (10-10)
11. W-3/W-2's Incorrect (10-11)
12. Payment For Services Not Rendered (10-12)
13. 1099 Issued Incorrectly (10-13)
14. Department of Labor Reports Incorrect Base Wage Rate (10-14)
15. Incorrect Cash Balance (10-15)
16. Monies Co-Mingled in One Fund (10-16)
17. Depreciation Policy (10-17)

Late Audit Report
(09-02)

CONDITION The June 30, 2010 audit report was not submitted to the New Mexico State Auditor's Office by the required due date of November 15, 2010.

CRITERIA All audit reports should be submitted to the State Auditor's Office by the required due date according to the State Auditors Rule 2.2.2.9A(1)(c).

CAUSE The prior audit report had many situations that were not agreed to by the School District, the Charter Schools and the Foundations. This included the ending cash balances that showed an error but did not state why there was an error. Thus, the current year audit had to be expanded to verify the prior year cash balances as it did not appear that they could be relied upon.

EFFECT The audit process took longer than normal based on the issues discussed in the prior year's audit report.

RECOMMENDATION The Charter School should review the audit report and its comments before it is released so that issues that arise can be resolved before the audit report becomes public record. The Charter School should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis.

RESPONSE The ACS will work with the District to coordinate the preparation of all materials needed for future audits and will attempt to discuss all future comments or findings with the Auditor prior to the exit conference to ensure they are clearly understood as responses are prepared.

Budget Overruns

(09-04)

CONDITION	The Charter School had two budget overruns. One overrun is for a PSCOC award in the amount of \$931,562. The other is for a PSCOC award in the amount of \$13,805.
CRITERIA	NMSA 1978 Section 22-8-11 B requires all grants to be spent within the established guidelines set for budgets.
CAUSE	Management co-mingled one award in the Operational Fund. It should have been reported in the Public School Capital Outlay Fund (31200) and a budget approved for that fund. This was not done. As for the other PSCOC award, management did not report this award on the books of record because it was a direct payment to the Vendor. Thus, because it was not reported correctly in the 31200 fund budget authority was not obtained.
EFFECT	The Charter School did not have the proper budget authority to spend the grant monies that were received.
RECOMMENDATION	Management should ensure that all monies received have proper budget authority. Also, PED should review all awards/grants received to ensure budget authority is approved as they are the cognizant agency and awarded the PSCOC monies to the Charter School.
RESPONSE	The ACS was unaware that it needed to budget this award as it was paid directly to FACS by the PSFA. After discussing the issue with Rice and Associates, ACS will now take full responsibility for recording any future like transaction on our books and will request budget authorization as required.

Board Minutes Incomplete

(10-01)

CONDITION	The Board Minutes were not complete. Many of them listed initials instead of individuals names. Many of the minutes were presented more like an outline and not providing full sentences as to what occurred. Also, none of the Board Minutes were properly signed as approved.
CRITERIA	Board Minutes should be properly approved (signed) and kept on file at all times, according to the Open Meetings Act, 10-15-1 G NMSA 1978.
CAUSE	Management is not ensuring that these minutes are signed and kept on file.
EFFECT	Actions of items are not properly documented as approved.
RECOMMENDATION	Management should ensure that these minutes are complete and signed at each meeting when they are formally approved by the Board.
RESPONSE	The management will continue to maintain a record of all approved minutes and will add the requirement of a signature to the Governance Council approved minutes, will use full names of the council members instead of initials, and will add the date for the minutes being approved to the agenda so that it can be properly noted.

Receipt Books

(10-02)

CONDITION	The Charter School does not use receipt books to record all revenues received. Sometimes they are posted by journal entry and sometimes by deposit method.
CRITERIA	According to NMAC 6.20.2.14 B, "The School District shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured."
CAUSE	Management was not aware of this requirement.
EFFECT	State regulations are not being adhered to.
RECOMMENDATION	Management should implement procedures to ensure receipt books are used for all revenues received.
RESPONSE	ACS has historically issued pre-numbered receipts for cash receipts only but will now change its procedure to include the issuance of receipts for checks also.

Direct Payments Not Posted
(10-03)

CONDITION	The Charter School had \$931,562 worth of PSCOC monies paid directly to a vendor, however, never shown on the Charter School's books of record.
CRITERIA	All transactions of the Charter School are to be posted to the books of record.
CAUSE	Management was not completing this procedure.
EFFECT	The total \$931,562 was not being included in the original books of record. Thus, if not posted could have understated revenues and capital assets.
RECOMMENDATION	Management should implement procedures to ensure these transactions are included in the 2011 books of record.
RESPONSE	The ACS was unaware that it needed to budget this award as it was paid directly to FACS by the PSFA. After discussing the issue with Rice and Associates, ACS will now take full responsibility for recording any future like transactions on our books.

Aftercare Charges

(10-04)

CONDITION	The Charter School did not have an adequate system to track Aftercare payments and billings. Also, the Charter Schools policy of charging \$15 for a late fee was not being enforced.
CRITERIA	The Charter School should have an adequate system of tracking charges. The Charter School currently has a policy concerning a \$15 late fee.
CAUSE	Management of the Charter School did not ensure that these charges be tracked properly and that their own policy be enforced.
EFFECT	The Charter Schools is not ensuring that all monies owed to them are collected.
RECOMMENDATION	Management should review these charges on a monthly basis to ensure that all monies due are paid in a timely basis. Also, Management should ensure that the policy of charging a \$15 late fee is enforced.
RESPONSE	ACS will review and modify our existing procedures to ensure that charges are reviewed on a monthly basis and that all monies due are paid timely and that any applicable late fees are properly assessed and applied.

Aftercare Balances

(10-05)

CONDITION	The Aftercare program had an outstanding balance of \$669 at the end of the school year.
CRITERIA	All revenues owed to the Charter School should be collected promptly, especially before the end of the School year.
CAUSE	Management was not ensuring that monies owed were being paid to the Charter School promptly.
EFFECT	The Charter School is not receiving all monies owed to them.
RECOMMENDATION	Management should implement procedures to obtain all monies owed to them before the end of the school year.
RESPONSE	ACS has since implemented procedures to obtain all monies owed by after-school program participants on a monthly basis and to those who have failed to keep their accounts current.

Activity Programs

(10-06)

CONDITION The Charter School has not created an Activity Fund for its Winter Sports programs. The fund raising activities for the Ski program and the Ice Skating program should be deposited, accounted for and disbursed from an Agency Fund that is administered by the Charter School and not the Foundation (Friends of Anansi Charter School).

CRITERIA The Manual of Procedures prepared by the Public Education Department states "Districts and Charter Schools should use this fund code to account for various activities that are by nature, non-instructional, but support the instructional process. Generally, this fund code reflects activities of "Club accounts" (fund raising activities) that are managed by school principals and/or staff".

CAUSE Management of the Charter School were unaware of this requirement and because they were "fund raising" thought the monies should be administered by the Foundation as it is a non-profit by nature.

EFFECT The Charter School is not accounting for all of its programs correctly. The Charter School has effectively not reported, recorded or reflected these Activity Accounts in the Audit report, the PED quarterly report or to its Board Members.

RECOMMENDATION The Charter School needs to stop depositing these monies into the Foundation. The Charter School needs to create an Agency Fund which includes all of the programs that are currently being used and all programs that will/can be created in the future.

RESPONSE The Charter School will stop depositing these monies into the Foundation. The Charter School will create an Agency Fund which includes all of the programs that are currently being used and all programs that will/can be created in the future.

Bank Service Charges
(10-07)

CONDITION	The Charter School is being charged a service fee by the bank each month. This is not a normal expense for a governmental agency.
CRITERIA	Governmental entities are not usually required to pay a service fee by local banks.
CAUSE	Management was unaware that this fee was not normally charged to governmental agencies.
EFFECT	The Charter School is paying a fee that could be waived.
RECOMMENDATION	The Charter School should look into having this fee waived by the bank.
RESPONSE	ACS will always be subject to charges for insufficient funds or transfer fees. ACS is currently charged a monthly account analysis fee which is dependent upon the account balance. ACS will discuss the issue with US Bank to see if it is possible to have these fees waived.

Fund Deficit
(10-08)

CONDITION	The Charter School has a Libraries GO Bond Fund that has been in the deficit in the amount of \$865 since 2008. The Charter School did not request a reimbursement for this deficit in a timely manner.
CRITERIA	Each grant provided to the Charter School by PED has a specified time period for it to be utilized and for the Charter School to request any reimbursements.
CAUSE	Management is not ensuring that the Charter School receive all monies owed to them in a timely fashion.
EFFECT	The Charter Schools Operational Fund will have to make up this deficit of which is not budgeted for and depletes resources that are to be used for other purposes.
RECOMMENDATION	Management should review grants periodically and implement procedures to ensure that reimbursement requests are requested timely to ensure the funds are received before the end of the fiscal year.
RESPONSE	ACS does and will continue to review grants on a regular basis to ensure that reimbursement requests are timely. ACS also provides the governing board updates on the status of our efforts in the collection of outstanding receivables when it is believed there may be problems or when our collection efforts are affecting operational cash flow concerns.

Damage Deposit for Lease Agreement
(10-09)

CONDITION	A damage deposit in the amount of \$1,000 has not been set aside per the lease agreement.
CRITERIA	The lease agreement states that a damage deposit in the amount of \$1,000 needs to be kept on hand by the Charter School.
CAUSE	Management is not ensuring that the requirements of the lease agreement be followed.
EFFECT	The Charter School is not complying with the lease agreement. PED is currently requiring that this \$1,000 be budgeted when it needs to be set aside for the damage deposit. If this amount is not set aside now an amount will need to be budgeted in the Operational Fund to cover this amount.
RECOMMENDATION	The Charter School needs to change the current fiscal year's budget and set aside \$1,000 as to comply with the lease agreement.
RESPONSE	Under its initial FACS lease agreement dated June 15, 2009, ACS had a requirement to set aside a damage deposit of \$1,000 to comply with the lease agreement but that agreement expired on March 31, 2010. It was replaced by the Lease With Option to Purchase (LWOP), which did not require a damage deposit. The ACS will, however, establish an annual purchase order to the FACS to reserve funds in the amount of \$1,000, as referenced in the initial lease agreement.

Leave Policy

(10-10)

CONDITION	The Charter Schools leave policy is not adequate as it was written in 2010. It does not state if unused leave will be carried forward to the following fiscal year. Also, it does not state if employees will be paid for any unused leave if they retire or terminate their employment at any given time period.
CRITERIA	Personnel leave policies should be clear and precise on how leave will be accrued, used, carried forward and paid for each class of employee and every type of leave provided.
CAUSE	Management has not been provided guidance on how the leave policy should be written so as to ensure all leave is accrued, used and paid for based on the manner decided by the Board.
EFFECT	A lawsuit could ensue if these details are not specified in a future policy.
RECOMMENDATION	The Charter School should revise its leave policy as soon as possible to ensure these details are addressed so as to avoid a lawsuit.
RESPONSE	Management will revise the leave policy to state the amount of leave that may be accrued at the end of a contract and carried forward to the subsequent year's contract. It will be clearly stated in the employee handbook.

W-3/W-2's Incorrect

(10-11)

CONDITION	The amounts reported on the W-3/W-2's did not match the amounts reported on the 941 reports (IRS) or the CRS-1 reports (State Taxation and Revenue).
CRITERIA	The W-3/W-2's submitted to each employee, the IRS and NMT&R should all match as to the withholding reported to those same agencies.
CAUSE	Management is not ensuring these reports are reconciled quarterly.
EFFECT	Wages/withholding could be understated/overstated.
RECOMMENDATION	These reports should be reconciled to the W-3/W-2's submitted immediately and any differences reported to the IRS/NMT&R immediately to avoid any penalties/interest.
RESPONSE	ACS will implement a procedure to ensure that 941 reports and CRS-1 reports are reconciled quarterly and annually at the time W-2's are prepared, and the W-3 transmittal report is completed and submitted to the Internal Revenue Service and New Mexico Taxation and Revenue Department.

Payment for Services Not Rendered
(10-12)

CONDITION	An employee was accidentally paid twice for one pay period. The direct deposit was made twice. When the employee was told about the situation it should have been paid back. However, it never was.
CRITERIA	Payments to employees should be for actual services rendered only.
CAUSE	Management did not ensure that this overpayment was paid back.
EFFECT	The Charter School paid \$1,690 for services that were not rendered.
RECOMMENDATION	The Charter School should obtain these monies from this employee.
RESPONSE	ACS has since implemented a reconciliation process to ensure that the duplication of deposits/overpayments does not occur.

1099 Issued Incorrectly
(10-13)

CONDITION	An employee was overpaid by \$1,690. Instead of reporting this amount on the W-2 it was reported on a 1099.
CRITERIA	All amounts paid to employees should be reported on a W-2 according to IRS regulations.
CAUSE	Management was unaware this amount should not have been reported on a 1099.
EFFECT	The Charter School is now responsible for the employer and employees portion of the payroll taxes.
RECOMMENDATION	The Charter School should reissue the W-2 correctly.
RESPONSE	ACS will issue a corrected W-2 to properly report the employee income and payroll taxes.

Department of Labor Reports Incorrect Base Wage Rate
(10-14)

CONDITION	The Department of Labor reports were using an incorrect base wage rate of \$20,900 instead of the required \$20,800 for 2010.
CRITERIA	Department of Labor reports require a certain base wage rate for each calendar year. For 2010 it was \$20,800.
CAUSE	Management did not ensure that this rate changed when reporting payroll for the 2010 calendar year.
EFFECT	The Department of Labor reports were not correct when submitted.
RECOMMENDATION	Management should recalculate all the reports submitted for 2010.
RESPONSE	ACS will amend its 2010 Department of Labor Reports and request a refund of any overpayment associated with the \$100 difference in the amount used for the wage rate calculation.

Incorrect Cash Balance

(10-15)

CONDITION	The cash balance of the Operational Fund is incorrect. Management has been carrying an adjustment that has not been resolved in the amount of \$1,690.
CRITERIA	Cash balances should properly reflect the amount available for expenditures at any given time.
CAUSE	Management has not adjusted cash to reflect the correct balance.
EFFECT	Cash has been overstated by \$1,690.
RECOMMENDATION	Management should adjust cash immediately.
RESPONSE	The adjustment to cash was addressed at the time the 1099 referred to in finding 10-12 was issued.

Monies Co-Mingled in One Fund
(10-16)

CONDITION	A PSCOC award was included in the Operational Fund instead of being reported in the correct Capital Outlay Fund(32100).
CRITERIA	All monies received have a designated fund and restrictions on how each fund is spent according to Public Education Department regulations.
CAUSE	Management reimbursed the Operational Fund as this fund spent the monies to obtain the goods/services. However, management did not show the PSCOC award revenues and expenditures in it's own fund.
EFFECT	The Operational Fund is being overstated and the Capital Outlay Fund is understated by these transactions.
RECOMMENDATION	Management should implement procedures to ensure all monies spent and received are reported in the correct fund established by PED regulations.
RESPONSE	ACS will implement procedures to ensure all monies spent and received are reported in the correct fund established by PED regulations.

Depreciation Policy

(10-17)

CONDITION	The Charter School has not approved a depreciation policy for management to implement.
CRITERIA	The Charter School needs a depreciation policy so capital assets can be depreciated according to Board policy.
CAUSE	The School Board has not approved a policy for management to follow.
EFFECT	Depreciation may be charged incorrectly because no set policy is in place.
RECOMMENDATION	The School Board should approve a policy as soon as possible. Management should then implement that policy as soon as possible.
RESPONSE	The Charter School will prepare a Depreciation Policy for Board review and approval.

**COMPONENT UNITS
STATUS OF FINDINGS**

FRIENDS OF ANANSI CHARTER

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Cash Reconciliation (09-03) - Resolved.
4. General Ledger Reconciliation (09-04) - Resolved.
5. Capital Asset List and Depreciation Schedule (09-05) - Resolved.
6. Prenumbered Receipts Not Used (09-06) - Resolved.
7. Board Member Missing From Exit Conference (09-07) - Resolved.
8. Sale of Land to a Related Party (09-08) - Resolved.
9. Late Filing of CFDA Data Collection Form (09-09) - Resolved.
10. Reserve for USDA Loan Delinquent (09-10) - Resolved.

Current Year Audit Findings:

1. Board Minutes Incomplete (10-01)
2. Board Minutes Not Signed (10-02)
3. Exemption Lost (10-03)
4. Lease Agreement (10-04)
5. Fundraising Monies (10-05)
6. Inadequate Pledged Collateral (10-06)

Late Audit Report
(09-02)

CONDITION	The June 30, 2010 audit report was not submitted to the New Mexico State Auditors Office by the required due date of November 15, 2010.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditors Office by November 15, 2010.
CAUSE	The Foundation is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Foundation is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Foundation should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis.
RESPONSE	The FACS will work with the Charter School and District to coordinate the preparation of all materials needed for future audits and will attempt to discuss all future comments or findings with the Auditor prior to the exit conference to ensure they are clearly understood as responses are prepared.

Board Minutes Incomplete
(10-01)

CONDITION	The Board Minutes were not complete. None of the minutes state whether a quorum is present. The minutes state they are approved, but do not state which ones.
CRITERIA	Board Minutes should be properly approved (signed) and kept on file at all times, according to the Open Meetings Act, 10-15-1 G NMSA 1978.
CAUSE	Management is not ensuring that these minutes are signed and kept on file.
EFFECT	Actions of items are not properly documented as approved.
RECOMMENDATION	Management should ensure that these minutes are complete and signed at each meeting when they are formally approved by the Board.
RESPONSE	The management will continue to maintain a record of all approved minutes and will add the requirement of a signature to the Governance Council approved minutes, will use full names of the council members instead of initials, and will add the date for the minutes being approved to the agenda so that it can be properly noted.

Board Meeting Minutes Not Signed
(10-02)

CONDITION	None of the Board Minutes reviewed were properly signed as approved.
CRITERIA	According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.
CAUSE	The Foundation is not ensuring this procedure is completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The Board will change its process to include a signature line on its minutes after they are officially reviewed and approved.

Exemption Lost
(10-03)

CONDITION	The exempt organization tax return for 2010 was filed late. As a result, the 501(c)(3) exemption was revoked for the period from 5-16-10 to 9-12-11. During the revocation period, corporate income tax form 1120 will have to be filed, resulting in potential income taxes due to the IRS.
CRITERIA	The exempt organization tax returns (Form 990) should be filed timely, in accordance with IRS regulations.
CAUSE	The stated reason for the delay in filing was the difficulty in locating an accountant capable of preparing the 990.
EFFECT	As a result of the revocation, it may be necessary to pay income taxes, penalties and interest which otherwise would not be due.
RECOMMENDATION	The exempt organization tax return (Form 990) should be timely filed in accordance with IRS regulations.
RESPONSE	FACS has requested and received IRS reinstatement of its exemption status and filed its 990 as required.

Lease Agreement
(10-04)

CONDITION	The Foundation has a lease agreement with the Charter School that matures in 25 years.
CRITERIA	HB843 page 7 states Local School Boards cannot approve lease purchase arrangements longer than 20 years.
CAUSE	The Foundation was not aware of this law.
EFFECT	The Foundation could be in violation of HB843.
RECOMMENDATION	The Charter School should have the lease agreement changed to 20years to adhere to the HB843 law.
RESPONSE	The FACS will modify its existing lease agreement to adhere to the HB-843 law to ensure compliance with law.

Fundraising Monies
(10-05)

CONDITION	The Foundation is raising monies on behalf of the Charter. Some of these monies are for extracurricular activities. They are not being submitted to the Charter and reported correctly in an Activity Fund.
CRITERIA	All monies raised should be turned over to the Charter so they can be properly spent, recorded and reconciled.
CAUSE	The Foundation was not aware of this procedure.
EFFECT	Monies raised for the specific clubs may not be spent for those clubs.
RECOMMENDATION	The Foundation should turn over all monies immediately to the Charter.
RESPONSE	FACS will provide all future fund raising dollars for specific educational activities to the ACS so that activity funds are accounted for separately.

Inadequate Pledged Collateral
(10-06)

CONDITION	The Foundation was not adequately collateralized with a local banking institution in the amount of \$958,893.
CRITERIA	It would be good policy to have this money collateralized.
CAUSE	Management understands they are not a public entity, however, they were formed to help the Charter School. Thus, would like to collateralize their money to ensure it is not lost. It was subsequently collateralized.
EFFECT	This situation was brought to the Boards attention during the audit.
RECOMMENDATION	The Foundation has the potential to lose these monies if the banks go bankrupt.
RESPONSE	FACS will discuss the issue with our bank to ensure that monies are properly collateralized if future bank balances meet the threshold requirements.

**COMPONENT UNITS
STATUS OF FINDINGS**

TAOS CHARTER

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Budget Overruns (09-03) - Repeated.
4. Unauthorized Transfers of Activity Funds (09-04) - Resolved.
5. Council Member Missing From Exit Conference (09-05) - Resolved.

Current Year Audit Findings:

1. Grants Co-Mingled With Activity Funds (10-01)
2. Bank Service Charges (10-02)
3. Depreciation Policy (10-03)
4. State Auditor Notification of Capital Asset Disposals (10-04)
5. Final Payroll Payments Delayed (10-05)
6. Cash Deficits (10-06)
7. New Hire Reporting (10-07)
8. Department of Labor Reports Incorrect Wage Amounts (10-08)
9. Department of Labor Reports Incorrect Base Wage Rate (10-09)
10. Leave Policy (10-10)
11. Missing Board Meeting Minutes (10-11)
12. Board Meeting Minutes Not Signed (10-12)
13. Direct Payments Not Posted (10-13)

Late Audit Report

(09-02)

CONDITION	The June 30, 2010 audit report was not submitted to the State Auditor's Office by the required deadline of November 15, 2010.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditor's Office by November 15, 2010.
CAUSE	The Charter School is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Charter School is dependent on the Taos Municipal School District and therefore, has no control over this issue.
RESPONSE	The TCS will work with the District to coordinate the preparation of all materials needed for future audits and will attempt to discuss all future comments or findings with the Auditor prior to the exit conference to ensure they are clearly understood as responses are prepared.

Budget Overruns

(09-03)

CONDITION	The Charter School had several budget overruns. The Youth Service America did not have budget authority for the \$1,000 that was received, Share Our Strength grant for \$4,000, the LANL Foundation grant for \$1,500 and \$1,850 received for the Albert Pierce Foundation.
CRITERIA	NMSA 1978 Section 22-8-11 B requires all grants to be spent within the established guidelines set for budgets.
CAUSE	Management included these four grants in the Activity Fund of which does not fall under the guidelines for the budgets.
EFFECT	The Charter School did not have the proper budget authority to spend the grant monies that were received.
RECOMMENDATION	The general ledger and budgets for each fund should be reviewed periodically to ensure budget adjustment requests are submitted in time for approval.
RESPONSE	TCS will deposit all future grant awards in its operational account in order to establish individual funds on our general ledger and to ensure that budget authorization is obtained for the expenditure of funds received.

Grants Co-mingled With Activity Funds

(10-01)

CONDITION	The Charter School received grant monies from four separate granting agencies. These monies were deposited and recorded in the Activity Fund instead of a separate Special Revenue Fund.
CRITERIA	Grants received from other agencies are required by the Public Education Department (PED) to be reported in a separate Special Revenue Fund category with a pre-determined fund code provided by PED.
CAUSE	Management was unaware that these small grants still had to follow certain restrictions imposed by PED.
EFFECT	All transactions of these grants were incorrectly reported in the Activity Fund.
RECOMMENDATION	Management is now aware of PED's requirements and how to report these special grants. However, the PED and the business consulting firm should review all monies received to help ensure the Charter School reports all grants correctly.
RESPONSE	TCS will deposit all future grant awards in its operational account in order to ensure our business manager establishes individual funds on our general ledger and that budget authorization is obtained from the PED.

Bank Service Charges

(10-02)

CONDITION	The Charter School is being charged a service fee by the bank each month. This is not a normal expense for a governmental agency.
CRITERIA	Governmental entities are not usually required to pay a service fee by local banks.
CAUSE	Management was unaware that this fee was not normally charged to governmental agencies.
EFFECT	The Charter School is paying a fee that could be waived.
RECOMMENDATION	The Charter School should look into having this fee waived by the bank.
RESPONSE	TCS will always be subject to charges for insufficient funds or transfer fees. TCS is currently charged a monthly account analysis fee which is dependent upon the account balance. TCS will discuss the issue with US Bank to see if it is possible to have these fees waived.

Depreciation Policy
(10-03)

CONDITION	The Charter School has not approved a depreciation policy for management to implement.
CRITERIA	The Charter School needs a depreciation policy so capital assets can be depreciated according to Board policy.
CAUSE	The School Board has not approved a policy for management to follow.
EFFECT	Depreciation may be charged incorrectly because no set policy is in place.
RECOMMENDATION	The School Board should approve a policy as soon as possible. Management should then implement that policy as soon as possible.
RESPONSE	TCS will prepare a Depreciation Policy for board review and approval.

State Auditor Notification of Capital Asset Disposals
(10-04)

CONDITION	The Charter School did not notify the SAO that they were disposing of certain capital assets.
CRITERIA	According to the SA Rule 2.2.2.10 V any agency must notify the SAO thirty days prior to the disposition of any obsolete, worn-out or unusable tangible personal property owned by State agencies.
CAUSE	Management was unaware of this requirement.
EFFECT	Management did not comply with SA Rule guidelines.
RECOMMENDATION	Management should ensure that the SAO is notified of any capital asset disposals.
RESPONSE	TCS will develop a procedure for the disposal of assets and notification of the State Auditor's Office.

Final Payroll Payments Delayed
(10-05)

CONDITION	<p>The Charter School was not receiving their reimbursement requests from PED in a timely fashion creating a cash flow problem.</p> <p>Management did have enough cash to pay these employees, however, decided to wait a certain time period to ensure other monies were received to replenish the cash disbursement needed.</p>
CRITERIA	<p>Management needs to ensure that there is enough cash available to properly pay all disbursements.</p>
CAUSE	<p>The Charter School was not receiving its reimbursement requests in a timely fashion from PED to ensure all disbursements could be paid promptly.</p>
EFFECT	<p>Employees/vendors were not paid in a timely fashion.</p>
RECOMMENDATION	<p>The Charter School has not had this particular problem since 2010. However, management should implement a time line on presenting and receiving reimbursement requests from PED.</p>
RESPONSE	<p>TCS has established a process and time line for the preparation and submission of reimbursement requests from PED.</p>

Cash Deficits
(10-06)

CONDITION	The Charter School has numerous funds with cash deficits. They include Title I - \$27,353, PL94-142 Entitlement - \$57,212, Service Learning - \$27,389, Entitlement - Stimulus - \$18,110, Truancy Initiative - \$62,304.
CRITERIA	The Charter School must request reimbursements of grant disbursements immediately as to have a proper cash balance at all times to ensure purchase obligations are met.
CAUSE	The Charter School was having great difficulty acquiring cash reimbursements from the cognizant agency (PED). The Charter School even wrote to their local congressman to resolve the issue, however, to no avail.
EFFECT	The Charter School has to use Operational monies to cover these disbursements until they receive their reimbursements. Thus, depleting their Operational cash that is needed and budgeted for other expenditures.
RECOMMENDATION	The Charter School has no recourse at this time if PED does not fulfill its obligation to reimburse these grant expenditures. However, management should ensure that all of the reimbursement requests are submitted on time.
RESPONSE	TCS has established a process and time line for the preparation and submission of reimbursement requests from PED.

New Hire Reporting

(10-07)

CONDITION The Charter School did not properly report newly hired employees to a State directory within 20 days of their hire date.

CRITERIA New Mexico law (50-13-1 to 50-13-4 NMSA) and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42. U.S.C. 653A, requires all employers to report newly hired employees to a State directory within 20 days of their hire.

CAUSE Management did not know of this requirement.

EFFECT The Charter School did not comply with New Mexico State Statute 50-13-1 or the PRWORA of 1996.

RECOMMENDATION The Charter School is now complying with this law, however, management should have a system in place to ensure all future reports are submitted on time.

RESPONSE TCS will modify its process for new hires to ensure all future reports are submitted timely.

Department of Labor Reports Incorrect Wage Amounts
(10-08)

CONDITION	The Department of Labor reports did not report the correct payroll for each employee.
CRITERIA	DOL reports need to have the correct payroll paid to each employee on a quarterly basis.
CAUSE	It is unclear as to why these reports were not correct when submitted.
EFFECT	The taxes due are not correct as the reported salaries are not correct.
RECOMMENDATION	Management should recalculate all the reports submitted for 2010.
RESPONSE	TCS will amend its 2010 Department of Labor Reports.

Department of Labor Reports Incorrect Base Wage Rate
(10-09)

CONDITION	The Department of Labor reports were using an incorrect base wage rate of \$20,900 instead of the required \$20,800 for 2010.
CRITERIA	Department of Labor reports require a certain base wage rate for each calendar year. For 2010 it was \$20,800.
CAUSE	Management did not ensure that this rate changed when reporting payroll for the 2010 calendar year.
EFFECT	The Department of Labor reports were not correct when submitted.
RECOMMENDATION	Management should recalculate all the reports submitted for 2010.
RESPONSE	TCS will amend its 2010 Department of Labor Reports and request a refund of any overpayment associated with the \$100 difference in the amount used for the wage rate calculation.

Leave Policy
(10-10)

CONDITION	The Charter Schools leave policy is not adequate as it was written in 2010. It does not state if unused leave will be carried forward to the following fiscal year. Also, it does not state if employees will be paid for any unused leave if they retire or terminate their employment at any given time period.
CRITERIA	Personnel leave policies should be clear and precise on how leave will be accrued, used, carried forward and paid for each class of employee and every type of leave provided.
CAUSE	Management has not been provided guidance on how the leave policy should be written so as to ensure all leave is accrued, used and paid for based on the manner decided by the Board.
EFFECT	A lawsuit could ensue if these details are not specified in a future policy.
RECOMMENDATION	The Charter School should revise its leave policy as soon as possible to ensure these details are addressed so as to avoid a lawsuit.
RESPONSE	The TCS will revise its leave policy as soon as possible to ensure these details are addressed.

Missing Board Meeting Minutes
(10-11)

CONDITION	The Charter School could not provide any Board Meeting Minutes for certain meetings.
CRITERIA	According to the Open Meetings Act, Article 15, Section 10-15-1G "The board commission or other policy making body shall keep written minutes of all its meetings".
CAUSE	The Charter School is not ensuring this procedure is completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	TCS will establish a process to ensure that all future Board Minutes are prepared, approved, signed and available for review.

Board Meeting Minutes Not Signed
(10-12)

CONDITION None of the Board Minutes reviewed were properly signed as approved.

CRITERIA According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.

CAUSE The Charter School is not ensuring this procedure is completed.

EFFECT Written approved minutes of the Board are not available as required by the Open Meetings Act.

RECOMMENDATION The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.

RESPONSE TCS will establish a process to ensure that all future Board Minutes are prepared, approved, signed and available for review.

Direct Payments Not Posted
(10-13)

CONDITION	The Charter School had \$78,776 worth of Foundation monies paid directly to a vendor to upgrade the School's gym, however, never shown on the Charter School's books of record.
CRITERIA	All transactions of the Charter School are to be posted to the books of record.
CAUSE	Management was not completing this procedure.
EFFECT	The total \$78,776 was not being included in the original books of record. Thus, if not posted could have understated revenues and capital assets.
RECOMMENDATION	Management should implement procedures to ensure these types of transactions are included in the 2011 books of record.
RESPONSE	The TCS business manager was unaware of this improvement paid by the Friends of Taos Charter School. After discussing the issue with Rice and Associates, TCS will now take full responsibility for recording any future like transactions on our books.

COMPONENT UNITS
STATUS OF FINDINGS

FRIENDS OF TAOS CHARTER

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Capital Asset List and Depreciation Schedule (09-03) - Resolved.
4. Documentation of Voided Checks Missing (09-04) - Resolved.
5. Backup Documentation for Disbursement Missing (09-05) - Resolved.
6. Prenumbered Receipts Not Used (09-06) - Repeated.
7. Untimely Deposits (09-07) - Resolved.
8. Board Member Missing From Exit Conference (09-08) - Resolved.
9. Sale of Land to a Related Party With a Capital Gain (09-09) - Resolved.

Current Year Audit Findings:

1. Board Minutes Incomplete (10-01)
2. Missing Board Meeting Minutes (10-02)
3. Board Meeting Minutes Not Signed (10-03)
4. Bank Reconciliations (10-04)
5. Fundraiser Collections (10-05)

Late Audit Report
(09-02)

CONDITION	The June 30, 2010 audit report was not submitted to the State Auditors Office by the required deadline of November 15, 2010.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditors Office by November 15, 2010.
CAUSE	The Foundation is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Foundation is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Foundation should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis
RESPONSE	The Friends of the Taos Charter School will learn more about the Taos Municipal School Districts process for obtaining and contracting audit firms. We will follow-up with the District as we would like to become more involved in this process for upcoming and future audits.

Prenumbered Receipts Were Not Used

(09-06)

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.
CAUSE	The Foundation is not controlling the issuance and collection of prenumbered receipt books.
EFFECT	The Foundations internal Controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of the law due to the improper use of prenumbered documents.
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.
RESPONSE	The Administration will create and maintain a receipt book log. The purpose of the log is to document the distribution of the prenumbered receipt books. The log will have fields for the following information: beginning receipt book number, ending receipt book number, date receipt book issued, date receipt book returned. We will also have the person receiving the receipt book verify and sign the log when the receipt book is issued and when it is returned . The person responsible for issuing receipt books will also sign the log each time they issue the receipt book and when it is returned.

Board Minutes Incomplete

(10-01)

CONDITION	The Board Minutes were not complete. Many times it was unclear exactly what was being discussed in the meetings. Many of the minutes were presented more like an outline and not providing full sentences as to what occurred. There were two sets of minutes that have the same date (8-20-10), it's obvious, however they occurred on two different dates.
CRITERIA	Board Minutes should be properly approved (signed) and kept on file at all times, according to the Open Meetings Act, 10-15-1 G NMSA 1978.
CAUSE	Management is not ensuring that these minutes are signed and kept on file.
EFFECT	Actions of items are not properly documented as approved.
RECOMMENDATION	Management should ensure that these minutes are complete and signed at each meeting when they are formally approved by the Board.
RESPONSE	The Board will properly document items discussed and actions approved at all meetings and maintain a complete file of all signed Board Meeting Minutes. The Board will post all Board Meeting Minutes in the Taos Charter School Main Office and provide access to Board Meeting Minutes on the Friends of the Taos Charter School website.

Missing Board Meeting Minutes

(10-02)

CONDITION	The Foundation could not provide any Board Meeting Minutes for certain meetings.
CRITERIA	According to the Open Meetings Act, Article 15, Section 10-15-1G "The board commission or other policy making body shall keep written minutes of all its meetings".
CAUSE	The Foundation is not ensuring this procedure is completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The Board will ensure that the file is complete and has a copy of all approved, signed Board Meeting Minutes.

Board Meeting Minutes Not Signed

(10-03)

CONDITION	None of the Board Minutes reviewed were properly signed as approved.
CRITERIA	According to the Open Meetings Act Article 15; Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.
CAUSE	The Foundation is not ensuring this procedure is completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The Board was not aware that the Board Meeting Minutes required signature approval and will implement this process prior to filing the minutes.

Bank Reconciliations

(10-04)

CONDITION	Management of the Foundation is not reconciling the bank account monthly.
CRITERIA	The bank account should be reconciled each month upon receiving the bank statement. Any differences need to be investigated and adjusted immediately.
CAUSE	Management was unaware that this procedure needed to be done to properly safeguard assets.
EFFECT	Cash could be understated/overstated.
RECOMMENDATION	The Foundation should ensure someone is reconciling the bank account monthly.
RESPONSE	At the time Management was not aware that this procedure needed to be documented and has since changed their processes. Bank accounts are reconciled on a monthly basis following receipt of bank statements and we are properly documenting this procedure by printing the reconciliation report after the bank account is reconciled. This process has implemented after receipt of the July 2010 bank statement and has been done since that time to present. After completing the monthly bank reconciliations a copy of each monthly report will be given to the Board President so that he or she can verify that this procedure is being done in a timely manner.

Fundraiser Collections

(10-05)

CONDITION	There are no Cash receipt documents for fundraisers. There is no indication of the verification or control of the monies collected by the individuals.
CRITERIA	Proper internal controls are needed to safeguard receipts (assets) of the foundation.
CAUSE	Management has not been instructed on how to properly handle and report/record or prepare adequate receipting documents to ensure internal controls exist.
EFFECT	The foundations internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the lack of cash receipts documents.
RECOMMENDATION	Management has been provided instruction and examples of documents so they can start the cash receipting internal control implementation.
RESPONSE	Utilizing the fundraiser documents referenced above, we will have at least two people responsible for the following: providing receipts and/or for the petty cash drawer monies. At the end of each fundraiser one person will count the petty cash drawer and the other person assigned will serve as witness to the count. They will then complete the fundraiser form and enter all receipts issued, enter information from any personal checks received, enter cash monies then sign and date the form and give to the person responsible for completing the bank deposit.

COMPONENT UNITS
STATUS OF FINDINGS

VISTA GRANDE CHARTER

Prior Year Audit Findings:

1. Preparation of Financial Statements (09-01) - Resolved.
2. Late Audit Report (09-02) - Repeated.
3. Cash Reconciliation (09-03) - Resolved.
4. Missing Employee File Information (09-04) - Resolved.
5. Missing Cancelled Checks (09-05) - Resolved.
6. Prenumbered Receipts Not Used (09-06) - Resolved.
7. Contract Does Not Match Pay Rate (09-07) - Resolved.
8. Council Member Not Present at Exit Conference (09-08) - Resolved.

Current Year Audit Findings:

1. Non-Existent Fund (10-01)
2. Budget Overruns (10-02)
3. Employees Paid Over Contracted Amount (10-03)
4. Missing Board Meeting Minutes (10-04)
5. Board Meeting Minutes Not Signed (10-05)
6. Excessive Expenditures Approved For Excursion (10-06)
7. Leases/Contracts (10-07)
8. Segregation of Duties (10-08)
9. Outstanding Balances (10-09)
10. Leave Policy (10-10)

Late Audit Report
(09-02)

CONDITION	The June 30, 2010 audit report was not submitted to the State Auditors Office by the required deadline of November 15, 2010.
CRITERIA	According to NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; all School District audits are due to the State Auditors Office by November 15, 2010.
CAUSE	The Charter School is dependent upon the Taos Municipal School District of which did not obtain a valid audit contract in time for the audit to be completed before the required deadline.
EFFECT	NMAC 2.2.2 Requirements for Contracting and Conducting Audits of Agencies regulation was not followed.
RECOMMENDATION	The Charter School is dependent on the Taos Municipal School District and therefore, has no control over this issue. The Charter School should become more involved in the audit selection process to help ensure the audit is completed and submitted in a timely basis.
RESPONSE	The Charter School will help in any way it can to ensure the SAO deadline is met. However, if Taos Municipal Schools is late then our Charter School has no recourse.

Non-Existent Fund
(10-01)

CONDITION	Management has been carrying a negative cash balance in a fund that no longer exists. Prior management did not request the reimbursement to cover the amounts spent for a particular grant. Management will not be able to collect on this grant as the Public Education Department has told Management that they cannot reimburse these monies for this particular grant. The Operational Fund covered these expenditures.
CRITERIA	Management should request reimbursements for grants from the Public Education Department immediately.
CAUSE	Prior management did not request the grant reimbursement in a timely manner. Also, the Public Education Department allowed management to carry this overdraft in a fund that could not be sustained because the grant had already been closed.
EFFECT	Management was reporting a fund that could not exist. Also, Management was carrying a \$38,351 overdraft. The Operational budget would not be valid as any cash carryover would be \$38,351 shorter than previously approved since the Operational Fund would have to absorb this overdraft.
RECOMMENDATION	Management should request all reimbursements in a timely manner. This ensures that the School will receive all funds/grants they are entitled to.
RESPONSE	VGHS hired a new business manager on July 1, 2012 and through their services they guarantee that we will do reimbursements in a timely manner so this does not occur again. We will address the overdraft promptly.

Budget Overruns
(10-02)

CONDITION	The Charter School had a budget overrun in the Federal Stimulus Fund in the amount of \$2,029.
CRITERIA	According to Public Education Regulations funds cannot spend more than their final approved budget.
CAUSE	The Public Education Department asked the Charter School to spend the remaining monies for a particular fund even though the Charter School and PED knew that a Budget Adjustment Request could not be approved before the year ended.
EFFECT	Public Education Department regulations were not followed. However, PED requested that this be done before the fiscal year ended.
RECOMMENDATION	Management of the Charter School followed the request of the oversight agency. Thus, the School District can only continue to follow the regulations already set forth by PED unless PED requests something different.
RESPONSE	VGHS hired a new business manager on July 1, 2012 and through their services they guarantee that we will do reimbursements in a timely manner so this does not occur again.

Employees Paid Over Contracted Amount
(10-03)

CONDITION Three employees were paid more than their contract amount without any kind of approval/contract addendum in their file. One employee was paid \$1,343 more, the other two were overpaid by \$300.

CRITERIA Employees can only be paid the approved/agreed upon sum in their contract.

CAUSE Prior management allowed additional payments to be made without proper authorization.

EFFECT The Charter School overpaid three employees.

RECOMMENDATION Management should ensure that all payments made to employees are properly supported by contract addendums.

RESPONSE VGHS hired a new business manager on July 1, 2012 and all payments made to employees will be supported by contract addendums and oversight/review by multiple individuals at NMCCS.

Missing Board Meeting Minutes
(10-04)

CONDITION	The School District could not provide any Board Meeting Minutes before October 2009. Also, various meeting minutes throughout the year were also missing.
CRITERIA	According to the Open Meetings Act, Article 15, Section 10-15-1G "The board commission or other policy making body shall keep written minutes of all its meetings".
CAUSE	The Board is not ensuring this procedure is completed.
EFFECT	Written approved minutes of the Board are not available as required by the Open Meetings Act.
RECOMMENDATION	The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.
RESPONSE	The Board will ensure that all future minutes are prepared, approved, and signed in a timely way and available for review.

Board Meeting Minutes Not Signed
(10-05)

CONDITION Only one set of Board Minutes reviewed was properly signed as approved.

CRITERIA According to the Open Meetings Act Article 15, Section 10-15-1G "Minutes shall not become official until approved by the policy making body". This is done by formal approval in a subsequent Board Meeting and having a signed copy available for review.

CAUSE The Board is not ensuring this procedure is completed.

EFFECT Written approved minutes of the Board are not available as required by the Open Meetings Act.

RECOMMENDATION The Board should ensure that all future Board Minutes be prepared, approved, signed and available for review.

RESPONSE The Board will ensure that all future minutes are prepared, approved, and signed in a timely way and available for review.

Excessive Expenditures Approved for Excursion
(10-06)

CONDITION	Management approved the purchase of \$3,507 in September 2009 and \$3,564 in August 2010 for food to feed staff and students for "Backpacking Excursion". The requisition planned on 120 students and 20 employees to attend this excursion. Verification that 140 people attended this excursion could not be obtained. Also, there was no accounting for any "leftover" items that were not used on the excursion.
CRITERIA	Good internal controls encompasses ensuring that the amount of people attending the excursion is obtained and that any leftover supplies be accounted for and returned to the Charter School.
CAUSE	Management is not ensuring that public monies are spent correctly and properly recorded as to their usage.
EFFECT	Assets of the Charter School are not being safeguarded.
RECOMMENDATION	A sign up sheet should be obtained to ensure a correct count of all students/employees is recorded to show who attended the excursion. Also, any unused supplies should be returned to the Charter School and used in other projects.
RESPONSE	The Charter School will include a sign up sheet for all students and chaperones in the future. Also, all left over supplies will be accounted for and returned.

Leases/Contracts
(10-07)

CONDITION	The Charter School has a lease agreement whereby the Charter School leases the building where classes are held. The agreement however has not been updated since November, 2007.
CRITERIA	All contracts/agreements/leases should be updated and approved each fiscal year. This is based on that fiscal years budget and services required.
CAUSE	Management did not ensure that this contract was updated and approved on a yearly basis.
EFFECT	The Charter School may be able to renegotiate a lower fee, or obtain another site for a lower price. Thus, the Charter School is not managing the finances of the School adequately.
RECOMMENDATION	Management and the Board need to ensure that all contracts are renewed and approved each fiscal year.
RESPONSE	The lease was updated in the 2010-2011 school year.

Segregation of Duties
(10-08)

CONDITION	The Business Manager performs all payroll functions, billing and receipting functions and all procurement functions.
CRITERIA	Good internal controls require segregation of payroll procurement and receipting functions.
CAUSE	Management has not delegated some of these duties to other employees.
EFFECT	The lack of segregation ensures the inability to safeguard the Charter Schools assets.
RECOMMENDATION	Management should implement compensating controls in each area to ensure its assets are adequately safeguarded.
RESPONSE	VGHS hired a new business manager on July 1, 2012 and through their services they guarantee that segregation of duties occurs through the division of duties in their offices.

Outstanding Balances

(10-09)

CONDITION	The Charter School has cash balances in its Library Books Funds totaling \$304 and \$5,879 in the Libraries GO Bond Fund that represent grants that have not been utilized for several years.
CRITERIA	Each grant has a specified time period in which they are to be utilized.
CAUSE	Management has not taken measures to ensure that all grants received are utilized in a timely manner according to the grant restrictions.
EFFECT	Monies are available to be used for special projects and the Charter School has not used them.
RECOMMENDATION	Management should approve budgets and spend the assets received according to the grant agreements.
RESPONSE	VGHS hired a new business manager on July 1, 2012 and through their services they guarantee that funds will be spent in a timely way such that they do not expire.

Leave Policy
(10-10)

CONDITION	The Charter Schools leave policy is not adequate as it was written in 2010. It does not state if unused leave will be carried forward to the following fiscal year. Also, it does not state if employees will be paid for any unused leave if they retire or terminate their employment at any given time period.
CRITERIA	Personnel leave policies should be clear and precise on how leave will be accrued, used, carried forward and paid for.
CAUSE	Management has not been provided guidance on how the leave policy should be written so as to ensure all leave is accrued, used and paid for based on the manner decided by the Board.
EFFECT	A lawsuit could ensue if these details are not specified in a future policy.
RECOMMENDATION	The Charter School should revise its leave policy as soon as possible.
RESPONSE	The leave policy has been re-written and approved.

FINANCIAL STATEMENT PREPARATION

The combining and individual fund financial statements and notes to the financial statements for the year ended, June 30, 2010 were prepared by Rice & Associates, CPA, based on managements chart of accounts and trial balances including any adjusting, correcting or closing entries approved by management. These services are allowable under SAS 112. However, these financial statements are the responsibility of the Taos Municipal Schools management.

EXIT CONFERENCE

An exit conference was held at the School District on July 12, 2012, to discuss the current audit report and auditors' comments. In attendance were Ms. C.J. Grace, Director, Vista Grande High School, Ms. Justine Roybal, Business Manager, Ms. Charlotte Archuleta, Business Office Supervisor, Dr. Deidra McAdam, Director, Taos Charter School, Ms. Whitney Goler, President, Friends of Taos Charter, Ms. Roberta Lerman, Director, Friends of Taos Charter, Ms. Sharon Padilla, Treasurer, Friends of Taos Charter, Ms. Debbie Martinez, Administrative Assistant, Taos Charter, Mr. Domingo Sanchez, Finance Director, Mr. Richard Greywolf, Secretary, Taos Charter, Ms. Michelle Hunt, Director, Anansi Charter School, Ms. Judith Witten, Treasurer, Friends of Anansi Charter School, Mr. James Sanborn, Secretary, Anansi Charter School, Mr. Jason Silva, Secretary, Taos School Board, Mr. Zach Cordova, Taos School Board Member, Ms. Stella Gallegos, Taos School Board Member, Dr. Rod Weston, Superintendent, Taos Municipal Schools, Ms. Connie Wood, Finance Director, Taos Municipal Schools, Ms. Rose Martinez, Director of Instruction, Taos Municipal Schools, Mr. Quinton Wood, Facilities Director, Taos Municipal Schools, Mr. David Chavez, Vice-President, Taos School Board and Ms. Pamela A. Rice, CPA, Contract Auditor.

A quorum was present at the exit conference. A properly advertised closed Special Session was held.