

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2014



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014
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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2014

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
David Chavez		President
Jason Silva		Vice-President
Zach Cordova		Secretary
James Sanborn		Member
Mark Flores		Member
	<u>District Officials</u>	
Dr. Lillian Torrez		Superintendent
Monica Martinez		Business Manager

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FINANCIAL SECTION



Manning Accounting and Consulting Services, LLC

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Taos Municipal School District
Taos, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Taos Municipal School District, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, fiduciary funds, and the budgetary comparisons for the major capital project funds, the major debt service funds, and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance 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 nonmajor governmental fund and fiduciary fund of the District as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparison. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audit of States, Local Governments, and Non-Profit Organization*, the introductory section, and the Other Supplemental Information, Schedules I through V required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through V required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through V required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 06, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
February 06, 2015

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 JUNE 30, 2014

Exhibit A-1

	Governmental Activities	Component Units
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 13,990,174	\$ 739,301
Receivables (net of allowance for uncollectibles)	3,161,813	459,464
Inventory	31,757	-
Prepaid assets	-	46,584
<i>Total current assets</i>	<u>17,183,744</u>	<u>1,245,349</u>
<i>Noncurrent assets</i>		
Prepaid assets	-	698,642
Capital assets (net of accumulated depreciation):		
Land and land improvements	8,311,802	874,961
Buildings and building improvements	71,877,167	3,778,233
Furniture, fixtures and equipment	3,802,478	177,690
Construction in progress	2,413,662	562,916
Less: accumulated depreciation	<u>(19,415,917)</u>	<u>(654,801)</u>
<i>Total noncurrent assets</i>	<u>66,989,192</u>	<u>5,437,641</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on advance refunding of debt	-	-
<i>Total assets and deferred outflows of resources</i>	<u>\$ 84,172,936</u>	<u>\$ 6,682,990</u>
LIABILITIES		
<i>Current liabilities</i>		
Accounts payable	\$ 861,958	\$ 136,017
Accrued payroll liabilities	1,355,177	234,309
Accrued interest payable	513,696	5,933
Unearned lease income	-	46,584
Current maturities of:		
Bonds payable	2,450,000	-
Loans payable	-	24,760
Compensated absences	-	5,275
<i>Total current liabilities</i>	<u>5,180,831</u>	<u>452,878</u>
<i>Noncurrent liabilities:</i>		
Unearned lease income	-	698,642
Bond premiums, net of amortization of \$18,941	1,149,057	-
Bonds payable	35,335,000	-
Loans payable	-	1,586,973
<i>Total noncurrent liabilities</i>	<u>36,484,057</u>	<u>2,285,615</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	-	-
NET POSITION		
Net investment in capital assets	29,882,862	3,824,478
Restricted for:		
Debt service	4,643,140	-
Capital projects	9,485,622	92,669
Other purposes - special revenue	(41,939)	(48,776)
Unrestricted	<u>(1,461,637)</u>	<u>76,126</u>
<i>Total net position</i>	<u>42,508,048</u>	<u>3,944,497</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 84,172,936</u>	<u>\$ 6,682,990</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government						
Governmental activities:						
Instruction	\$ 15,291,519	\$ 73,126	\$ 3,611,641	\$ -	\$ (11,606,752)	\$ -
Support services:						
Students	2,826,913	-	16,058	-	(2,810,855)	-
Instruction	235,492	-	2,822	-	(232,670)	-
General administration	1,056,297	-	-	-	(1,056,297)	-
School administration	1,421,396	-	-	-	(1,421,396)	-
Other	70,777	-	-	-	(70,777)	-
Central services	651,097	155,002	-	-	(496,095)	-
Operation & maintenance of plant	2,393,013	71,783	-	187,785	(2,133,445)	-
Student transportation	1,147,412	-	998,901	-	(148,511)	-
Food services operation	1,716,289	96,583	1,340,944	-	(278,762)	-
Community services	-	-	-	-	-	-
Interest on long-term debt	1,986,610	-	828,806	-	(1,157,804)	-
Facilities materials, supplies, & other services	4,128,677	-	-	11,676,084	7,547,407	-
Depreciation - unallocated	1,198,416	-	-	-	(1,198,416)	-
Total Primary Government	<u>\$ 34,123,908</u>	<u>\$ 396,494</u>	<u>\$ 6,799,172</u>	<u>\$ 11,863,869</u>	<u>(15,064,373)</u>	<u>-</u>
Component Units						
Anansi Charter School	\$ 1,615,975	\$ 240,289	\$ 161,899	\$ 253,339		(960,448)
Taos Charter School	1,970,275	172,859	80,726	638,838		(1,077,852)
Vista Grande High School	1,015,086	-	10,169	206,925		(797,992)
Total Component Units	<u>\$ 4,601,336</u>	<u>\$ 413,148</u>	<u>\$ 252,794</u>	<u>\$ 1,099,102</u>		<u>(2,836,292)</u>
General Revenues:						
Property taxes:						
Levied for general purposes						
					215,451	-
Levied for debt service						
					4,201,660	-
Levied for capital projects						
					2,255,950	-
State equalization guarantee						
					18,955,000	3,316,445
Federal aid - not restricted						
					220,892	-
Unrestricted investment earnings						
					5,046	115
Transfer from agency funds						
					-	1,342
Miscellaneous						
					197,028	65,198
Total general revenues						
					<u>26,051,027</u>	<u>3,383,100</u>
Change in net position						
					<u>10,986,654</u>	<u>546,808</u>
Net position - beginning of year						
					<u>29,642,519</u>	<u>3,366,896</u>
Restatement						
					<u>1,878,875</u>	<u>30,793</u>
Net position - beginning of year, restated						
					<u>31,521,394</u>	<u>3,397,689</u>
Net position - ending of year						
					<u>\$ 42,508,048</u>	<u>\$ 3,944,497</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

	General Fund			
	Operational 11000	Transportation 13000	Instructional Materials 14000	Bond Building 31100
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 116,037	\$ 48,933	\$ 145,291	\$ 7,237,214
Accounts receivable				
Taxes	45,073	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	1,800,000	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>1,961,110</u>	<u>48,933</u>	<u>145,291</u>	<u>7,237,214</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	102,785	27	-	596,457
Accrued payroll liabilities	1,148,773	23,963	-	-
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>1,251,558</u>	<u>23,990</u>	<u>-</u>	<u>596,457</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	37,960	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>37,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Transportation	-	24,943	-	-
Instructional materials	-	-	145,291	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	6,640,757
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	671,592	-	-	-
<i>Total fund balances</i>	<u>671,592</u>	<u>24,943</u>	<u>145,291</u>	<u>6,640,757</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,961,110</u>	<u>\$ 48,933</u>	<u>\$ 145,291</u>	<u>\$ 7,237,214</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Capital Improvements SB-9 31700	Debt Service 41000	Education Technology Debt Service 43000	Other Governmental Funds	Total Primary Government
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 1,434,021	\$ 2,658,513	\$ 760,524	\$ 1,589,641	\$ 13,990,174
Accounts receivable					
Taxes	224,838	507,968	573,678	-	1,351,557
Due from other governments	187,785	-	-	1,622,471	1,810,256
Interfund receivables	-	142,457	-	-	1,942,457
Other	-	-	-	-	-
Inventory	-	-	-	31,757	31,757
<i>Total assets</i>	<u>1,846,644</u>	<u>3,308,938</u>	<u>1,334,202</u>	<u>3,243,869</u>	<u>19,126,201</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	29,547	-	-	133,142	861,958
Accrued payroll liabilities	-	-	-	182,441	1,355,177
Interfund payables	-	-	-	1,942,457	1,942,457
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>29,547</u>	<u>-</u>	<u>-</u>	<u>2,258,040</u>	<u>4,159,592</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	140,978	408,305	546,505	-	1,133,748
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>140,978</u>	<u>408,305</u>	<u>546,505</u>	<u>-</u>	<u>1,133,748</u>
FUND BALANCES					
Nonspendable	-	-	-	31,757	31,757
Restricted for:					
Transportation	-	-	-	-	24,943
Instructional materials	-	-	-	-	145,291
Grant mandates	-	-	-	-	-
Capital projects	1,676,119	-	-	1,027,768	9,344,644
Debt service	-	2,900,633	787,697	-	3,688,330
Assigned	-	-	-	-	-
Unassigned	-	-	-	(73,696)	597,896
<i>Total fund balances</i>	<u>1,676,119</u>	<u>2,900,633</u>	<u>787,697</u>	<u>985,829</u>	<u>13,832,861</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,846,644</u>	<u>\$ 3,308,938</u>	<u>\$ 1,334,202</u>	<u>\$ 3,243,869</u>	<u>\$ 19,126,201</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Exhibit B-2

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 13,832,861
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	66,989,192
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,133,748
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds	
Bond premiums net of accumulated amortization	(1,149,057)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(513,696)
General obligation bonds	<u>(37,785,000)</u>
Net position - total governmental activities	<u>\$ 42,508,048</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund			
	Operational 11000	Transportation 13000	Instructional Materials 14000	Bond Building 31100
<i>Revenues:</i>				
Property taxes	\$ 187,985	\$ -	\$ -	\$ -
State grants	18,955,000	947,984	180,802	-
Federal grants	216,452	-	-	-
Miscellaneous	197,028	-	-	-
Charges for services	226,875	-	-	-
Investment Income	1,209	-	-	1,838
<i>Total revenues</i>	<u>19,784,549</u>	<u>947,984</u>	<u>180,802</u>	<u>1,838</u>
<i>Expenditures:</i>				
Current:				
Instruction	12,636,098	-	71,845	-
Support services				
Students	2,538,784	-	-	-
Instruction	206,183	-	-	-
General administration	720,566	-	-	-
School administration	1,344,819	-	-	-
Central services	533,078	-	-	-
Operation & maintenance of plant	2,389,040	-	-	-
Student transportation	1,983	948,010	-	-
Other support services	70,777	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	4,963,071
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>20,441,328</u>	<u>948,010</u>	<u>71,845</u>	<u>4,963,071</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(656,779)</u>	<u>(26)</u>	<u>108,957</u>	<u>(4,961,233)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	11,676,084
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,676,084</u>
<i>Net changes in fund balances</i>	<u>(656,779)</u>	<u>(26)</u>	<u>108,957</u>	<u>6,714,851</u>
<i>Fund balances - beginning of year</i>	1,277,223	24,969	36,334	(74,094)
<i>Prior period adjustment</i>	51,148	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>1,328,371</u>	<u>24,969</u>	<u>36,334</u>	<u>(74,094)</u>
<i>Fund balances - end of year</i>	<u>\$ 671,592</u>	<u>\$ 24,943</u>	<u>\$ 145,291</u>	<u>\$ 6,640,757</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Capital Improvements SB-9 31700	Debt Service 41000	Education Technology Debt Service 43000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>					
Property taxes	\$ 2,245,747	\$ 2,730,607	\$ 716,731	\$ -	\$ 5,881,070
State grants	187,785	-	-	859,598	21,131,169
Federal grants	-	828,806	-	3,973,917	5,019,175
Miscellaneous	-	-	-	12,505	209,533
Charges for services	-	-	-	169,619	396,494
Investment Income	465	1,137	-	397	5,046
<i>Total revenues</i>	<u>2,433,997</u>	<u>3,560,550</u>	<u>716,731</u>	<u>5,016,036</u>	<u>32,642,487</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	-	2,583,576	15,291,519
Support services					
Students	-	-	-	288,129	2,826,913
Instruction	-	-	-	29,309	235,492
General administration	21,619	26,309	6,896	280,907	1,056,297
School administration	-	-	-	76,577	1,421,396
Central services	-	-	-	118,019	651,097
Operation & maintenance of plant	-	-	-	3,973	2,393,013
Student transportation	-	-	-	197,419	1,147,412
Other support services	-	-	-	-	70,777
Food services operations	-	-	-	1,716,289	1,716,289
Community service	-	-	-	-	-
Capital outlay	1,850,343	-	-	1,012,668	7,826,082
Debt service					
Principal	-	16,115,000	700,000	-	16,815,000
Interest	-	1,980,128	6,482	-	1,986,610
Bond issuance costs	-	171,487	-	110,000	281,487
<i>Total expenditures</i>	<u>1,871,962</u>	<u>18,292,924</u>	<u>713,378</u>	<u>6,416,866</u>	<u>53,719,384</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>562,035</u>	<u>(14,732,374)</u>	<u>3,353</u>	<u>(1,400,830)</u>	<u>(21,076,897)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	13,250,000	-	2,150,000	27,076,084
Bond underwriter premium	-	1,167,998	-	-	1,167,998
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>14,417,998</u>	<u>-</u>	<u>2,150,000</u>	<u>28,244,082</u>
<i>Net changes in fund balances</i>	<u>562,035</u>	<u>(314,376)</u>	<u>3,353</u>	<u>749,170</u>	<u>7,167,185</u>
<i>Fund balances - beginning of year</i>	1,114,083	3,215,009	784,344	236,660	6,614,528
<i>Prior period adjustment</i>	1	-	-	(1)	51,148
<i>Adjusted fund balance - beginning of year</i>	<u>1,114,084</u>	<u>3,215,009</u>	<u>784,344</u>	<u>236,659</u>	<u>6,665,676</u>
<i>Fund balances - end of year</i>	<u>\$ 1,676,119</u>	<u>\$ 2,900,633</u>	<u>\$ 787,697</u>	<u>\$ 985,829</u>	<u>\$ 13,832,861</u>

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

STATE OF NEW MEXICO

Exhibit B-4

TAOS MUNICIPAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 7,167,185
<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 depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(1,198,416)
Capital Outlays	3,832,093
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>	
Change in deferred revenue related to the property taxes receivable	791,991
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Amortization of bond premium	18,941
Decrease in accrued interest payable	127,858
Principal payments on bonds	16,815,000
Proceeds from bond sale	(15,400,000)
Premium on bond sale	(1,167,998)
Change in net position - total governmental activities	<u>\$ 10,986,654</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 174,741	\$ 174,741	\$ 180,872	\$ 6,131
State grants	18,892,090	18,961,564	18,955,000	(6,564)
Federal grants	22,921	220,056	216,452	(3,604)
Miscellaneous	158,140	158,140	197,028	38,888
Charges for services	199,594	199,594	226,875	27,281
Interest	1,200	1,200	1,209	9
<i>Total revenues</i>	<u>19,448,686</u>	<u>19,715,295</u>	<u>19,777,436</u>	<u>62,141</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	13,054,447	12,914,204	11,487,255	1,426,949
Support services				
Students	2,640,729	2,790,982	2,538,784	252,198
Instruction	199,948	212,948	206,183	6,765
General administration	590,232	787,706	708,823	78,883
School administration	1,343,494	1,358,494	1,344,819	13,675
Central services	450,149	505,149	533,078	(27,929)
Operation & maintenance of plant	2,357,094	2,485,205	2,455,324	29,881
Student transportation	-	6,130	1,983	4,147
Other support services	47,139	72,139	53,960	18,179
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,683,232</u>	<u>21,132,957</u>	<u>19,330,209</u>	<u>1,802,748</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,234,546)</u>	<u>(1,417,662)</u>	<u>447,227</u>	<u>1,864,889</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,234,546	1,417,662	-	(1,417,662)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,234,546</u>	<u>1,417,662</u>	<u>-</u>	<u>(1,417,662)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>447,227</u>	<u>447,227</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,417,662</u>	<u>1,417,662</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>51,148</u>	<u>51,148</u>
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,468,810</u>	<u>1,468,810</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,037</u>	<u>\$ 1,916,037</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 447,227	
Adjustments to revenues			7,113	
Adjustments to expenditures			(1,111,119)	
Net change in fund balance (GAAP basis)			<u>\$ (656,779)</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STUDENT TRANSPORTATION FUND (13000)
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	885,682	947,984	947,984	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>885,682</u>	<u>947,984</u>	<u>947,984</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	885,682	947,984	924,020	23,964
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>885,682</u>	<u>947,984</u>	<u>924,020</u>	<u>23,964</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>23,964</u>	<u>23,964</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>23,964</u>	<u>23,964</u>
<i>Cash or fund balances - beginning of year</i>	-	-	24,969	24,969
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>24,969</u>	<u>24,969</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,933</u>	<u>\$ 48,933</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 23,964	
Adjustments to revenues			-	
Adjustments to expenditures			(23,990)	
Net change in fund balance (GAAP basis)			<u>\$ (26)</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INSTRUCTIONAL MATERIALS FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	131,942	159,963	180,802	20,839
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>131,942</u>	<u>159,963</u>	<u>180,802</u>	<u>20,839</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	131,942	159,963	71,845	88,118
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>131,942</u>	<u>159,963</u>	<u>71,845</u>	<u>88,118</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>108,957</u>	<u>108,957</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>108,957</u>	<u>108,957</u>
<i>Cash or fund balances - beginning of year</i>	-	-	36,334	36,334
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>36,334</u>	<u>36,334</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,291</u>	<u>\$ 145,291</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 108,957	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 108,957</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 392,815
<i>Total assets</i>	<u>392,815</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>392,815</u>
<i>Total liabilities</i>	<u>\$ 392,815</u>

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

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies

The Taos Municipal 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 Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes the governmental units.

During the year ended June 30, 2014, the District adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No 53*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basis, but not the only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

The District has three charter schools which operate as component units of the District – Anansi Charter School, Taos Charter School, and Vista Grande High School. In addition, Anansi Charter School has a foundation, Friends of Anansi Charter School, which is a component unit of the charter school, and Taos Charter School has a foundation, Friends of Taos Charter School, which is a component unit of the charter school.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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.

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

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

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

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

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Net position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Under the requirements of GASB Statement No. 34, the District is required to present some of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Student Transportation Fund* (13000) accounts for state equalization funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* (14000) accounts for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *Bond Building Fund* (31100) is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

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

The *Debt Service Fund* (41000) is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

The *Education Technology Debt Service* (43000) is used to account for the debt repayment of the debt incurred through the Education Technology Equipment Act (Capital Projects Fund) (Section 6-15A-16 NMSA 1978).

Additionally, the government reports the following fund types:

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary funds are for student activities.

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. *Assets, Liabilities and Net Position or Equity*

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

State statutes authorize the District to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

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

Restricted Assets: The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Taos County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Taos County Treasurer's in July and August 2014 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2014.

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Inventory: The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Cafeteria Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the NM Public Schools Facilities Authority are appropriately included in the District's capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is less than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2014.

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

Buildings	40-50 years
Building Improvements	20 years
Land Improvements	10-20 years
Vehicles	5-7 years
Furniture, fixtures, and equipment	3-5 years

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and corresponding deferred revenue is recorded as well.

Compensated Absences: District policy does not allow employees to be paid for unused annual or sick leave. As such, the District has no compensated absences that should be recorded.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs will be expensed in the year incurred except for insurance costs which lower the effective rate of interest which will be reported as deferred charges and amortized over the term of the related debt.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

Net Position or Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the District's fund balances is presented in Note 10.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position is restricted for "debt service or capital projects."

Unrestricted Net Position: All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either; (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

E. Revenues

Reclassifications: Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

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.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$18,955,000 in state equalization guarantee distributions during the year ended June 30, 2014.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be 'measurable' and 'available' in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts recognized from residential and commercial property taxes at June 30, 2014 were \$6,673,061. Amounts collected from oil and gas taxes were \$0.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

E. Revenues (continued)

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$947,984 in transportation distributions during the year ended June 30, 2014.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2014 totaled \$180,802.

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 \$187,785 in state SB-9 matching during the year ended June 30, 2014.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, NMSA 1978. 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 per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

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

During the year ended June 30, 2014, the District received \$0 in special capital outlay funds.

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 flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the ending cash balance be appropriated in the budget of the subsequent fiscal year.

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability (Continued)

Budgetary Information (continued)

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

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014, is presented on each funds' Statement of Revenue, Expenditures and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual.

NOTE 3. Cash and Cash Equivalents

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

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

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

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

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Cash and Cash Equivalents (Continued)

Deposits

New Mexico state statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution in excess of federal deposit insurance. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	US Bank	Centinel Bank	New Mexico LGIP	Total
Total amounts of deposits	\$ 2,751,438	\$ 11,190,593	\$ 1,747,164	\$ 15,689,195
FDIC coverage	250,000	250,000	-	500,000
Total uninsured public funds	<u>2,501,438</u>	<u>10,940,593</u>	<u>1,747,164</u>	<u>15,189,195</u>
Collateral requirement (50% of uninsured public funds)	1,250,719	5,470,297	-	6,721,016
Pledged security	<u>2,519,560</u>	<u>5,881,358</u>	<u>-</u>	<u>8,400,918</u>
Total over (under) collateralized	<u>\$ 1,268,841</u>	<u>\$ 411,061</u>	<u>\$ -</u>	<u>\$ 1,679,902</u>

The funds at US Bank and Centinel Bank are maintained in non-interest bearing checking accounts.

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

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

At June 30, 2014, \$13,442,031 of the District's bank balance of \$15,689,195 was exposed to custodial credit risk as it was uninsured and not in the District's name. The New Mexico Local Government Investment Pool (LGIP), as an external investment pool of public funds, is not required to disclose custodial credit risk.

See schedule II, Schedule of Pledged Collateral for detail of the pledged securities.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Cash and Cash Equivalents (Continued)

Reconciliation of Cash to the Financial Statements

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

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	\$ 13,990,174
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>392,815</u>
Total per financial statements	14,382,989
Add outstanding checks and other reconciling items	<u>1,306,206</u>
Bank balance of deposits	<u><u>\$ 15,689,195</u></u>

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2014. Funds 24000 through 25000 are federal funds and 27000 through 29000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2014:

Fund# Special Revenue Funds

21000	Food Services	\$ 268,636
24101	Title I IASA	577,608
24106	IDEA B	231,078
24107	IDEA B Discretionary	9,338
24108	IDEA B Competitive	6,052
24109	IDEA B Pre-School	15,533
24118	Fresh Fruit and Vegetables	30,566
24120	IDEA "Risk Pool"	222
24132	IDEA B Results Plan	153,737
24143	ELL Title III Incentive Awards	2,467
24153	English Language Acquisition	22,539
24154	Teacher/Principal Training	124,517
24157	Safe & Drug Free Schools & Community	1,594
24160	Rural and Low Income Schools	26,011
24162	Title I School Improvement	21,734
24163	Immigrant Funding Title III	19,711
24174	Carl D. Perkins Secondary Current	31,339
24201	Title I IASA Federal Stimulus	12,721
25184	Indian Ed Grant	21,068
27106	2010 GO Bonds Student Library Fund (SB1)	1,465
27107	2012 GO Bonds Student Library Fund (SB66)	2,671
27114	NM Reads to Lead K-3 Reading Initiative	13,147
27122	Teachers/School Leaders Stipends At-Risk	2,631
27149	Pre-K Initiative	31,568

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. Cash and Cash Equivalents (Continued)

Reconciliation of Cash to the Financial Statements (continued)

27150	Indian Education Act	4,613
27155	Breakfast for Elementary Students	13,870
27166	Kindergarten Three Plus	56,900
27178	2013 School Bus	143,817
27185	Next Generation Assessments	25,046
28178	Gear UP CHE	44,141
29130	School Based Health Center	26,117
	Total	<u>\$ 1,942,457</u>

Investments

As of June 30, 2014, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>
State Investment Pool – 4101 LGIP Fund	\$1,747,164

State Pool – 4101 LFIP investments are 100% invested in U.S. Treasury Obligations.

Interest Rate Risk – Investments: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District’s investments were rated AAAM by Standard & Poor’s and have a weighted average days-to-maturity (WAM) of 48.6 days.

Concentration Credit Risk – Investments: For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investments in the Sate Pool—4101 LGIP Fund represents 100% of the investment portfolio. Since the District only purchases investments with the highest credit rating, the additional concentration is not viewed as an additional risk by the District. The District’s policy related to concentration risk is to comply with the State Statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investments fund in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States Government or are agencies sponsored by the United States Government. The investments in the Local Government Investment Pool are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts of the fund that were invested. Any realized gain or loss on the portfolio is distributed through the investment yield on investment dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2014. The State of New Mexico is the regulatory oversight agency and participation in the pool is voluntary.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. Receivables

Receivables as of June 30, 2014 are as follow:

	Major Funds					Total Governmental Funds
	Operational 11000	Capital Impr. SB-9 31700	Debt Service 41000	Ed. Tech. Debt Service 43000	Other Governmental Funds	
	Property taxes	\$ 45,073	\$ 224,838	\$ 507,968	\$ 573,678	
Due from other governments	-	187,785	-	-	1,622,471	\$ 1,810,256
Total receivables	\$ 45,073	\$ 412,623	\$ 507,968	\$ 573,678	\$ 1,622,471	\$ 3,161,813

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$1,133,748 were not collected within the period of availability and have been reclassified as unavailable revenue in the governmental fund financial statements.

NOTE 5. Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2014 is as follows:

Governmental Activities	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Operational (11000)	\$ 1,800,000	\$ -
Debt Service (41000)	142,457	-
Non-major Funds:		
Food Services (21000)	-	268,636
Title IIASA (24101)	-	577,608
IDEA B Entitlement (24106)	-	231,078
IDEA B Discretionary (24107)	-	9,338
IDEA B Competitive (24108)	-	6,052
IDEA B Preschool (24109)	-	15,533
Fresh Fruits and Vegetables (24118)	-	30,566
IDEA B Risk Pool (24120)	-	222
IDEA B Results Plan (24132)	-	153,737
ELL Title III Incentive Awards (24143)	-	2,467
English Language Acquisition (24153)	-	22,539
Teacher/Principal Training & Recruiting (24154)	-	124,517
Safe & Drug Free School & Community (24157)	-	1,594
Rural & Low-Income Schools (24160)	-	26,011

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5. Interfund Receivables, Payables, and Transfers (Continued)

Title I School Improvement (24162)	-	21,734
Immigrant Funding Title III (24163)	-	19,711
Carl D Perkins - Secondary - Current (24174)	-	31,339
Title I - IASA Federal Stimulus (24201)	-	12,721
Indian Ed Formula Grant (25184)	-	21,068
2010 GO Bonds Student Library Fund (SB1) (27106)	-	1,465
2012 GO Bonds Student Library Fund (SB66) (27107)	-	2,671
NM Reads to Lead K-3 Initiative (27114)	-	13,147
Teachrs/School Leaders Stipends At-Risk (27122)	-	2,631
PreK Initiative (27149)	-	31,568
Indian Education Act (27150)	-	4,613
Breakfast for Elementary Students (27155)	-	13,870
Kindergarten - Three Plus (27166)	-	56,900
2013 School Bus (27178)	-	143,817
Next Generation Assessments (27185)	-	25,046
GEAR - UP CHE (28178)	-	44,141
School Based Health Center (29130)	\$ -	\$ 26,117
	<hr/>	<hr/>
Totals	\$ 1,942,457	\$ 1,942,457

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Capital assets used in governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,459,110	\$ 69,515	\$ -	\$ -	\$ 3,528,625
Construction in progress	55,029	3,555,444	1,196,811	-	2,413,662
Total capital assets not being depreciated	<u>3,514,139</u>	<u>3,624,959</u>	<u>1,196,811</u>	<u>-</u>	<u>5,942,287</u>
Capital assets being depreciated:					
Land Improvements	3,784,989	998,188	-	-	4,783,177
Buildings and building improvements	71,678,544	198,623	-	-	71,877,167
Furniture, fixtures, and equipment	3,595,344	207,134	-	-	3,802,478
Total capital assets being depreciated	<u>79,058,877</u>	<u>1,403,945</u>	<u>-</u>	<u>-</u>	<u>80,462,822</u>
Less accumulated depreciation:					
Unallocated	18,217,501	1,198,416	-	-	19,415,917
Total accumulated depreciation	<u>18,217,501</u>	<u>1,198,416</u>	<u>-</u>	<u>-</u>	<u>19,415,917</u>
Total capital assets, net of depreciation	<u>\$ 64,355,515</u>	<u>\$ 3,830,488</u>	<u>\$ 1,196,811</u>	<u>\$ -</u>	<u>\$ 66,989,192</u>

Depreciation expense for the year ended June 30, 2014 was unallocated in the amount of \$1,198,416.

The current construction in progress had remaining commitments of approximately \$2,904,046 at June 30, 2014.

NOTE 7. Long-Term Debt

In the government-wide statement of net position the following changes occurred in liabilities during the year ended June 30, 2014:

	Balance at 06/30/13	Additions	Deletions	Balance at 06/30/14	Due Within One Year
General Obligation Bonds	\$ 39,200,000	\$ 15,400,000	\$ 16,815,000	\$ 37,785,000	\$ 2,450,000
Compensated Absences	1,827,727	-	1,827,727	-	-
Total	<u>\$ 41,027,727</u>	<u>\$ 15,400,000</u>	<u>\$ 18,642,727</u>	<u>\$ 37,785,000</u>	<u>\$ 2,450,000</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of sick leave and other compensatory time during the year. However, this leave time is not paid out to the employee when the employee leaves the District. As such, no compensated absence liability should be accrued for the District. In the prior year financial statements the District had a balance of \$1,827,727. The District has made a prior period adjustment to this balance. See Note 15 for more details.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt (Continued)

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. As of June 30, 2014, all general obligation bonds are for governmental activities.

The District had three Build America bonds which the federal government pays a portion of the interest on each year. During the year ended June 30, 2014, the federal government paid \$828,806 of interest on these bonds.

Bonds outstanding at June 30, 2014 are comprised of the following:

	2008 Series <u>12/23/2008</u>	2010A Series <u>10/5/2010</u>	2010B Series <u>10/25/2010</u>
Issue Date			
Original Issue	\$9,900,000	\$13,000,000	\$1,100,000
Maturity Date	9/1/2028	9/1/2027	9/1/2030
Principal	1-Sep	1-Sep	1-Sep
Interest Rate	3.5% - 4.5%	4.33% - 5.15%	5.45%
Interest	1-Mar	1-Mar	1-Mar
Principal/Interest	1-Sep	1-Sep	1-Sep
	2013A Series <u>9/17/2013</u>	2013B Series <u>9/17/2013</u>	2014 Series <u>4/8/2014</u>
Issue Date			
Original Issue	\$1,150,000.00	\$1,000,000	\$13,250,000
Maturity Date	10/1/2016	10/1/2016	9/1/2029
Principal	1-Oct	1-Oct	1-Sep
Interest Rate	0.25% - 1.05%	0.50% - 1.40%	2.00% - 5.00%
Interest	1-Apr	1-Apr	1-Mar
Principal/Interest	1-Oct	1-Oct	1-Sep

The annual requirements to amortize the General Obligation Bonds as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Series 2008 General Obligation Bond		Total Debt Service
	Principal	Interest	
2015	\$ 475,000	\$ 385,868	\$ 860,868
2016	485,000	369,067	854,067
2017	500,000	350,580	850,580
2018	520,000	330,180	850,180
2019	540,000	306,280	846,280
2020-2024	3,075,000	1,169,184	4,244,184
2025-2029	3,845,000	442,601	4,287,601
Totals	<u>\$ 9,440,000</u>	<u>\$ 3,353,760</u>	<u>\$ 12,793,760</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt (Continued)

Series 2010A General Obligation Bond

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 455,000	\$ 669,500	\$ 1,124,500
2016	455,000	669,500	1,124,500
2017	455,000	669,500	1,124,500
2018	455,000	669,500	1,124,500
2019	455,000	669,500	1,124,500
2020-2024	4,505,000	3,347,500	7,852,500
2025-2028	5,765,000	2,343,250	8,108,250
Totals	<u>\$ 12,545,000</u>	<u>\$ 9,038,250</u>	<u>\$ 21,583,250</u>

Series 2010B General Obligation Bond

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ -	\$ 38,968	\$ 38,968
2016	-	38,968	38,968
2017	-	38,968	38,968
2018	-	38,968	38,968
2019	-	38,968	38,968
2020-2024	-	194,838	194,838
2025-2029	515,000	176,859	691,859
2030-2031	585,000	20,989	605,989
Totals	<u>\$ 1,100,000</u>	<u>\$ 587,526</u>	<u>\$ 1,687,526</u>

Series 2013A General Obligation Bond

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 360,000	\$ 4,035	\$ 364,035
2016	360,000	1,875	361,875
2017	50,000	263	50,263
Totals	<u>\$ 770,000</u>	<u>\$ 6,173</u>	<u>\$ 776,173</u>

Series 2013B General Obligation Bond

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 315,000	\$ 5,583	\$ 320,583
2016	315,000	2,433	317,433
2017	50,000	350	50,350
Totals	<u>\$ 680,000</u>	<u>\$ 8,366</u>	<u>\$ 688,366</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt (Continued)

Fiscal Year Ending June 30,	Series 2014 General Obligation Bond		Total Debt Service
	Principal	Interest	
2015	\$ 845,000	\$ 468,228	\$ 1,313,228
2016	1,000,000	486,900	1,486,900
2017	1,035,000	441,025	1,476,025
2018	1,065,000	388,525	1,453,525
2019	1,100,000	334,400	1,434,400
2020-2024	3,315,000	1,188,775	4,503,775
2025-2029	2,850,000	850,750	3,700,750
2030-2031	2,040,000	34,425	2,074,425
Totals	<u>\$ 13,250,000</u>	<u>\$ 4,193,028</u>	<u>\$ 17,443,028</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

NOTE 8. Unearned Revenue

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had no unearned revenues at June 30, 2014.

NOTE 9. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes workers compensation, general and automobile liability, automobile physical damage, and property and crime coverage. Also included under the risk management program are boiler, machinery and student accident insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery, and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2014, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2014:

Fund #	Non-Major Funds	Amount
21000	Food Services	\$ 310,774
24101	Title I IASA	69,882
24106	IDEA-B Entitlement	117,817
24107	IDEA-B Discretionary	9,338
24118	Fresh Fruits and Vegetables USDA	30,781
24143	ELL Title III Incentive Awards	2,467
24153	English Language Acquisition	18,598
24154	Teacher/Principal Training & Recruiting	8,731
24157	Safe & Drug Free School & Community	1,594
24163	Immigrant Funding Title III	19,711
24201	Title I - IASA Federal Stimulus	12,721
27107	2012 GO Bonds Student Library Fund (SB66)	1,314
27150	Indian Education Act	4,613
27155	Breakfast for Elementary Students	9,897
28178	GEAR-UP CHE	44,141
29130	School Based Health Center	26,117
	Total	<u><u>\$ 688,496</u></u>

B. Excess of expenditures over appropriations: The following funds reported expenditures over appropriations:

Fund #	Fund Name	Function	Amount
Major Funds:			
11000	Operational	Central Services	\$ 27,929
43000	Education Technology Debt Service	Debt Service	35,000
Non-Major Funds:			
24101	Title I - IASA	General Administration	44
24101	Title I - IASA	Central Services	737
24109	IDEA-B Pre School	Students	5,113
24132	IDEA-B Results	School Administration	189
24154	Teacher/Principal Training	Students	2,445
27166	Kindergarten Three Plus	Operations & Maintenance	1,093
	Total		<u><u>\$ 72,550</u></u>

C. The District had no cash appropriations in excess of available balances for the year ended June 30, 2014.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11. Pension Plan – Educational Retirement Board

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

Funding Policy:

Member Contributions:

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014 and 10.70% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions:

Taos Municipal School District was required to contribute 13.15% of the gross covered salary in fiscal year 2014. In fiscal year 2015, the District will contribute 13.90% of gross covered salary.

The contribution requirements of plan members and Taos Municipal School District are established in state statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012 were \$1,850,957, \$1,498,771, and \$1,286,278 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. Taos Municipal School District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and / or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (Continued)

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, state statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014 the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012, were \$281,169, \$270,040, and \$248,084 respectively, which equal the required contributions for each year.

NOTE 13. Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 14. Subsequent Accounting Standard Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions* which is effective for annual reporting periods beginning after June 15, 2014. Statement No. 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Due to the implementation of GASB 68 in fiscal year 2015, Taos Municipal School District's financial statements will include a material liability for pension participation costs which have not been previously disclosed. The amount of this liability cannot be determined at this time, but it will have a significant effect on the financial statement presentation in the next fiscal year.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15. Restatement/Prior Period Adjustments

During the year ended June 30, 2014, there was a restatement in the District's financial statements in the amount of \$1,878,875. This total is principally due to an adjustment in accrued compensated absences which were improperly included in the prior year. The reduction in accrued compensated absences amounted to \$1,827,727.

During the review of cash, it was determined that a deposit from 2012 was incorrectly excluded from the cash in the amount of \$51,148. This amount was adjusted for the prior period.

The component units also had a prior period adjustment of \$30,793 in the current year. Those adjustments are as follow:

The Friends of Anansi Charter School had an adjustment to accumulated depreciation in the amount of \$6,719.

Vista Grande High School had a net adjustment of \$24,074 which included the following: a positive adjustment of \$4,109 to cash; a prior period adjustment to increase fixed assets by \$23,515 for items not previously included; a prior period adjustment to accrued compensated absences in the amount of \$3,550 for amounts not previously accounted for; and a prior period adjustment to move \$18,406 from the Operational Fund to the Public School Capital Outlay Fund to properly account for prior year lease assistance awards.

NOTE 16. Subsequent Events

A review of subsequent events through February 06, 2015 the date the financial statements were available to be issued, indicated nothing of audit significance.

NOTE 17. Component Units

Anansi Charter School

Anansi Charter School (ACS) is a dependent charter school formed under NMSA 22-8A and as such is presented here as a discrete component unit of Taos Municipal School District. ACS is presented as a component unit since its operating budget and charter are annually presented and approved by the District's board. The New Mexico State Auditor has determined that charter schools are major component units of their respective Districts. Refer to Notes 1 through 16 for significant policies of ACS, as the charter school is subject to the same State and Federal regulations and follows the same policies as the District. The following are summarized details of the charter school's balances and transactions as of June 30, 2014 and for the year then ended:

A. Revenues

State Equalization Guarantee: ACS received \$1,057,865 in state equalization guarantee distributions during the year ended June 30, 2014.

Instructional Materials: Allocations received by ACS from the State for the year ended June 30, 2014 totaled \$8,456.

SB-9 State Match: ACS received \$74,854 in state SB-9 matching during the year ended June 30, 2014.

Public School Capital Outlay: ACS received \$84,354 in awards for rent assistance.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Anansi Charter School (continued)

B. Cash and Temporary Investments

Deposits: 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 Schools for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	US Bank
Total amounts of deposits	\$ 87,627
FDIC coverage	250,000
Total uninsured public funds	(162,373)
Collateral requirement (50% of uninsured public funds)	-
Pledged security	-
Total over (under) collateralized	\$ -

Funds are maintained in an interest bearing checking account.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, Anansi Charter School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). State law limits deposits of public monies to certain banks or credit unions. In addition, the depository must pledge eligible collateral to the extent of 50% of the balance of uninsured funds. At June 30, 2014, none of the Charter's bank balance of \$87,627 was exposed to custodial credit risk

Reconciliation of Cash and Temporary Investments

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

Reconciliation to Statement of Net Position	
Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 65,914
Add outstanding checks and other reconciling items	21,713
Bank balance of deposits	\$ 87,627

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Anansi Charter School (continued)

C. Receivables

Receivables for ACS as of June 30, 2014 are as follow:

	NM Reads To Lead 27114	2010 Bond Instructional Material 27171	Bond Building 31100	Capital Outlay 31200	Capital Improvement SB-9 31700	Total Governmental Funds
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	45,328	3,892	5,955	21,089	7,845	84,109
Total receivables	\$ 45,328	\$ 3,892	\$ 5,955	\$ 21,089	\$ 7,845	\$ 84,109

The above receivables are deemed 100% collectible.

D. Capital Assets

A summary of ACS's capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Capital assets used in governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ 102,107	\$ -	\$ -	\$ 102,107
Capital assets being depreciated:					
Furniture, fixtures, and equipment	61,876	-	-	-	61,876
Less accumulated depreciation:					
Furniture, fixtures, and equipment	30,955	6,187	-	-	37,142
Total capital assets, net of depreciation	\$ 30,921	\$ 95,920	\$ -	\$ -	\$ 126,841

The current construction in progress had remaining commitments of approximately \$1,125,768 at June 30, 2014.

Once the construction is completed, the assets will transfer to Friends of Anansi Charter School, which currently holds title to the building, where they will remain until the 20 year lease on the building is complete. At that time, all capital assets of Friends of Anansi Charter School will transfer back to ACS for the remainder of their life.

E. Long-Term Debt

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 or retirement.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Anansi Charter School (continued)

F. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure as part of the Combined Statements of certain information concerning individual funds including:

1. Deficit fund balances of individual funds at June 30, 2014 are as follow:

Fund#	Funds Description	Amount
24106	IDEA-B Entitlement	\$ 22,923
27106	2010 GO Bonds Student Library Funds (SB1)	194
27107	2012 GO Bonds Student Library Fund (SB66)	3,136
27171	2010 GO Bonds Instructional Materials	329
31100	Bond Building	2,455
	Total	\$ 29,037

2. Excess of expenditures over appropriations. No funds exceeded budgetary authority at June 30, 2014.
3. ACS had no cash appropriations in excess of available balances for the year ended June 30, 2014.

G. Prepaid Lease Expense.

In May of 2010, Anansi Charter School Paid \$931,562 to the Friends of Anansi Charter School. The funds were used by the Friends of Anansi Charter School to construct and improve real estate which is leased by ACS. The payment represents prepayment of the lease expense for the twenty year period beginning July 1, 2010. Anansi Charter School will amortize the lease payment at the rate of \$3,882 per month. During the year ended June 30, 2014, ACS amortized \$46,584 of the prepaid lease expense.

H. Pension Plan – Educational Retirement Act

The school’s contributions to ERA for the years ended June 30, 2014, 2013, and 2012, were \$81,370, \$53,320, and \$52,865, respectively, which equal the required contributions for each year.

I. Post-Employment Benefits- State Retiree Health Care Plan

The School’s contributions to Retiree Healthcare for the year ended June 30, 2014, 2013, and 2012 were \$12,376, \$11,608, and \$10,380, respectively, which equal the required contributions for each year.

Friends of Anansi Charter School – Component Unit of Anansi Charter School

Friends of Anansi Charter School, Inc. (Foundation) is a legally separate, tax exempt component unit of Anansi Charter School. 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 ACS, donations, and fund raising.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Friends of Anansi Charter School (continued)

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

The Foundation is reported as a discretely presented component unit of Anansi Charter School, as required in accordance with GASB Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity, and this has been taken into consideration in the determination.

A. Cash and Temporary Investments

Reconciliation to Statement of Net Position	
Governmental Funds - Balance Sheet	
Cash and cash equivalents per Statement G-1	\$ 119,433
Add outstanding checks and other reconciling items	<u>9,898</u>
Bank balance of deposits	<u>\$ 129,331</u>

B. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 587,500	\$ -	\$ -	\$ -	\$ 587,500
Construction in progress	-	23,271	-	-	23,271
Total capital assets not being depreciated	<u>587,500</u>	<u>23,271</u>	<u>-</u>	<u>-</u>	<u>610,771</u>
Capital assets being depreciated:					
Land improvements	37,461	-	-	-	37,461
Buildings and building improvements	1,984,856	-	-	-	1,984,856
Furniture, fixtures, and equipment	23,624	-	-	-	23,624
Total capital assets being depreciated	<u>2,045,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,045,941</u>
Less accumulated depreciation:					
Land improvements	5,263	2,632	-	-	7,895
Buildings and building improvements	174,155	56,071	-	(6,719)	223,507
Furniture, fixtures, and equipment	15,513	7,081	-	-	22,594
Total accumulated depreciation	<u>194,931</u>	<u>65,784</u>	<u>-</u>	<u>(6,719)</u>	<u>253,996</u>
Total capital assets, net of depreciation	<u>\$ 2,438,510</u>	<u>\$ (42,513)</u>	<u>\$ -</u>	<u>\$ 6,719</u>	<u>\$ 2,402,716</u>

The current construction in progress had remaining commitments of approximately \$61,262 at June 30, 2014.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Friends of Anansi Charter School (continued)

B. Capital Assets (continued)

An adjustment to accumulated depreciation in the amount of \$6,719 was recorded in the current year to correct for an overcharge in previous years.

At the end of the lease term, June 30, 2030, the land, building, and all improvements will transfer to Anansi Charter School in compliance with the terms of the agreement and in compliance with state requirements.

C. 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, 2014 are as follows:

Date of issue: March 19, 2008
 Original amount: \$1,800,000
 Interest rate: 4.375%

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 24,760	\$ 71,576	\$ 96,336
2016	25,843	70,493	96,336
2017	26,974	69,362	96,336
2018	28,154	68,182	96,336
2019	31,066	65,270	96,336
2020-2024	177,414	304,266	481,680
2025-2029	220,707	260,973	481,680
2030-2034	274,565	207,115	481,680
2035-2039	341,566	140,114	481,680
2039-2044	424,916	56,764	481,680
2045	35,768	363	36,131
Totals	\$ 1,611,733	\$ 1,314,478	\$ 2,926,211

The Foundation has been paying additional principal payments since 2010 with the intent of paying off the loan by June 30, 2030 so that the loan is extinguished when the lease on the property expires and the property transfers to Anansi Charter School.

Compensated absences: The Foundation does not accrue a liability for compensated absences as it has no employees.

D. Deferred Lease Income

In May of 2010, 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 Anansi Charter School. The proceeds were used for construction and improvements of the real property leased to Anansi Charter School. The Foundation will recognize the deferred lease income at the rate of \$3,882 per month over a twenty year period beginning July 1, 2010. During the year ended June 30, 2014, the Foundation recognized \$46,584 of the deferred lease income.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Friends of Anansi Charter School (continued)

E. Pension Plan – Educational Retirement Act

The Foundation does not participate in ERB.

F. Post-Employment Benefits- State Retiree Health Care Plan

The Foundation does not participate in RHCA.

G. Income Taxes

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code.

H. 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 position: Unrestricted Net Position, Temporarily Restricted Net Position, and Permanently Restricted Net Position. In addition, the Foundation is required to present a statement of cash flows.

I. Statement of Cash Flows

For the 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.

Taos Charter School

Taos Charter School (TCS) is a dependent charter school formed under NMSA 22-8A and as such is presented here as a discrete component unit of Taos Municipal School District. TCS is presented as a component unit since its operating budget and charter are annually presented and approved by the District's board. The New Mexico State Auditor has determined that charter schools are major component units of their respective Districts. Refer to Notes 1 through 16 for significant policies of TCS, as the charter school is subject to the same State and Federal regulations and follows the same policies as the District. The following are summarized details of the charter school's balances and transactions as of June 30, 2014 and for the year then ended.

A. Revenues

State Equalization Guarantee: TCS received \$1,418,801 in state equalization guarantee distributions during the year ended June 30, 2014.

Instructional Materials: Allocations received by TCS from the State for the year ended June 30, 2014, totaled \$15,057

SB-9 State Match: TCS received \$134,675 in state SB-9 matching during the year ended June 30, 2014.

Public School Capital Outlay: TCS received \$142,100 in awards for rent assistance.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Taos Charter School (continued)

B. Cash and Temporary Investments

Deposits: 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 Schools for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	<u>US Bank</u>
Total amounts of deposits	\$198,303
FDIC coverage	<u>250,000</u>
Total uninsured public funds	<u>(51,697)</u>
Collateral requirement (50% of uninsured public funds)	-
Pledged security	<u>-</u>
Total over (under) collateralized	<u><u>\$ -</u></u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Anansi Charter School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). State law limits deposits of public monies to certain banks or credit unions. In addition, the depository must pledge eligible collateral to the extent of 50% of the balance of uninsured funds. At June 30, 2014, none of the Charter's bank balance of \$198,303 was exposed to custodial credit risk

Reconciliation of Cash and Temporary Investments

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

Reconciliation to Statement of Net Position	
Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 45,927
Add outstanding checks and other reconciling items	<u>152,376</u>
Bank balance of deposits	<u><u>\$ 198,303</u></u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Taos Charter School (continued)

B. Receivables

Receivables for TCS as of June 30, 2014 are as follow:

	2010 GO Bonds Student Library 21706	NM Reads to Lead K-3 Reading Initiative 27114	Bond Building 31100	Capital Outlay 31200	Capital Improvement SB-9 31700	Total Governmental Funds
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	2,175	47,588	51,554	71,050	14,427	186,794
Total receivables	\$ 2,175	\$ 47,588	\$ 51,554	\$ 71,050	\$ 14,427	\$ 186,794

The above receivables are deemed 100% collectible.

C. Capital Assets

A summary of TCS's capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Capital assets used in governmental activities:					
Capital assets not being depreciated:					
Land	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Construction in progress	-	364,140	-	-	364,140
Total capital assets not being depreciated	250,000	364,140	-	-	614,140
Capital assets being depreciated:					
Land improvements	-	-	-	-	-
Buildings and building improvements	1,058,421	-	-	-	1,058,421
Furniture, fixtures, and equipment	18,243	7,222	-	-	25,465
Total capital assets being depreciated	1,076,664	7,222	-	-	1,083,886
Less accumulated depreciation:					
Land improvements	-	-	-	-	-
Buildings and building improvements	159,522	21,169	-	924	181,615
Furniture, fixtures, and equipment	9,721	2,787	-	(924)	11,584
Total accumulated depreciation	169,243	23,956	-	-	193,199
Total capital assets, net of depreciation	\$ 1,157,421	\$ 347,406	\$ -	\$ -	\$ 1,504,827

The current construction in progress had remaining commitments of approximately \$172,843 at June 30, 2014.

D. Long-Term Debt

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 or retirement.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Taos Charter School (continued)

E. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure as part of the combined statements of certain information concerning individual funds including:

1. Deficit fund balances of individual funds at June 30, 2014 are as follow:

Fund #	Fund Description	Amount
24106	IDEA-B Entitlement	61,615
27107	2012 GO Bonds Student Library Fund (SB66)	1,842
31100	Bond Building	9,827
	Total	\$ 73,284

2. Excess of expenditures over appropriations. No funds exceeded budgetary authority at June 30, 2014.
3. TCS had no cash appropriations in excess of available balances for the year ended June 30, 2014.

F. Pension Plan – Educational Retirement Act

The school’s contributions to ERA for the years ended June 30, 2014, 2013, and 2012 were \$109,978, \$78,596, and \$72,699, respectively, which equal the required contributions for each year.

G. Post-Employment Benefits- State Retiree Health Care Plan

The School’s contributions to Retiree Healthcare for the year ended June 30, 2014, 2013, and 2012 were \$16,728, \$14,302, and \$14,196 respectively, which equal the required contributions for each year.

Friends of Taos Charter School – Component Unit of Taos Charter School

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

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Friends of Taos Charter School (continued)

The Foundation is reported as a discretely presented component unit of Taos Charter School, as required in accordance with GASB Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity, and this has been taken into consideration in the determination.

A. Cash and Temporary Investments

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Statement G-1	\$ 97,552
Add outstanding checks and other reconciling items	2,193
Bank balance of deposits	\$ 99,745

B. Receivables

At June 30, 2014, the Foundation had receivables of \$11,842 which comprised a lease payment from Taos Charter School which was in transit at year-end, and was received July 1, 2015.

C. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Capital assets being depreciated:					
Buildings and building improvements	\$ 734,956	\$ -	\$ -	\$ -	\$ 734,956
Less accumulated depreciation:					
Buildings and building improvements	128,618	18,374	-	-	146,992
Total capital assets, net of depreciation	\$ 606,338	\$ 18,374	\$ -	\$ -	\$ 587,964

The Foundation had no construction commitments at June 30, 2014.

D. Long-Term Debt

Compensated absences: The Foundation does not accrue a liability for compensated absences as it has no employees.

E. Pension Plan – Educational Retirement Act

The Foundation does not participate in ERB.

F. Post-Employment Benefits- State Retiree Health Care Plan

The Foundation does not participate in RHCA.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Friends of Taos Charter School (continued)

G. Income Taxes

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code.

H. 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 position: Unrestricted Net Position, Temporarily Restricted Net Position, and Permanently Restricted Net Position. In addition, the Foundation is required to present a statement of cash flows.

I. Statement of Cash Flows

For the 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.

Vista Grande High School

Vista Grande High School (VGHS) is a dependent charter school formed under NMSA 22-8A and as such is presented here as a discrete component unit of Taos Municipal School District. VGHS is presented as a component unit since its operating budget and charter are annually presented and approved by the District's board. The New Mexico State Auditor has determined that charter schools are major component units of their respective Districts. Refer to Notes 1 through 16 for significant policies of VGHS, as the charter school is subject to the same State and Federal regulations and follows the same policies as the District. The following are summarized details of the charter school's balances and transactions as of June 30, 2014 and for the year then ended.

A. Revenues

State Equalization Guarantee: VGHS received \$839,779 in state equalization guarantee distributions during the year ended June 30, 2014.

Instructional Materials: Allocations received by VGHS from the State for the year ended June 30, 2014 totaled \$3,986.

SB-9 State Match: VGHS received \$0 in state SB-9 matching during the year ended June 30, 2014.

Public School Capital Outlay: VGHS received \$16,982 in awards for rent assistance.

B. Cash and Temporary Investments

Deposits: 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 Schools for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Vista Grande High School (continued)

	Centinel Bank
Total amounts of deposits	\$ 472,903
FDIC coverage	250,000
Total uninsured public funds	222,903
Collateral requirement (50% of uninsured public funds)	111,452
Pledged security	205,000
Total over (under) collateralized	\$ 93,548

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Anansi Charter School’s deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). State law limits deposits of public monies to certain banks or credit unions. In addition, the depository must pledge eligible collateral to the extent of 50% of the balance of uninsured funds. At June 30, 2014, \$222,903 of Vista Grande’s bank balance of \$472,903 was exposed to custodial credit risk.

Reconciliation of Cash and Temporary Investments

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

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	\$ 410,475
Statement of Fiduciary Net Position - cash per Exhibit D-1	312
Total per financial statements	410,787
Add outstanding checks and other reconciling items	62,116
Bank balance of deposits	\$ 472,903

C. Receivables

Receivables for VGHS as of June 30, 2014 are as follow:

	Bond Building 31100	Capital Outlay 31200	Total Governmental Funds
Property taxes	\$ -	\$ -	\$ -
Due from other governments	130,905	45,814	176,719
Total receivables	\$ 130,905	\$ 45,814	\$ 176,719

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Vista Grande High School (continued)

D. Transfers

In the prior year's financial statements, a fund was presented in the special revenue funds which were activity funds and, as such were part of the agency funds of VGHS. In order to show that fund again this year (Fund 29999 – Activity Funds) and close it out to the agency funds, a cash transfer of \$4,930 was made from the Operational Fund to Fund 29999 for activity funds which had been accounted for in the Operational Fund of VGHS. An additional transfer of \$1,342 was made from the agency funds to Fund 29999 to close out the prior year deficit balance of \$6,272 and combine the agency funds as they currently exist.

E. Capital Assets

A summary of VGHS's capital assets and changes occurring during the year ended June 30, 2014 follows:

	Balance				Balance
Capital assets used in governmental activities:	June 30, 2013	Additions	Deletions	Adjustments	June 30, 2014
Capital assets not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	73,398	-	-	73,398
Total capital assets not being depreciated	-	73,398	-	-	73,398
Capital assets being depreciated:					
Furniture, fixtures, and equipment	45,958	-	-	20,767	66,725
Total capital assets being depreciated	45,958	-	-	20,767	66,725
Less accumulated depreciation:					
Furniture, fixtures, and equipment	16,646	9,574	-	(2,748)	23,472
Total accumulated depreciation	16,646	9,574	-	(2,748)	23,472
Total capital assets, net of depreciation	<u>\$ 29,312</u>	<u>\$ 63,824</u>	<u>\$ -</u>	<u>\$ 23,515</u>	<u>\$ 116,651</u>

The current construction in progress had remaining commitments of approximately \$43,477 at June 30, 2014.

During the current year, VGHS made an adjustment to its fixed assets as \$13,740 in equipment which did not meet the \$5,000 capitalization threshold had been included in fixed assets, and \$34,507 in equipment had not been previously included in the fixed asset total. This resulted in a net increase to furniture, fixtures, and equipment of \$20,767. The net change in the effects of depreciation resulted in a decrease in accumulated depreciation of \$2,748 for a net increase in total capital assets, net of depreciation of \$23,515.

F. Long-Term Debt

Compensated Absences – The Charter had not previously included compensated liabilities in its financial statements. However, VGHS has a collective bargaining agreement which provides for the payment of leave to employees and paid out leave to an employee in the current year. While the bargaining unit is not currently active, VGHS will record this liability in the current year until such time as the agreement is no longer effective. This resulted in a prior period adjustment of \$3,550 for the value of the beginning balance not previously recorded. During fiscal year ended June 30, 2014, compensated absences increased \$1,725 over the prior period adjustment. Changes to compensated absences occurring during the year ended June 30, 2014 are as follow:

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. Component Units (Continued)

Vista Grande High School (continued)

	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
Compensated absences	\$ -	\$ 10,075	\$ 4,800	\$ 5,275	\$ 5,275

G. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure as part of the Combined Statements of certain information concerning individual funds including:

1. Deficit fund balances of individual funds at June 30, 2014 are as follow:

Fund #	Fund Description	Amount
24106	IDEA-B Entitlement	\$ 623
27106	2010 GO Bonds Student Library Funds (SB1)	2,021
31200	Public School Capital Outlay	48,151
31700	Capital Improvements SB-9	3,999
	Total	<u>\$ 54,794</u>

2. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2014:

Fund #	Fund Name	Function	Amount
11000	Operational	Support Services - Instruction	\$ 6,345
11000	Operational	Support Services - School Admin	32,067
27145	Technology for Education	Instruction	4,350
31200	Public School Capital Outlay	Capital Outlay	45,814
	Total		<u>\$ 88,576</u>

3. VGHS had no cash appropriations in excess of available balances for the year ended June 30, 2014.

H. Pension Plan – Educational Retirement Act

The school's contributions to ERA for the years ended June 30, 2014, 2013, and 2012 were \$63,015, \$65,028, and \$53,988, respectively, which equal the required contributions for each year.

I. Post-Employment Benefits- State Retiree Health Care Plan

The School's contributions to Retiree Healthcare for the year ended June 30, 2014, 2013, and 2012 were \$9,818, \$11,812, and \$10,761 respectively, which equal the required contributions for each year.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 561,873	\$ 1,027,768	\$ 1,589,641
Accounts receivable			
Taxes	-	-	-
Due from other governments	1,622,471	-	1,622,471
Interfund receivables	-	-	-
Other	-	-	-
Inventory	31,757	-	31,757
	<u>2,216,101</u>	<u>1,027,768</u>	<u>3,243,869</u>
<i>Total assets</i>			
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	133,142	-	133,142
Accrued payroll liabilities	182,441	-	182,441
Interfund payables	1,942,457	-	1,942,457
Unearned revenue	-	-	-
	<u>2,258,040</u>	<u>-</u>	<u>2,258,040</u>
<i>Total liabilities</i>			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>			
FUND BALANCES			
Nonspendable	31,757	-	31,757
Restricted for:			
Grant mandates	-	-	-
Capital projects	-	1,027,768	1,027,768
Debt service	-	-	-
Assigned	-	-	-
Unassigned	(73,696)	-	(73,696)
	<u>(41,939)</u>	<u>1,027,768</u>	<u>985,829</u>
<i>Total fund balances</i>			
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,216,101</u>	<u>\$ 1,027,768</u>	<u>\$ 3,243,869</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	859,598	-	859,598
Federal grants	3,973,917	-	3,973,917
Miscellaneous	12,505	-	12,505
Charges for services	169,619	-	169,619
Investment Income	-	397	397
<i>Total revenues</i>	<u>5,015,639</u>	<u>397</u>	<u>5,016,036</u>
<i>Expenditures:</i>			
Current:			
Instruction	2,583,576	-	2,583,576
Support services			
Students	288,129	-	288,129
Instruction	29,309	-	29,309
General administration	280,907	-	280,907
School administration	76,577	-	76,577
Central services	118,019	-	118,019
Operation & maintenance of plant	3,973	-	3,973
Student transportation	197,419	-	197,419
Other support services	-	-	-
Food services operations	1,716,289	-	1,716,289
Community service	-	-	-
Capital outlay	-	1,122,668	1,122,668
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>5,294,198</u>	<u>1,122,668</u>	<u>6,416,866</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(278,559)</u>	<u>(1,122,271)</u>	<u>(1,400,830)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	2,150,000	2,150,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,150,000</u>	<u>2,150,000</u>
<i>Net changes in fund balances</i>	<u>(278,559)</u>	<u>1,027,729</u>	<u>749,170</u>
<i>Fund balances - beginning of year</i>	236,621	39	236,660
<i>Prior period adjustment</i>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
<i>Adjusted fund balances - beginning of year</i>	<u>236,620</u>	<u>39</u>	<u>236,659</u>
<i>Fund balances - end of year</i>	<u>\$ (41,939)</u>	<u>\$ 1,027,768</u>	<u>\$ 985,829</u>

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

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds include:

Food Services (21000) - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

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

Title I IASA (24101) – The major objectives of the Title I programs are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

IDEA-B Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

IDEA-B Discretionary (24107) – To provide grants to states that flow-through to schools to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA-B Competitive (24108) – To provide funds for research based programs for Autism provided through the New Mexico Public Education Department.

IDEA-B Preschool (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Fresh Fruits and Vegetables (24118) –To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

IDEA-B Risk Pool (24120) – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district.

IDEA-B Results Plan (24132) – Funding for support activities included the Education Plan for Student Success for Ranchos Elementary School and Enos Elementary School.

Enhancing Education Thru Tech (E2T2-F) (24133) – To account for a federal grant designed to strengthen teacher learning in the field of technology.

ELL Title III Incentive Awards (24143) – 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 American Pacific Islander, Native Hawaiian, and Alaskan natives children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skill of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101-3129.

Title V-Part A Innovative Ed Pro Strategies (24150) – To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title V, as amended, 20 U.S.C. 7301-7373

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. The authority for creation of this fund is the Elementary and Secondary Education Act, Title IV, Part A Subpart 1, as amended. 20 U.S.C. 7111-7118.

21st Century Community Living Centers (24159) – After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral serves, drug prevention education, academic help, and character building (social skills) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

Rural & Low-Income Schools (24160) – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

Title I School Improvement (24162) – To account for funds used to provide financial assistance to districts to purchase and install educational materials and systems to help improve the quality of teaching and learning in their schools. (Authority: PL 100-297)

Immigrant Funding-Title III (24163) – To ensure that limited English proficient children and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop 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 Special Projects-JAG (24171) – Basic grant to assist states and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special needs 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.

Carl D Perkins Secondary Current (24174) – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105-332).

Carl Perkins Secondary – Redistribution (24176) – Redistribution for the program as described above in (24174). (Authority: P.L. 105-332).

Title I-IASA Federal Stimulus (24201) – To account for the American Recovery and Reinvestment Act of 2009 (ARRA) funding for Title I Part A to meet the educational needs of the District. Authority for creation of this fund Title I of the Elementary and Secondary Education Act and the General Education Provisions Act (P.L. 103-382) , Title I regulations in 34 CFR Part 200, EDGAR in 34 Parts 76 (except for 76.650 – 76.662), 77,80,81,82 and 85.

IDEA-B Entitlement Federal Stimulus (24206) – To account for a program funded by the American Recovery and Reinvestment Act to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100, 639, and 101-476, 20 U.S.C. 1411-1420.

Impact Aid Special Education (25145) – To account for a program funded by a Federal grant to provide financial assistance to local educational 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 8002, ESEA), where there are a significant number of children who reside on Federal (including Native American) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended.

Impact Aid Indian Education (25147) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a reduced or increased operating costs (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

GRADS Child Care CYFD (25149) – To account for a Public Education Department grant through Children, Youth, and Families Department to provide for the maintenance and expansion of the teen parent programs. Authorized by the School Board and the New Mexico Public Education Department.

Title XIX Medicaid 3/21 Years (25153) – To provide school-based screening, diagnostic services and other related health services and administrative activities in accordance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33)

TANF/GRADS HSD (25162) – To assist 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. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

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

Education Jobs Fund – Federal Stimulus (25255) – Funding to promote jobs and education for all students.

ENLACE-UNM (26103) – 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 (26113) – To account for monies received from Los Alamos National Labs Foundation responding to the urgent needs in Northern New Mexico by assisting with small requests for community, cultural or educational projects. Authorization is the creation of the fund by PED and Authorization by the Foundation.

Intel Foundation (26116) – To assist schools in education by reducing the student to teacher ratio.

Northern NM Network – Teacher Incentive Fund (26182) – To account for a grant to purchase software for the STAR early literacy program.

Dual Credit Instructional Materials (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

2010 GO Bonds – Student Library Fund (SB1) (27106) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

New Mexico Reads to Lead K-3 Reading Initiative (27114) – The purpose of this grant is to provide funding for reading initiative activities for grades K-3. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

TANF PED (27115) – Funding for the TANF Program through the Public Education Department to promote job preparation and work.

Technology for Education PED (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Obesity Program – PED (27120) – To provide for physical activities before and after school.

Teachers/School Leaders Stipends At-Risk (27122) – To provide stipends for teachers moving from schools with ratings of A and B to schools with ratings of D and F.

TANF Full Day Kindergarten (27136) – The purpose of this grant is to assist the District to develop and implement a full day kindergarten program.

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

Summer Bridge (27144) – To account for revenues and expenditures from a state grant to provide funding for summer programs.

PreK Initiative (27149) – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978.

Indian Education Act (27150) – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs.

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

Breakfast for Elementary Students (27155) - The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

Kindergarten – Three Plus (27166) - In 2007, Representative Mimi Stewart sponsored House Bill 198 to establish a fund to allow New Mexico public schools and districts to develop a six year pilot project that extends to the school year for kindergarten through third grade by up to two months for participating students to measure the effect of additional time on literacy, numeric and social skills development.

2013 School Bus (27178) – To account for funds provided by New Mexico Public Education Department to purchase school buses.

Next Generation Assessments (27185) – To account for funds provided by the New Mexico Public Education Department to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Career assessment requirements.

School Library Material Fund FY 08 (27549) – Funds awarded to the District by the Instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books. Authorized by the School Board and the New Mexico Public Education Department.

ASSIST Tobacco DOH (28122) - To account for monies received from the State of New Mexico to be used for the implementation of prevention and intervention programs for student use of tobacco, including professional development for teachers.

Healthier Schools (28155) – To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health.

Office of Cultural Affairs (28177) – To fund activities for the New Mexico Arts Program.

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

GRADS – Child Care (28189) – Partially fund the salary and benefits for a teacher participating in the GRADS program. Authority for the creation of this fund is the New Mexico Public Education Department.

GRADS – Instruction (28190) – To provide grants to States, Territories, or Tribes to assist 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. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

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

School Based Health Center (29130) – To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.

ANANSI CHARTER SCHOOL

Operational Fund (11000) – To account for the primary revenues and expenditures of the Charter School, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

Instructional Materials Fund (14000)- To account for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

IDEA-B Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

SEG Federal Stimulus (25250) – 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.

JF Maddox Foundation (26109) – To account for funds provided to the Charter School by a private foundation.

2010 GO Bonds Student Library Fund (SB1) (27106) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

NM Reads to Lead K-3 Reading Initiative (27114) – – The purpose of this grant is to provide funding for reading initiative activities for grades K-3. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

2010 GO Bonds Instructional Materials (27171) – Accounts for funds provided for the purchase of books and instructional materials to The Family School. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

TAOS CHARTER SCHOOL

Operational Fund (11000) – To account for the primary revenues and expenditures of the Charter School, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

Instructional Materials Fund (14000)- To account for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

IDEA-B Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

SEG Federal Stimulus (25250) – 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.

Daniels Fund (26141) – Special funding to promote school education and programs.

2010 GO Bonds Student Library Fund (SB1) (27106) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

NM Reads to Lead K-3 Reading Initiative (27114) – – The purpose of this grant is to provide funding for reading initiative activities for grades K-3. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

2010 GO Bonds Instructional Materials (27171) – Accounts for funds provided for the purchase of books and instructional materials to The Family School. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

VISTA GRANDE HIGH SCHOOL

Operational Fund (11000) – To account for the primary revenues and expenditures of the Charter School, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

Instructional Materials Fund (14000)- To account for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

IDEA-B Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

2010 GO Bonds Student Library Fund (SB1) (27106) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

Technology for Education (27145) – State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge Grant. The creation of the fund is authorized by NMSA 1978 22-5A-1 to 22-15A-10.

School Library Material Fund FY08 (27549) – Funds awarded to the District by the instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books. Authorized by the School Board and the New Mexico Public Education Department.

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

Activity Funds (29999) – To account for student activity funds which were separated out in previous audits.

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 JUNE 30, 2014

	Food Services 21000	Athletics 22000	Title I - IASA 24101	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 5,371	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	553,614	256,653	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	31,757	-	-	-	-
<i>Total assets</i>	<u>31,757</u>	<u>5,371</u>	<u>553,614</u>	<u>256,653</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	11,528	540	3,010	118,057	-
Accrued payroll liabilities	62,367	371	42,878	25,335	-
Interfund payables	268,636	-	577,608	231,078	9,338
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>342,531</u>	<u>911</u>	<u>623,496</u>	<u>374,470</u>	<u>9,338</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	31,757	-	-	-	-
Restricted for:					
Grant mandates	-	4,460	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(342,531)	-	(69,882)	(117,817)	(9,338)
<i>Total fund balances</i>	<u>(310,774)</u>	<u>4,460</u>	<u>(69,882)</u>	<u>(117,817)</u>	<u>(9,338)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 31,757</u>	<u>\$ 5,371</u>	<u>\$ 553,614</u>	<u>\$ 256,653</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
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 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	IDEA-B Competitive 24108	IDEA-B Preschool 24109	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	7,050	15,836	-	222	156,329
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>7,050</u>	<u>15,836</u>	<u>-</u>	<u>222</u>	<u>156,329</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	303	215	-	2,592
Interfund payables	6,052	15,533	30,566	222	153,737
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>6,052</u>	<u>15,836</u>	<u>30,781</u>	<u>222</u>	<u>156,329</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	998	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(30,781)	-	-
<i>Total fund balances</i>	<u>998</u>	<u>-</u>	<u>(30,781)</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 7,050</u>	<u>\$ 15,836</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 156,329</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Enhancing Ed Thru Tech - (E2T2-F) 24133	ELL Title III Incentive Awards 24143	Title V-Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 2,409	\$ -	\$ 22	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	3,941	120,047
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>2,409</u>	<u>-</u>	<u>22</u>	<u>3,941</u>	<u>120,047</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	4,261
Interfund payables	-	2,467	-	22,539	124,517
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>2,467</u>	<u>-</u>	<u>22,539</u>	<u>128,778</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	2,409	-	22	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(2,467)	-	(18,598)	(8,731)
<i>Total fund balances</i>	<u>2,409</u>	<u>(2,467)</u>	<u>22</u>	<u>(18,598)</u>	<u>(8,731)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,409</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 3,941</u>	<u>\$ 120,047</u>

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

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	Safe & Drug Free Schools & Community 24157	21st Century Community Living Centers 24159	Rural & Low-Income Schools 24160	Title I School Improvement 24162	Immigrant Funding - Title III 24163
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 8,123	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	27,634	21,734	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>8,123</u>	<u>27,634</u>	<u>21,734</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	1,594	-	26,011	21,734	19,711
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>1,594</u>	<u>-</u>	<u>26,011</u>	<u>21,734</u>	<u>19,711</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	8,123	1,623	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,594)	-	-	-	(19,711)
<i>Total fund balances</i>	<u>(1,594)</u>	<u>8,123</u>	<u>1,623</u>	<u>-</u>	<u>(19,711)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 8,123</u>	<u>\$ 27,634</u>	<u>\$ 21,734</u>	<u>\$ -</u>

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

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	Carl D Perkins Special Projects - JAG 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176	Title I- IASA Federal Stimulus 24201	IDEA-B - Entitlement Federal Stimulus 24206
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 22,058	\$ -	\$ -	\$ -	\$ 394
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	31,556	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>22,058</u>	<u>31,556</u>	<u>-</u>	<u>-</u>	<u>394</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	31,339	-	12,721	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>31,339</u>	<u>-</u>	<u>12,721</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	22,058	217	-	-	394
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(12,721)	-
<i>Total fund balances</i>	<u>22,058</u>	<u>217</u>	<u>-</u>	<u>(12,721)</u>	<u>394</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 22,058</u>	<u>\$ 31,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</u>

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

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 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
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	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	GRADS Child Care CYFD 25149	Title XIX Medicaid 3/21 Years 25153	TANF/GRADS HSD 25162
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 65,287	\$ 12,507	\$ 6,556	\$ 176,862	\$ 13,757
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	40,942	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>65,287</u>	<u>12,507</u>	<u>6,556</u>	<u>217,804</u>	<u>13,757</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	2,390	800	-	10,077	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>2,390</u>	<u>800</u>	<u>-</u>	<u>10,077</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	62,897	11,707	6,556	207,727	13,757
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>62,897</u>	<u>11,707</u>	<u>6,556</u>	<u>207,727</u>	<u>13,757</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 65,287</u>	<u>\$ 12,507</u>	<u>\$ 6,556</u>	<u>\$ 217,804</u>	<u>\$ 13,757</u>

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

STATE OF NEW MEXICO
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	Indian Ed Formula Grant 25184	Education Jobs Fund - Federal Stimulus 25255	ENLACE-UNM 26103	LANL Foundation 26113	Intel Foundation 26116
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 1,500	\$ 34	\$ 1,595	\$ 3,000
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	24,351	-	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>24,351</u>	<u>1,500</u>	<u>34</u>	<u>1,595</u>	<u>3,000</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	1,352	-	-	-	-
Interfund payables	21,068	-	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>22,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	1,931	1,500	34	1,595	3,000
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>1,931</u>	<u>1,500</u>	<u>34</u>	<u>1,595</u>	<u>3,000</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 24,351</u>	<u>\$ 1,500</u>	<u>\$ 34</u>	<u>\$ 1,595</u>	<u>\$ 3,000</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
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 NONMAJOR SPECIAL REVENUE FUNDS
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	Northern NM Network - Teacher Incentive Fund 26182	Dual Credit Instructional Materials 27103	2010 GO Bonds Student Library Fund (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 44,090	\$ 404	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	1,465	1,357	15,264
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>44,090</u>	<u>404</u>	<u>1,465</u>	<u>1,357</u>	<u>15,264</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	2,117
Interfund payables	-	-	1,465	2,671	13,147
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>1,465</u>	<u>2,671</u>	<u>15,264</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	44,090	404	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(1,314)	-
<i>Total fund balances</i>	<u>44,090</u>	<u>404</u>	<u>-</u>	<u>(1,314)</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 44,090</u>	<u>\$ 404</u>	<u>\$ 1,465</u>	<u>\$ 1,357</u>	<u>\$ 15,264</u>

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

STATE OF NEW MEXICO
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	TANF PED 27115	Technology for Education PED 27117	Obesity Program - PED 27120	Teachers/School Leaders Stipends At-Risk 27122	TANF Full Day Kindergarten 27136
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 1	\$ 26,319	\$ 135	\$ -	\$ 207
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	4,998	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>1</u>	<u>26,319</u>	<u>135</u>	<u>4,998</u>	<u>207</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	2,367	-
Interfund payables	-	-	-	2,631	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,998</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	1	26,319	135	-	207
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>1</u>	<u>26,319</u>	<u>135</u>	<u>-</u>	<u>207</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1</u>	<u>\$ 26,319</u>	<u>\$ 135</u>	<u>\$ 4,998</u>	<u>\$ 207</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Incentives for School Improvement Act - PED 27138	Summer Bridge 27144	Pre-K Initiative 27149	Indian Education Act 27150	Beginning Teacher Mentoring Program 27154
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 44,234	\$ 107	\$ -	\$ -	\$ 9,934
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	36,970	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>44,234</u>	<u>107</u>	<u>36,970</u>	<u>-</u>	<u>9,934</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	5,402	-	-
Interfund payables	-	-	31,568	4,613	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>36,970</u>	<u>4,613</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	44,234	107	-	-	9,934
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(4,613)	-
<i>Total fund balances</i>	<u>44,234</u>	<u>107</u>	<u>-</u>	<u>(4,613)</u>	<u>9,934</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 44,234</u>	<u>\$ 107</u>	<u>\$ 36,970</u>	<u>\$ -</u>	<u>\$ 9,934</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	2013 School Bus 27178	Next Generation Assessments 27185	School Library Material Fund FY08 27549
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ 972
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	3,973	129,672	143,817	25,046	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>3,973</u>	<u>129,672</u>	<u>143,817</u>	<u>25,046</u>	<u>972</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	7	-	-	-
Accrued payroll liabilities	-	19,512	-	-	-
Interfund payables	13,870	56,900	143,817	25,046	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>13,870</u>	<u>76,419</u>	<u>143,817</u>	<u>25,046</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	53,253	-	-	972
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(9,897)	-	-	-	-
<i>Total fund balances</i>	<u>(9,897)</u>	<u>53,253</u>	<u>-</u>	<u>-</u>	<u>972</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,973</u>	<u>\$ 129,672</u>	<u>\$ 143,817</u>	<u>\$ 25,046</u>	<u>\$ 972</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	ASSIST Tobacco DOH 28122	Healthier Schools 28155	Office of Cultural Affairs 28177	GEAR-UP CHE 28178	GRADS - Child Care 28189
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 11,831	\$ 57,116	\$ -	\$ -	\$ 35,619
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>11,831</u>	<u>57,116</u>	<u>-</u>	<u>-</u>	<u>35,619</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	102
Interfund payables	-	-	-	44,141	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,141</u>	<u>102</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	11,831	57,116	-	-	35,517
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(44,141)	-
<i>Total fund balances</i>	<u>11,831</u>	<u>57,116</u>	<u>-</u>	<u>(44,141)</u>	<u>35,517</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,831</u>	<u>\$ 57,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,619</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	GRADS - Instruction 28190	Private Direct Grants 29102	School Based Health Center 29130	Total
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 6,327	\$ 5,102	\$ -	\$ 561,873
Accounts receivable	-	-	-	-
Taxes	-	-	-	-
Due from other governments	-	-	-	1,622,471
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	31,757
<i>Total assets</i>	<u>6,327</u>	<u>5,102</u>	<u>-</u>	<u>2,216,101</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	133,142
Accrued payroll liabilities	-	-	-	182,441
Interfund payables	-	-	26,117	1,942,457
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>26,117</u>	<u>2,258,040</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	31,757
Restricted for:				
Grant mandates	6,327	5,102	-	646,557
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(26,117)	(720,253)
<i>Total fund balances</i>	<u>6,327</u>	<u>5,102</u>	<u>(26,117)</u>	<u>(41,939)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,327</u>	<u>\$ 5,102</u>	<u>\$ -</u>	<u>\$ 2,216,101</u>

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

STATE OF NEW MEXICO

Statement B-2

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Food Services 21000	Athletics 22000	Title I - IASA 24101	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	115,745	-	-	-	-
Federal grants	1,176,118	-	1,165,947	707,596	5,000
Miscellaneous	-	-	-	-	-
Charges for services	96,583	73,036	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>1,388,446</u>	<u>73,036</u>	<u>1,165,947</u>	<u>707,596</u>	<u>5,000</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	103,791	887,700	456,684	-
Support services					
Students	-	-	84,740	112,849	-
Instruction	-	-	127	-	-
General administration	-	-	192,052	63,793	-
School administration	-	-	267	47,337	-
Central services	-	-	737	117,282	-
Operation & maintenance of plant	-	-	505	-	-
Student transportation	-	-	-	27,708	-
Other support services	-	-	-	-	-
Food services operations	1,614,570	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,614,570</u>	<u>103,791</u>	<u>1,166,128</u>	<u>825,653</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(226,124)</u>	<u>(30,755)</u>	<u>(181)</u>	<u>(118,057)</u>	<u>5,000</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(226,124)</u>	<u>(30,755)</u>	<u>(181)</u>	<u>(118,057)</u>	<u>5,000</u>
<i>Fund balances - beginning of year</i>	(84,650)	35,215	(69,701)	240	(14,338)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(84,650)</u>	<u>35,215</u>	<u>(69,701)</u>	<u>240</u>	<u>(14,338)</u>
<i>Fund balances - end of year</i>	<u>\$ (310,774)</u>	<u>\$ 4,460</u>	<u>\$ (69,882)</u>	<u>\$ (117,817)</u>	<u>\$ (9,338)</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	IDEA-B Competitive 24108	IDEA-B Preschool 24109	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	9,097	23,174	45,108	6,552	206,227
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>9,097</u>	<u>23,174</u>	<u>45,108</u>	<u>6,552</u>	<u>206,227</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	5,468	13,472	-	-	195,934
Support services					
Students	2,321	8,916	-	6,330	348
Instruction	-	-	-	-	-
General administration	310	786	-	222	6,993
School administration	-	-	-	-	2,952
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	46,829	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>8,099</u>	<u>23,174</u>	<u>46,829</u>	<u>6,552</u>	<u>206,227</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>998</u>	<u>-</u>	<u>(1,721)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>998</u>	<u>-</u>	<u>(1,721)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	(29,060)	-	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(29,060)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 998</u>	<u>\$ -</u>	<u>\$ (30,781)</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Enhancing Ed Thru Tech - (E2T2-F) 24133	ELL Title III Incentive Awards 24143	Title V-Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	-	-	13,748	177,708
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,748</u>	<u>177,708</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	-	13,374	167,369
Support services					
Students	-	-	-	-	2,577
Instruction	-	-	-	-	-
General administration	-	-	-	375	7,124
School administration	-	-	-	-	524
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,749</u>	<u>177,594</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>114</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>114</u>
<i>Fund balances - beginning of year</i>	2,409	(2,467)	22	(18,597)	(8,845)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>2,409</u>	<u>(2,467)</u>	<u>22</u>	<u>(18,597)</u>	<u>(8,845)</u>
<i>Fund balances - end of year</i>	<u>\$ 2,409</u>	<u>\$ (2,467)</u>	<u>\$ 22</u>	<u>\$ (18,598)</u>	<u>\$ (8,731)</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Safe & Drug Free Schools & Community 24157	21st Century Community Living Centers 24159	Rural & Low-Income Schools 24160	Title I School Improvement 24162	Immigrant Funding - Title III 24163
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	-	54,667	27,712	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>54,667</u>	<u>27,712</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	53,325	26,053	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	1,342	946	-
School administration	-	-	-	713	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>54,667</u>	<u>27,712</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(1,594)	8,123	1,623	-	(19,711)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(1,594)</u>	<u>8,123</u>	<u>1,623</u>	<u>-</u>	<u>(19,711)</u>
<i>Fund balances - end of year</i>	<u>\$ (1,594)</u>	<u>\$ 8,123</u>	<u>\$ 1,623</u>	<u>\$ -</u>	<u>\$ (19,711)</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Carl D Perkins Special Projects - JAG 24171	Carl D. Perkins Secondary Current 24174	Carl D. Perkins Secondary Redistribution 24176	Title I- IASA Federal Stimulus 24201	IDEA-B - Entitlement Federal Stimulus 24206
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	31,556	6,580	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>31,556</u>	<u>6,580</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	31,556	6,580	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>31,556</u>	<u>6,580</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	22,058	218	-	(12,721)	394
<i>Prior period adjustment</i>	-	(1)	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>22,058</u>	<u>217</u>	<u>-</u>	<u>(12,721)</u>	<u>394</u>
<i>Fund balances - end of year</i>	<u>\$ 22,058</u>	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ (12,721)</u>	<u>\$ 394</u>

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

STATE OF NEW MEXICO

Statement B-2

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	GRADS Child Care CYFD 25149	Title XIX Medicaid 3/21 Years 25153	TANF/GRADS HSD 25162
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	19,800	4,440	-	244,423	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>19,800</u>	<u>4,440</u>	<u>-</u>	<u>244,423</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	20,048	7,535	-	124,278	-
Support services					
Students	22,866	10,308	-	-	-
Instruction	-	-	-	-	-
General administration	1,506	626	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>44,420</u>	<u>18,469</u>	<u>-</u>	<u>124,278</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(24,620)</u>	<u>(14,029)</u>	<u>-</u>	<u>120,145</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(24,620)</u>	<u>(14,029)</u>	<u>-</u>	<u>120,145</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	87,517	25,736	6,556	87,582	13,757
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>87,517</u>	<u>25,736</u>	<u>6,556</u>	<u>87,582</u>	<u>13,757</u>
<i>Fund balances - end of year</i>	<u>\$ 62,897</u>	<u>\$ 11,707</u>	<u>\$ 6,556</u>	<u>\$ 207,727</u>	<u>\$ 13,757</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Indian Ed Formula Grant 25184	Education Jobs Fund - Federal Stimulus 25255	ENLACE-UNM 26103	LANL Foundation 26113	Intel Foundation 26116
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	48,464	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>48,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	24,016	-	-	-	-
Support services					
Students	14,350	-	-	-	-
Instruction	-	-	-	-	-
General administration	1,347	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>39,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>8,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>8,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(6,820)	1,500	34	1,595	3,000
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(6,820)</u>	<u>1,500</u>	<u>34</u>	<u>1,595</u>	<u>3,000</u>
<i>Fund balances - end of year</i>	<u>\$ 1,931</u>	<u>\$ 1,500</u>	<u>\$ 34</u>	<u>\$ 1,595</u>	<u>\$ 3,000</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Northern NM Network - Teacher Incentive Fund 26182	Dual Credit Instructional Materials 27103	2010 GO Bonds Student Library Fund (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	32,210	1,465	1,357	70,912
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>32,210</u>	<u>1,465</u>	<u>1,357</u>	<u>70,912</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	32,210	-	-	68,507
Support services					
Students	-	-	-	-	-
Instruction	-	-	1,465	2,671	-
General administration	-	-	-	-	2,405
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>32,210</u>	<u>1,465</u>	<u>2,671</u>	<u>70,912</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,314)</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,314)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	44,090	404	-	-	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>44,090</u>	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 44,090</u>	<u>\$ 404</u>	<u>\$ -</u>	<u>\$ (1,314)</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	TANF PED 27115	Technology for Education PED 27117	Obesity Program - PED 27120	Teachers/School Leaders Stipends At-Risk 27122	TANF Full Day Kindergarten 27136
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	4,998	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	-	-	-	4,998	-
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	-	4,998	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	-	-	-	4,998	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-	-
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-	-
<i>Net changes in fund balances</i>	-	-	-	-	-
<i>Fund balances - beginning of year</i>	1	26,319	135	-	207
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	1	26,319	135	-	207
<i>Fund balances - end of year</i>	\$ 1	\$ 26,319	\$ 135	\$ -	\$ 207

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Incentives for School Improvement Act - PED 27138	Summer Bridge 27144	Pre-K Initiative 27149	Indian Education Act 27150	Beginning Teacher Mentoring Program 27154
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	72,575	12,194	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	-	-	72,575	12,194	-
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	71,495	16,807	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	1,080	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	-	-	72,575	16,807	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	(4,613)	-
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-	-
<i>Net changes in fund balances</i>	-	-	-	(4,613)	-
<i>Fund balances - beginning of year</i>	44,234	107	-	-	9,934
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	44,234	107	-	-	9,934
<i>Fund balances - end of year</i>	\$ 44,234	\$ 107	\$ -	\$ (4,613)	\$ 9,934

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement B-2

	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	2013 School Bus 27178	Next Generation Assessments 27185	School Library Material Fund FY08 27549
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	54,890	286,584	143,817	25,046	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>54,890</u>	<u>286,584</u>	<u>143,817</u>	<u>25,046</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	226,270	-	-	-
Support services					
Students	-	6,300	-	-	-
Instruction	-	-	-	25,046	-
General administration	-	-	-	-	-
School administration	-	24,784	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	3,468	-	-	-
Student transportation	-	25,894	143,817	-	-
Other support services	-	-	-	-	-
Food services operations	54,890	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>54,890</u>	<u>286,716</u>	<u>143,817</u>	<u>25,046</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(132)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(132)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(9,897)	53,385	-	-	972
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(9,897)</u>	<u>53,385</u>	<u>-</u>	<u>-</u>	<u>972</u>
<i>Fund balances - end of year</i>	<u>\$ (9,897)</u>	<u>\$ 53,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	ASSIST Tobacco DOH 28122	Healthier Schools 28155	Office of Cultural Affairs 28177	GEAR-UP CHE 28178	GRADS - Child Care 28189
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	4,993	-	32,812
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>-</u>	<u>32,812</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	-	-	11,541
Support services					
Students	-	-	-	-	6,151
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,692</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>-</u>	<u>15,120</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>-</u>	<u>15,120</u>
<i>Fund balances - beginning of year</i>	11,831	57,116	(4,993)	(44,141)	20,397
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>11,831</u>	<u>57,116</u>	<u>(4,993)</u>	<u>(44,141)</u>	<u>20,397</u>
<i>Fund balances - end of year</i>	<u>\$ 11,831</u>	<u>\$ 57,116</u>	<u>\$ -</u>	<u>\$ (44,141)</u>	<u>\$ 35,517</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	GRADS - Instruction 28190	Private Direct Grants 29102	School Based Health Center 29130	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	859,598
Federal grants	-	-	-	3,973,917
Miscellaneous	-	12,505	-	12,505
Charges for services	-	-	-	169,619
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,505</u>	<u>-</u>	<u>5,015,639</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,137	10,428	-	2,583,576
Support services				
Students	10,073	-	-	288,129
Instruction	-	-	-	29,309
General administration	-	-	-	280,907
School administration	-	-	-	76,577
Central services	-	-	-	118,019
Operation & maintenance of plant	-	-	-	3,973
Student transportation	-	-	-	197,419
Other support services	-	-	-	-
Food services operations	-	-	-	1,716,289
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,210</u>	<u>10,428</u>	<u>-</u>	<u>5,294,198</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,210)</u>	<u>2,077</u>	<u>-</u>	<u>(278,559)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(14,210)</u>	<u>2,077</u>	<u>-</u>	<u>(278,559)</u>
<i>Fund balances - beginning of year</i>	20,537	3,025	(26,117)	236,621
<i>Prior period adjustment</i>	-	-	-	(1)
<i>Adjusted fund balances - beginning of year</i>	<u>20,537</u>	<u>3,025</u>	<u>(26,117)</u>	<u>236,620</u>
<i>Fund balances - end of year</i>	<u>\$ 6,327</u>	<u>\$ 5,102</u>	<u>\$ (26,117)</u>	<u>\$ (41,939)</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOOD SERVICES SPECIAL REVENUE FUND (21000)
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	150,000	150,000	115,745	(34,255)
Federal grants	1,176,544	1,176,544	1,202,820	26,276
Miscellaneous	-	-	-	-
Charges for services	195,711	195,711	96,583	(99,128)
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,522,255</u>	<u>1,522,255</u>	<u>1,415,148</u>	<u>(107,107)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	1,522,255	1,522,255	1,459,887	62,368
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,522,255</u>	<u>1,522,255</u>	<u>1,459,887</u>	<u>62,368</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,739)</u>	<u>(44,739)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(44,739)</u>	<u>(44,739)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(223,897)</u>	<u>(223,897)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(223,897)</u>	<u>(223,897)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (268,636)</u>	<u>\$ (268,636)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (44,739)	
Adjustments to revenues			(26,702)	
Adjustments to expenditures			(154,683)	
Net change in fund balance (GAAP basis)			<u>\$ (226,124)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ATHLETICS SPECIAL REVENUE FUND (22000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	65,000	73,035	73,036	1
Interest	-	-	-	-
<i>Total revenues</i>	<u>65,000</u>	<u>73,035</u>	<u>73,036</u>	<u>1</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	105,890	108,250	102,880	5,370
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>105,890</u>	<u>108,250</u>	<u>102,880</u>	<u>5,370</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(40,890)</u>	<u>(35,215)</u>	<u>(29,844)</u>	<u>5,371</u>
<i>Other financing sources (uses):</i>				
Designated cash	40,890	35,215	-	(35,215)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>40,890</u>	<u>35,215</u>	<u>-</u>	<u>(35,215)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(29,844)</u>	<u>(29,844)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	35,215	35,215
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,215</u>	<u>35,215</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,371</u>	<u>\$ 5,371</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (29,844)	
Adjustments to revenues			-	
Adjustments to expenditures			(911)	
Net change in fund balance (GAAP basis)			<u>\$ (30,755)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I - IASA SPECIAL REVENUE FUND (24101)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-5

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	934,603	1,384,868	900,794	(484,074)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>934,603</u>	<u>1,384,868</u>	<u>900,794</u>	<u>(484,074)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	656,554	1,086,190	841,812	244,378
Support services				
Students	80,851	86,614	84,740	1,874
Instruction	-	83	127	(44)
General administration	196,498	200,739	192,052	8,687
School administration	200	10,200	267	9,933
Central services	-	-	737	(737)
Operation & maintenance of plant	500	1,042	505	537
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>934,603</u>	<u>1,384,868</u>	<u>1,120,240</u>	<u>264,628</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(219,446)</u>	<u>(219,446)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(219,446)</u>	<u>(219,446)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(358,162)</u>	<u>(358,162)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(358,162)</u>	<u>(358,162)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (577,608)</u>	<u>\$ (577,608)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (219,446)	
Adjustments to revenues			265,153	
Adjustments to expenditures			(45,888)	
Net change in fund balance (GAAP basis)			<u>\$ (181)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	694,640	933,147	800,561	(132,586)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>694,640</u>	<u>933,147</u>	<u>800,561</u>	<u>(132,586)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	369,679	536,566	431,349	105,217
Support services				
Students	147,223	119,029	112,074	6,955
Instruction	-	-	-	-
General administration	33,651	78,739	63,793	14,946
School administration	9,378	49,178	47,337	1,841
Central services	118,575	118,575	38,766	79,809
Operation & maintenance of plant	-	-	-	-
Student transportation	16,134	31,060	27,708	3,352
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>694,640</u>	<u>933,147</u>	<u>721,027</u>	<u>212,120</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>79,534</u>	<u>79,534</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>79,534</u>	<u>79,534</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(310,612)</u>	<u>(310,612)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(310,612)</u>	<u>(310,612)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (231,078)</u>	<u>\$ (231,078)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 79,534	
Adjustments to revenues			(92,965)	
Adjustments to expenditures			(104,626)	
Net change in fund balance (GAAP basis)			<u>\$ (118,057)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B DISCRETIONARY SPECIAL REVENUE FUND (24107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-7

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	5,000	5,000
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(14,338)	(14,338)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,338)</u>	<u>(14,338)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,338)</u>	<u>\$ (9,338)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 5,000	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 5,000</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B COMPETITIVE SPECIAL REVENUE FUND (24108)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-8

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,536	2,047	(7,489)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,536</u>	<u>2,047</u>	<u>(7,489)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	6,246	5,468	778
Support services				
Students	-	2,980	2,321	659
Instruction	-	-	-	-
General administration	-	310	310	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,536</u>	<u>8,099</u>	<u>1,437</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,052)</u>	<u>(6,052)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,052)</u>	<u>(6,052)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,052)</u>	<u>\$ (6,052)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (6,052)	
Adjustments to revenues			7,050	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 998</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	20,148	31,297	19,682	(11,615)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>20,148</u>	<u>31,297</u>	<u>19,682</u>	<u>(11,615)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,291	26,562	13,472	13,090
Support services				
Students	-	3,500	8,613	(5,113)
Instruction	-	-	-	-
General administration	857	1,235	786	449
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,148</u>	<u>31,297</u>	<u>22,871</u>	<u>8,426</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,189)</u>	<u>(3,189)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,189)</u>	<u>(3,189)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,344)</u>	<u>(12,344)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,344)</u>	<u>(12,344)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,533)</u>	<u>\$ (15,533)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (3,189)	
Adjustments to revenues			3,492	
Adjustments to expenditures			(303)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (24118)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-10

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	51,950	45,108	(6,842)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>51,950</u>	<u>45,108</u>	<u>(6,842)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	51,950	46,614	5,336
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>51,950</u>	<u>46,614</u>	<u>5,336</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,506)</u>	<u>(1,506)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,506)</u>	<u>(1,506)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(29,060)	(29,060)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(29,060)</u>	<u>(29,060)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,566)</u>	<u>\$ (30,566)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (1,506)	
Adjustments to revenues			-	
Adjustments to expenditures			(215)	
Net change in fund balance (GAAP basis)			<u>\$ (1,721)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA B "RISK POOL" SPECIAL REVENUE FUND (24120)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	6,558	10,430	3,872
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,558</u>	<u>10,430</u>	<u>3,872</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	6,330	6,330	-
Instruction	-	-	-	-
General administration	-	228	222	6
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,558</u>	<u>6,552</u>	<u>6</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,878</u>	<u>3,878</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,878</u>	<u>3,878</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(4,100)	(4,100)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,100)</u>	<u>(4,100)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222)</u>	<u>\$ (222)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 3,878	
Adjustments to revenues			(3,878)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B RESULTS PLAN SPECIAL REVENUE FUND (24132)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-12

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	18,565	245,731	154,167	(91,564)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,565</u>	<u>245,731</u>	<u>154,167</u>	<u>(91,564)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,807	231,431	193,342	38,089
Support services				
Students	-	3,000	348	2,652
Instruction	-	-	-	-
General administration	758	8,537	6,993	1,544
School administration	-	2,763	2,952	(189)
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,565</u>	<u>245,731</u>	<u>203,635</u>	<u>42,096</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(49,468)</u>	<u>(49,468)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(49,468)</u>	<u>(49,468)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(104,269)</u>	<u>(104,269)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(104,269)</u>	<u>(104,269)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153,737)</u>	<u>\$ (153,737)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (49,468)	
Adjustments to revenues			52,060	
Adjustments to expenditures			(2,592)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-13

TAOS MUNICIPAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

ENHANCING EDUCATION THRU TECH - (E2TS-F) SPECIAL REVENUE FUND (24133)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	2,409	2,409
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,409</u>	<u>2,409</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ 2,409</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ELL TITLE III INCENTIVE AWARDS SPECIAL REVENUE FUND (24143)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(2,467)	(2,467)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,467)</u>	<u>(2,467)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,467)</u>	<u>\$ (2,467)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE V-PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND (24150)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-15

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	22	22
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 22</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	16,372	25,691	23,611	(2,080)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>16,372</u>	<u>25,691</u>	<u>23,611</u>	<u>(2,080)</u>
<i>Expenditures:</i>				
Current:				
Instruction	15,696	24,975	13,374	11,601
Support services				
Students	349	87	-	87
Instruction	-	-	-	-
General administration	327	629	375	254
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,372</u>	<u>25,691</u>	<u>13,749</u>	<u>11,942</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,862</u>	<u>9,862</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,862</u>	<u>9,862</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,401)</u>	<u>(32,401)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,401)</u>	<u>(32,401)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,539)</u>	<u>\$ (22,539)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 9,862	
Adjustments to revenues			(9,863)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TEACHER/PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND (24154)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	187,143	353,294	316,213	(37,081)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>187,143</u>	<u>353,294</u>	<u>316,213</u>	<u>(37,081)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	166,189	325,508	163,222	162,286
Support services				
Students	-	132	2,577	(2,445)
Instruction	-	-	-	-
General administration	15,954	22,654	7,124	15,530
School administration	5,000	5,000	524	4,476
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>187,143</u>	<u>353,294</u>	<u>173,447</u>	<u>179,847</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>142,766</u>	<u>142,766</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>142,766</u>	<u>142,766</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(267,283)</u>	<u>(267,283)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(267,283)</u>	<u>(267,283)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (124,517)</u>	<u>\$ (124,517)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 142,766	
Adjustments to revenues			(138,505)	
Adjustments to expenditures			(4,147)	
Net change in fund balance (GAAP basis)			<u>\$ 114</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND (24157)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(1,594)	(1,594)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,594)</u>	<u>(1,594)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,594)</u>	<u>\$ (1,594)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 21ST CENTURY COMMUNITY LIVING CENTERS SPECIAL REVENUE FUND (24159)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-19

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	8,123	8,123
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,123</u>	<u>8,123</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,123</u>	<u>\$ 8,123</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND (24160)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-20

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	50,800	55,655	60,584	4,929
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>50,800</u>	<u>55,655</u>	<u>60,584</u>	<u>4,929</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	48,641	53,325	53,325	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	2,159	2,330	1,342	988
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,800</u>	<u>55,655</u>	<u>54,667</u>	<u>988</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,917</u>	<u>5,917</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>5,917</u>	<u>5,917</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(31,928)	(31,928)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(31,928)</u>	<u>(31,928)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,011)</u>	<u>\$ (26,011)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 5,917	
Adjustments to revenues			(5,917)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND (24162)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-21

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	40,750	81,397	40,647
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>40,750</u>	<u>81,397</u>	<u>40,647</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	34,836	26,053	8,783
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	1,290	946	344
School administration	-	4,624	713	3,911
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>40,750</u>	<u>27,712</u>	<u>13,038</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>53,685</u>	<u>53,685</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>53,685</u>	<u>53,685</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(75,419)	(75,419)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(75,419)</u>	<u>(75,419)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,734)</u>	<u>\$ (21,734)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 53,685	
Adjustments to revenues			(53,685)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IMMIGRANT FUNDING - TITLE III SPECIAL REVENUE FUND (24163)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-22

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(19,711)	(19,711)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,711)</u>	<u>(19,711)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,711)</u>	<u>\$ (19,711)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CARL D PERKINS SPECIAL PROJECTS - JAG SPECIAL REVENUE FUND (24171)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-23

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	22,058	22,058
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,058</u>	<u>22,058</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,058</u>	<u>\$ 22,058</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CARL D PERKINS SECONDARY CURRENT SPECIAL REVENUE FUND (24174)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-24

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	33,206	41,992	33,728	(8,264)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>33,206</u>	<u>41,992</u>	<u>33,728</u>	<u>(8,264)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	32,506	41,292	31,556	9,736
Support services				
Students	700	700	-	700
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,206</u>	<u>41,992</u>	<u>31,556</u>	<u>10,436</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,172</u>	<u>2,172</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,172</u>	<u>2,172</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(33,511)	(33,511)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,511)</u>	<u>(33,511)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,339)</u>	<u>\$ (31,339)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,172	
Adjustments to revenues			(2,172)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-25

TAOS MUNICIPAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

CARL D PERKINS SECONDARY REDISTRIBUTION SPECIAL REVENUE FUND (24176)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	6,738	6,738	6,580	(158)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,738</u>	<u>6,738</u>	<u>6,580</u>	<u>(158)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,738	6,738	6,580	158
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,738</u>	<u>6,738</u>	<u>6,580</u>	<u>158</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I - IASA FEDERAL STIMULUS SPECIAL REVENUE FUND (24201)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-26

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(12,721)	(12,721)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,721)</u>	<u>(12,721)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,721)</u>	<u>\$ (12,721)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B - ENTITLEMENT FEDERAL STIMULUS SPECIAL REVENUE FUND (24206)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-27

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	394	394
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>394</u>	<u>394</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</u>	<u>\$ 394</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-28

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	107,317	19,800	(87,517)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>107,317</u>	<u>19,800</u>	<u>(87,517)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	65,715	17,658	48,057
Support services				
Students	-	34,764	22,866	11,898
Instruction	-	-	-	-
General administration	-	6,838	1,506	5,332
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>107,317</u>	<u>42,030</u>	<u>65,287</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,230)</u>	<u>(22,230)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(22,230)</u>	<u>(22,230)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	87,517	87,517
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>87,517</u>	<u>87,517</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,287</u>	<u>\$ 65,287</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (22,230)	
Adjustments to revenues			-	
Adjustments to expenditures			(2,390)	
Net change in fund balance (GAAP basis)			<u>\$ (24,620)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND (25147)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-29

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	30,175	4,440	(25,735)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,175</u>	<u>4,440</u>	<u>(25,735)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	17,702	6,735	10,967
Support services				
Students	-	11,507	10,308	1,199
Instruction	-	-	-	-
General administration	-	966	626	340
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,175</u>	<u>17,669</u>	<u>12,506</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,229)</u>	<u>(13,229)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(13,229)</u>	<u>(13,229)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	25,736	25,736
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,736</u>	<u>25,736</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,507</u>	<u>\$ 12,507</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (13,229)	
Adjustments to revenues			-	
Adjustments to expenditures			(800)	
Net change in fund balance (GAAP basis)			<u>\$ (14,029)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS CHILD CARE CYFD SPECIAL REVENUE FUND (25149)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-30

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	6,556	6,556
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,556</u>	<u>6,556</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,556</u>	<u>\$ 6,556</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND (25153)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-31

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	170,210	203,481	33,271
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>170,210</u>	<u>203,481</u>	<u>33,271</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	170,210	114,201	56,009
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>170,210</u>	<u>114,201</u>	<u>56,009</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>89,280</u>	<u>89,280</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>89,280</u>	<u>89,280</u>
<i>Cash or fund balances - beginning of year</i>	-	-	87,582	87,582
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>87,582</u>	<u>87,582</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,862</u>	<u>\$ 176,862</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 89,280	
Adjustments to revenues			40,942	
Adjustments to expenditures			(10,077)	
Net change in fund balance (GAAP basis)			<u>\$ 120,145</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TANF/GRADS HSD SPECIAL REVENUE FUND (25162)
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	13,757	13,757
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,757</u>	<u>13,757</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,757</u>	<u>\$ 13,757</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND (25184)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-33

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	39,998	39,998	24,113	(15,885)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>39,998</u>	<u>39,998</u>	<u>24,113</u>	<u>(15,885)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	24,017	24,017	22,664	1,353
Support services				
Students	14,351	14,351	14,350	1
Instruction	-	-	-	-
General administration	1,630	1,630	1,347	283
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>39,998</u>	<u>39,998</u>	<u>38,361</u>	<u>1,637</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(14,248)</u>	<u>(14,248)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,248)</u>	<u>(14,248)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(6,820)	(6,820)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,820)</u>	<u>(6,820)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,068)</u>	<u>\$ (21,068)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (14,248)	
Adjustments to revenues			24,351	
Adjustments to expenditures			(1,352)	
Net change in fund balance (GAAP basis)			<u>\$ 8,751</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 EDUCATION JOBS FUND - FEDERAL STIMULUS SPECIAL REVENUE FUND (25255)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-34

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	1,500	1,500
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ENLACE-UNM SPECIAL REVENUE FUND (26103)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-35

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	34	34
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 34</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 LANL FOUNDATION SPECIAL REVENUE FUND (26113)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-36

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	1,595	1,595
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,595</u>	<u>1,595</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INTEL FOUNDATION SPECIAL REVENUE FUND (26116)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-37

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	3,000	3,000
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-38

TAOS MUNICIPAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

NORTHERN NM NETWORK - TEACHER INCENTIVE FUND SPECIAL REVENUE FUND (26182)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	44,090	44,090
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>44,090</u>	<u>44,090</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,090</u>	<u>\$ 44,090</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-39

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	65,572	32,210	(33,362)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>65,572</u>	<u>32,210</u>	<u>(33,362)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	65,572	32,210	33,362
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>65,572</u>	<u>32,210</u>	<u>33,362</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	404	404
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>404</u>	<u>404</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404</u>	<u>\$ 404</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-40

TAOS MUNICIPAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2010 GO BONDS STUDENT LIBRARY FUND (SB1) SPECIAL REVENUE FUND (27106)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,465	-	(1,465)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,465</u>	<u>-</u>	<u>(1,465)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	1,465	1,465	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,465</u>	<u>1,465</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,465)</u>	<u>(1,465)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,465)</u>	<u>(1,465)</u>
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,465)</u>	<u>\$ (1,465)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (1,465)	
Adjustments to revenues			1,465	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-41

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	23,977	23,977	-	(23,977)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>23,977</u>	<u>23,977</u>	<u>-</u>	<u>(23,977)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	23,977	23,977	2,671	21,306
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>23,977</u>	<u>23,977</u>	<u>2,671</u>	<u>21,306</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,671)</u>	<u>(2,671)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,671)</u>	<u>(2,671)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,671)</u>	<u>\$ (2,671)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (2,671)	
Adjustments to revenues			1,357	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,314)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NEW MEXICO READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-42

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	71,043	55,648	(15,395)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>71,043</u>	<u>55,648</u>	<u>(15,395)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	68,549	66,390	2,159
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	2,494	2,405	89
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>71,043</u>	<u>68,795</u>	<u>2,248</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,147)</u>	<u>(13,147)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(13,147)</u>	<u>(13,147)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,147)</u>	<u>\$ (13,147)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (13,147)	
Adjustments to revenues			15,264	
Adjustments to expenditures			(2,117)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TANF PED SPECIAL REVENUE FUND (27115)
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	1	1
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND (27117)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-44

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	26,319	26,319
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,319</u>	<u>26,319</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,319</u>	<u>\$ 26,319</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 OBESITY PROGRAM - PED SPECIAL REVENUE FUND (27120)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-45

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	135	135
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>135</u>	<u>135</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ 135</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TEACHERS/SCHOOL LEADERS STIPENDS AT-RISK SPECIAL REVENUE FUND (27122)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-46

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	15,000	-	(15,000)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	15,000	2,631	12,369
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>15,000</u>	<u>2,631</u>	<u>12,369</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,631)</u>	<u>(2,631)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,631)</u>	<u>(2,631)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,631)</u>	<u>\$ (2,631)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (2,631)	
Adjustments to revenues			4,998	
Adjustments to expenditures			(2,367)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TANF FULL DAY KINDERGARTEN SPECIAL REVENUE FUND (27136)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-47

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	207	207
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>207</u>	<u>207</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ 207</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND (27138)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-48

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	44,234	44,234
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>44,234</u>	<u>44,234</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,234</u>	<u>\$ 44,234</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SUMMER BRIDGE SPECIAL REVENUE FUND (27144)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-49

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	107	107
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 107</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PRE-K INITIATIVE SPECIAL REVENUE FUND (27149)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-50

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	108,000	108,000	35,605	(72,395)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>108,000</u>	<u>108,000</u>	<u>35,605</u>	<u>(72,395)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	106,920	106,920	66,093	40,827
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,080	1,080	1,080	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,000</u>	<u>108,000</u>	<u>67,173</u>	<u>40,827</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(31,568)</u>	<u>(31,568)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(31,568)</u>	<u>(31,568)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,568)</u>	<u>\$ (31,568)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (31,568)	
Adjustments to revenues			36,970	
Adjustments to expenditures			(5,402)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND (27150)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-51

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	20,000	12,194	(7,806)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,000</u>	<u>12,194</u>	<u>(7,806)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	20,000	16,807	3,193
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,000</u>	<u>16,807</u>	<u>3,193</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,613)</u>	<u>(4,613)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,613)</u>	<u>(4,613)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,613)</u>	<u>\$ (4,613)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (4,613)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (4,613)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND (27154)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-52

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	9,934	9,934
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,934</u>	<u>9,934</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,934</u>	<u>\$ 9,934</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-53

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	54,891	76,576	21,685
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>54,891</u>	<u>76,576</u>	<u>21,685</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	54,891	54,890	1
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>54,891</u>	<u>54,890</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>21,686</u>	<u>21,686</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>21,686</u>	<u>21,686</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(35,556)	(35,556)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(35,556)</u>	<u>(35,556)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,870)</u>	<u>\$ (13,870)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 21,686	
Adjustments to revenues			(21,686)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND (27166)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-54

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	158,010	287,034	255,096	(31,938)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>158,010</u>	<u>287,034</u>	<u>255,096</u>	<u>(31,938)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	125,883	226,150	206,751	19,399
Support services				
Students	4,101	6,566	6,300	266
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	14,254	25,707	24,784	923
Central services	-	-	-	-
Operation & maintenance of plant	1,318	2,375	3,468	(1,093)
Student transportation	12,454	26,236	25,894	342
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>158,010</u>	<u>287,034</u>	<u>267,197</u>	<u>19,837</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,101)</u>	<u>(12,101)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(12,101)</u>	<u>(12,101)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(44,799)</u>	<u>(44,799)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(44,799)</u>	<u>(44,799)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,900)</u>	<u>\$ (56,900)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (12,101)	
Adjustments to revenues			31,488	
Adjustments to expenditures			(19,519)	
Net change in fund balance (GAAP basis)			<u>\$ (132)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2013 SCHOOL BUS SPECIAL REVENUE FUND (27178)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-55

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	143,817	-	(143,817)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>143,817</u>	<u>-</u>	<u>(143,817)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	143,817	143,817	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>143,817</u>	<u>143,817</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(143,817)</u>	<u>(143,817)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(143,817)</u>	<u>(143,817)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143,817)</u>	<u>\$ (143,817)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (143,817)	
Adjustments to revenues			143,817	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NEXT GENERATION ASSESSEMENTS SPECIAL REVENUE FUND (27185)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-56

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	25,188	-	(25,188)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,188</u>	<u>-</u>	<u>(25,188)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	25,188	25,046	142
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25,188</u>	<u>25,046</u>	<u>142</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,046)</u>	<u>(25,046)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(25,046)</u>	<u>(25,046)</u>
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,046)</u>	<u>\$ (25,046)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (25,046)	
Adjustments to revenues			25,046	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCHOOL LIBRARY MATERIAL FUND FY 08 SPECIAL REVENUE FUND (27549)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-57

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	972	972
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>972</u>	<u>972</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 972</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ASSIST TOBACCO DOH SPECIAL REVENUE FUND (28122)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-58

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	11,831	11,831
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,831</u>	<u>11,831</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,831</u>	<u>\$ 11,831</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 HEALTHIER SCHOOLS SPECIAL REVENUE FUND (28155)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-59

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	57,116	57,116
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>57,116</u>	<u>57,116</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,116</u>	<u>\$ 57,116</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 OFFICE OF CULTURAL AFFAIRS SPECIAL REVENUE FUND (28177)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-60

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	4,993	4,993
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>4,993</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>4,993</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,993</u>	<u>4,993</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(4,993)	(4,993)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,993)</u>	<u>(4,993)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 4,993	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 4,993</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GEAR-UP CHE SPECIAL REVENUE FUND (28178)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-61

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(44,141)	(44,141)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(44,141)</u>	<u>(44,141)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,141)</u>	<u>\$ (44,141)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS - CHILD CARE SPECIAL REVENUE FUND (28189)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-62

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	20,397	32,812	12,415
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,397</u>	<u>32,812</u>	<u>12,415</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	12,132	11,439	693
Support services				
Students	-	8,265	6,151	2,114
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,397</u>	<u>17,590</u>	<u>2,807</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>15,222</u>	<u>15,222</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,222</u>	<u>15,222</u>
<i>Cash or fund balances - beginning of year</i>	-	-	20,397	20,397
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,397</u>	<u>20,397</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,619</u>	<u>\$ 35,619</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 15,222	
Adjustments to revenues			-	
Adjustments to expenditures			(102)	
Net change in fund balance (GAAP basis)			<u>\$ 15,120</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS INSTRUCTION SPECIAL REVENUE FUND (28190)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-63

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	20,536	-	(20,536)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,536</u>	<u>-</u>	<u>(20,536)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	8,704	4,137	4,567
Support services				
Students	-	11,832	10,073	1,759
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,536</u>	<u>14,210</u>	<u>6,326</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(14,210)</u>	<u>(14,210)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,210)</u>	<u>(14,210)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	20,537	20,537
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,537</u>	<u>20,537</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,327</u>	<u>\$ 6,327</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (14,210)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (14,210)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND (29102)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-64

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	12,946	12,505	(441)
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,946</u>	<u>12,505</u>	<u>(441)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	12,946	10,428	2,518
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,946</u>	<u>10,428</u>	<u>2,518</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>2,077</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>2,077</u>
<i>Cash or fund balances - beginning of year</i>	-	-	3,025	3,025
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,025</u>	<u>3,025</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,102</u>	<u>\$ 5,102</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,077	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 2,077</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND (29130)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-65

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(26,117)	(26,117)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,117)</u>	<u>(26,117)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,117)</u>	<u>\$ (26,117)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

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CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

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

Special Capital Outlay – Local (31300) – The fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

Education Technology Equipment Act (31900) - Fund ensures that American children have skills they need to succeed in the information-intensive 21st century, the federal Government is committed to working with the private sector to promote four major developments in American education: making modern computer technology an integral part of every classroom; providing teachers with the professional development they need to use new technologies effectively; connecting classrooms to the National information infrastructure; and encouraging the creation of excellent educational software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1949, Ch.288, 63 Stat 377, and the National Defense Authorization Act for the Fiscal Year 1996, Public Law 104-106.

ANANSI CHARTER SCHOOL

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

Bond Building (31100) — To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. These funds are coming from Taos County which sold a gross receipts bond in order to fund projects at educational institutions in the county.

Public School Capital Outlay (31200) – To account for funds provided through the New Mexico Public Education Department for lease assistance to charter schools.

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

TAOS CHARTER SCHOOL

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

Bond Building (31100) — is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. These funds are coming from Taos County which sold a gross receipts bond in order to fund projects at educational institutions in the county.

Public School Capital Outlay (31200) – To account for funds provided through the New Mexico Public Education Department for lease assistance to charter schools

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

VISTA GRANDE HIGH SCHOOL

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

Bond Building (31100) – This fund is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. These funds are coming from Taos County which sold a gross receipts bond in order to fund projects at educational institutions in the county.

Public School Capital Outlay (31200) – To account for funds provided through the New Mexico Public Education Department for lease assistance to charter schools

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014

	Special Capital Outlay - Local 31300	Education Technology Equipment Act 31900	Total
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 1	\$ 1,027,767	\$ 1,027,768
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>1</u>	<u>1,027,767</u>	<u>1,027,768</u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenue - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	1	1,027,767	1,027,768
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<i>Total fund balances</i>	<u>1</u>	<u>1,027,767</u>	<u>1,027,768</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1</u>	<u>\$ 1,027,767</u>	<u>\$ 1,027,768</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-2

	Special Capital Outlay - Local 31300	Education Technology Equipment Act 31900	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment Income	-	397	397
<i>Total revenues</i>	<u>-</u>	<u>397</u>	<u>397</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	-	1,122,668	1,122,668
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,122,668</u>	<u>1,122,668</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,122,271)</u>	<u>(1,122,271)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	2,150,000	2,150,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,150,000</u>	<u>2,150,000</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>1,027,729</u>	<u>1,027,729</u>
<i>Fund balances - beginning of year</i>	1	38	39
<i>Prior period adjustment</i>	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>1</u>	<u>38</u>	<u>39</u>
<i>Fund balances - end of year</i>	<u>\$ 1</u>	<u>\$ 1,027,767</u>	<u>\$ 1,027,768</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BOND BUILDING CAPITAL PROJECT FUND (31100)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	1,838	1,838
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,838</u>	<u>1,838</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	2,881,412	10,109,839	4,518,252	5,591,587
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,881,412</u>	<u>10,109,839</u>	<u>4,518,252</u>	<u>5,591,587</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,881,412)</u>	<u>(10,109,839)</u>	<u>(4,516,414)</u>	<u>5,593,425</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,881,412	77,544	-	(77,544)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	10,032,295	11,676,084	1,643,789
<i>Total other financing sources (uses)</i>	<u>2,881,412</u>	<u>10,109,839</u>	<u>11,676,084</u>	<u>1,566,245</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,159,670</u>	<u>7,159,670</u>
<i>Cash or fund balances - beginning of year</i>	-	-	77,544	77,544
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>77,544</u>	<u>77,544</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,237,214</u>	<u>\$ 7,237,214</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 7,159,670	
Adjustments to revenues			-	
Adjustments to expenditures			(444,819)	
Net change in fund balance (GAAP basis)			<u>\$ 6,714,851</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND (31300)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	1	1
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
FOR THE YEAR ENDING JUNE 30, 2014

Statement C-5

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 2,112,389	\$ 2,112,389	\$ 2,161,887	\$ 49,498
State grants	-	64,993	-	(64,993)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	465	465
<i>Total revenues</i>	<u>2,112,389</u>	<u>2,177,382</u>	<u>2,162,352</u>	<u>(15,030)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	25,000	21,619	3,381
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	2,112,389	3,395,014	1,949,344	1,445,670
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,112,389</u>	<u>3,420,014</u>	<u>1,970,963</u>	<u>1,449,051</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,242,632)</u>	<u>191,389</u>	<u>1,434,021</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	1,242,632	-	(1,242,632)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,242,632</u>	<u>-</u>	<u>(1,242,632)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>191,389</u>	<u>191,389</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,242,632</u>	<u>1,242,632</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,242,632</u>	<u>1,242,632</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434,021</u>	<u>\$ 1,434,021</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 191,389	
Adjustments to revenues			271,645	
Adjustments to expenditures			99,001	
Net change in fund balance (GAAP basis)			<u>\$ 562,035</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 EDUCATION TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECT FUND (31900)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	397	397
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>397</u>	<u>397</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	2,040,000	1,122,668	917,332
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,040,000</u>	<u>1,122,668</u>	<u>917,332</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,040,000)</u>	<u>(1,122,271)</u>	<u>917,729</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	2,040,000	2,150,000	110,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,040,000</u>	<u>2,150,000</u>	<u>110,000</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,027,729</u>	<u>1,027,729</u>
<i>Cash or fund balances - beginning of year</i>	-	-	38	38
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>38</u>	<u>38</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,027,767</u>	<u>\$ 1,027,767</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 1,027,729	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,027,729</u>	

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

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUND (41000)
FOR THE YEAR ENDING JUNE 30, 2014

Statement D-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 3,382,154	\$ 3,382,154	\$ 2,630,944	\$ (751,210)
State grants	-	-	-	-
Federal grants	-	-	828,806	828,806
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	820	820	1,137	317
<i>Total revenues</i>	<u>3,382,974</u>	<u>3,382,974</u>	<u>3,460,887</u>	<u>77,913</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	40,000	40,000	26,309	13,691
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	3,172,365	3,172,365	171,487	3,000,878
Principal	1,950,000	1,950,000	16,115,000	(14,165,000)
Interest	1,432,154	1,432,154	1,980,128	(547,974)
<i>Total expenditures</i>	<u>6,594,519</u>	<u>6,594,519</u>	<u>18,292,924</u>	<u>(11,698,405)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,211,545)</u>	<u>(3,211,545)</u>	<u>(14,832,037)</u>	<u>(11,620,492)</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,211,545	3,211,545	-	(3,211,545)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	14,417,998	14,417,998
<i>Total other financing sources (uses)</i>	<u>3,211,545</u>	<u>3,211,545</u>	<u>14,417,998</u>	<u>11,206,453</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(414,039)</u>	<u>(414,039)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,215,009</u>	<u>3,215,009</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,215,009</u>	<u>3,215,009</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,800,970</u>	<u>\$ 2,800,970</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (414,039)	
Adjustments to revenues			99,663	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (314,376)</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
EDUCATION TECHNOLOGY DEBT SERVICE FUND (43000)
FOR THE YEAR ENDING JUNE 30, 2014

Statement D-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 705,600	\$ 705,600	\$ 689,558	\$ (16,042)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>705,600</u>	<u>705,600</u>	<u>689,558</u>	<u>(16,042)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	9,000	9,000	6,896	2,104
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	1,436,832	775,344	-	775,344
Principal	665,000	665,000	700,000	(35,000)
Interest	40,600	40,600	6,482	34,118
<i>Total expenditures</i>	<u>2,151,432</u>	<u>1,489,944</u>	<u>713,378</u>	<u>776,566</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,445,832)</u>	<u>(784,344)</u>	<u>(23,820)</u>	<u>760,524</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,445,832	784,344	-	(784,344)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,445,832</u>	<u>784,344</u>	<u>-</u>	<u>(784,344)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(23,820)</u>	<u>(23,820)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>784,344</u>	<u>784,344</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>784,344</u>	<u>784,344</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,524</u>	<u>\$ 760,524</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (23,820)	
Adjustments to revenues			27,173	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,353</u>	

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

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COMPONENT UNITS

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENTS OF NET POSITION - ALL COMPONENT UNITS
JUNE 30, 2014

Statement E-1

	Anansi Charter School	Taos Charter School	Vista Grande High School	Total
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 185,347	\$ 143,479	\$ 410,475	\$ 739,301
Receivables (net of allowance for uncollectibles)	84,109	198,636	176,719	459,464
Inventory	-	-	-	-
Prepaid assets	46,584	-	-	46,584
<i>Total current assets</i>	<u>316,040</u>	<u>342,115</u>	<u>587,194</u>	<u>1,245,349</u>
<i>Noncurrent assets</i>				
Prepaid assets	698,642	-	-	698,642
Capital assets (net of accumulated depreciation):				
Land and land improvements	624,961	250,000	-	874,961
Buildings and building improvements	1,984,856	1,793,377	-	3,778,233
Furniture, fixtures and equipment	85,500	25,465	66,725	177,690
Construction in progress	125,378	364,140	73,398	562,916
Less: accumulated depreciation	(291,138)	(340,191)	(23,472)	(654,801)
<i>Total noncurrent assets</i>	<u>3,228,199</u>	<u>2,092,791</u>	<u>116,651</u>	<u>5,437,641</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on advance refunding of debt	-	-	-	-
<i>Total assets and deferred outflows of resources</i>	<u>\$ 3,544,239</u>	<u>\$ 2,434,906</u>	<u>\$ 703,845</u>	<u>\$ 6,682,990</u>
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	\$ 16,938	\$ 68,365	\$ 50,714	\$ 136,017
Accrued payroll liabilities	82,083	112,497	39,729	234,309
Accrued interest payable	5,933	-	-	5,933
Unearned lease income	46,584	-	-	46,584
Current maturities of:	-	-	-	-
Bonds payable	-	-	-	-
Loans payable	24,760	-	-	24,760
Compensated absences	-	-	5,275	5,275
<i>Total current liabilities</i>	<u>176,298</u>	<u>180,862</u>	<u>95,718</u>	<u>452,878</u>
<i>Noncurrent liabilities:</i>				
Unearned lease income	698,642	-	-	698,642
Bonds payable	-	-	-	-
Loans payable	1,586,973	-	-	1,586,973
Compensated absences	-	-	-	-
<i>Total noncurrent liabilities</i>	<u>2,285,615</u>	<u>-</u>	<u>-</u>	<u>2,285,615</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
NET POSITION				
Net investment in capital assets	1,615,036	2,092,791	116,651	3,824,478
Restricted for:				
Debt service	-	-	-	-
Capital projects	39,523	2,751	50,395	92,669
Other purposes - special revenue	(26,391)	(21,618)	(767)	(48,776)
Unrestricted	(545,842)	180,120	441,848	76,126
<i>Total net position</i>	<u>1,082,326</u>	<u>2,254,044</u>	<u>608,127</u>	<u>3,944,497</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 3,544,239</u>	<u>\$ 2,434,906</u>	<u>\$ 703,845</u>	<u>\$ 6,682,990</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENTS OF ACTIVITIES - ALL COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement E-2

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Component Units					
Anasi Charter School	\$ 1,615,975	\$ 240,289	\$ 161,899	\$ 253,339	(960,448)
Taos Charter School	1,970,275	172,859	80,726	638,838	(1,077,852)
Vista Grande High School	1,015,086	-	10,169	206,925	(797,992)
Total Component Units	<u>\$ 4,601,336</u>	<u>\$ 413,148</u>	<u>\$ 252,794</u>	<u>\$ 1,099,102</u>	<u>(2,836,292)</u>
			General Revenues:		
			Property taxes:		
			Levied for general purposes	-	
			Levied for debt service	-	
			Levied for capital projects	-	
			State equalization guarantee	3,316,445	
			Federal aid - not restricted	-	
			Unrestricted investment earnings	115	
			Transfer from agency funds	1,342	
			Miscellaneous	65,198	
			Total general revenues	<u>3,383,100</u>	
			Change in net position	<u>546,808</u>	
			Net position - beginning of year	<u>3,366,896</u>	
			Restatement	<u>30,793</u>	
			Net position - beginning of year, restated	<u>3,397,689</u>	
			Net position - ending of year	<u>\$ 3,944,497</u>	

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

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ANANSI CHARTER SCHOOL

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement F-1

	Anansi Charter School	Friends of Anansi Charter School	Total
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 65,914	\$ 119,433	\$ 185,347
Receivables (net of allowance for uncollectibles)	84,109	-	84,109
Inventory	-	-	-
Prepaid assets	46,584	-	46,584
<i>Total current assets</i>	<u>196,607</u>	<u>119,433</u>	<u>316,040</u>
<i>Noncurrent assets</i>			
Prepaid assets	698,642	-	698,642
Capital assets (net of accumulated depreciation):			
Land and land improvements	-	624,961	624,961
Buildings and building improvements	-	1,984,856	1,984,856
Furniture, fixtures and equipment	61,876	23,624	85,500
Construction in progress	102,107	23,271	125,378
Less: accumulated depreciation	(37,142)	(253,996)	(291,138)
<i>Total noncurrent assets</i>	<u>825,483</u>	<u>2,402,716</u>	<u>3,228,199</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on advance refunding of debt	-	-	-
<i>Total assets and deferred outflows of resources</i>	<u>\$ 1,022,090</u>	<u>\$ 2,522,149</u>	<u>\$ 3,544,239</u>
LIABILITIES			
<i>Current liabilities</i>			
Accounts payable	\$ 15,484	\$ 1,454	\$ 16,938
Accrued payroll liabilities	82,083	-	82,083
Accrued interest payable	-	5,933	5,933
Unearned lease income	-	46,584	46,584
Current maturities of:			
Bonds payable	-	-	-
Loans payable	-	24,760	24,760
Compensated absences	-	-	-
<i>Total current liabilities</i>	<u>97,567</u>	<u>78,731</u>	<u>176,298</u>
<i>Noncurrent liabilities:</i>			
Unearned lease income	-	698,642	698,642
Bonds payable	-	-	-
Loans payable	-	1,586,973	1,586,973
Compensated absences	-	-	-
<i>Total noncurrent liabilities</i>	<u>-</u>	<u>2,285,615</u>	<u>2,285,615</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
NET POSITION			
Net investment in capital assets	872,067	742,969	1,615,036
Restricted for:			
Debt service	-	-	-
Capital projects	39,523	-	39,523
Special revenue funds	(26,391)	-	(26,391)
Unrestricted	39,324	(585,166)	(545,842)
<i>Total net position</i>	<u>924,523</u>	<u>157,803</u>	<u>1,082,326</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 1,022,090</u>	<u>\$ 2,522,149</u>	<u>\$ 3,544,239</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement F-2

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Anansi Charter School	Component Unit
Primary Government						
Governmental activities:						
Instruction	\$ 825,451	\$ 55,765	\$ 62,527	\$ -	\$ (707,159)	\$ -
Support services:						
Students	62,939	-	-	-	(62,939)	-
Instruction	12,776	-	-	-	(12,776)	-
General administration	8,367	-	-	-	(8,367)	-
School administration	226,248	-	-	-	(226,248)	-
Other	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operation & maintenance of plant	174,556	-	-	-	(174,556)	-
Student transportation	-	-	-	-	-	-
Food services operation	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Facilities materials, supplies, & other services	111,709	-	-	253,339	141,630	-
Depreciation - unallocated	-	-	-	-	-	-
Total Primary Government	<u>\$ 1,422,046</u>	<u>\$ 55,765</u>	<u>\$ 62,527</u>	<u>\$ 253,339</u>	<u>(1,050,415)</u>	<u>-</u>
Component Unit						
Friends of Anansi Charter School	<u>193,929</u>	<u>184,524</u>	<u>99,372</u>	<u>-</u>		<u>89,967</u>

General Revenues:

Property taxes:		
Levied for general purposes	-	-
Levied for debt service	-	-
Levied for capital projects	-	-
State equalization guarantee	1,057,865	-
Federal aid not restricted to specific purpose	-	-
Unrestricted investment earnings	51	64
Loss on disposal of fixed assets	-	-
Miscellaneous	8,057	-
Total general revenues	<u>1,065,973</u>	<u>64</u>
Change in net position	15,558	90,031
Net position - beginning of year	<u>908,965</u>	<u>61,053</u>
Restatement	-	6,719
Net position - beginning of year, restated	<u>908,965</u>	<u>67,772</u>
Net position - ending of year	<u>\$ 924,523</u>	<u>\$ 157,803</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement F-3

	General Fund		Special Revenue		
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	SEG Federal Stimulus 25250	JF Maddox Foundation 26109
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 14,398	\$ 4,218	\$ -	\$ 191	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	104,736	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<i>Total assets</i>	<u>119,134</u>	<u>4,218</u>	<u>-</u>	<u>191</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	1,945	-	-	-	-
Accrued payroll liabilities	82,083	-	-	-	-
Interfund payables	-	-	22,923	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>84,028</u>	<u>-</u>	<u>22,923</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Prepaid expenses	-	-	-	-	-
Transportation	-	-	-	-	-
Instructional materials	-	4,218	-	-	-
Grant mandates	-	-	-	191	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	35,106	-	(22,923)	-	-
<i>Total fund balances</i>	<u>35,106</u>	<u>4,218</u>	<u>(22,923)</u>	<u>191</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 119,134</u>	<u>\$ 4,218</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement F-3

	Special Revenue			
	2010 GO Bonds Student Library Funds (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	2010 GO Bonds Instructional Materials 27171
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	45,328	3,892
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>45,328</u>	<u>3,892</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	194	3,136	45,328	4,221
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>194</u>	<u>3,136</u>	<u>45,328</u>	<u>4,221</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	(194)	(3,136)	-	(329)
<i>Total fund balances</i>	<u>(194)</u>	<u>(3,136)</u>	<u>-</u>	<u>(329)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,328</u>	<u>\$ 3,892</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement F-3

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ 47,107	\$ 65,914
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	5,955	21,089	7,845	84,109
Interfund receivables	-	-	-	104,736
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>5,955</u>	<u>21,089</u>	<u>54,952</u>	<u>254,759</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	8,410	-	5,129	15,484
Accrued payroll liabilities	-	-	-	82,083
Interfund payables	-	21,089	7,845	104,736
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>8,410</u>	<u>21,089</u>	<u>12,974</u>	<u>202,303</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	4,218
Grant mandates	-	-	-	191
Capital projects	-	-	41,978	41,978
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	(2,455)	-	-	6,069
<i>Total fund balances</i>	<u>(2,455)</u>	<u>-</u>	<u>41,978</u>	<u>52,456</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 5,955</u>	<u>\$ 21,089</u>	<u>\$ 54,952</u>	<u>\$ 254,759</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement F-4

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

Fund balances - total governmental funds	\$ 52,456
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	126,841
Prepaid leases acquired in governmental activities are not current financial resources and therefor are not reported as assets in governmental funds	<u>745,226</u>
Net position - component unit	<u><u>\$ 924,523</u></u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
ANANSI CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

Statement F-5

	General Fund		Special Revenue		
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	SEG Federal Stimulus 25250	JF Maddox Foundation 26109
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	1,065,222	8,456	-	-	-
Federal grants	-	-	-	-	-
Miscellaneous	700	-	-	-	-
Charges for services	55,765	-	-	-	-
Investment Income	51	-	-	-	-
<i>Total revenues</i>	<u>1,121,738</u>	<u>8,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	759,887	4,814	-	-	492
Support services					
Students	40,016	-	22,923	-	-
Instruction	9,640	-	-	-	-
General administration	8,367	-	-	-	-
School administration	226,248	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	127,972	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>1,172,130</u>	<u>4,814</u>	<u>22,923</u>	<u>-</u>	<u>492</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(50,392)</u>	<u>3,642</u>	<u>(22,923)</u>	<u>-</u>	<u>(492)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
Bond underwriter premium	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(50,392)</u>	<u>3,642</u>	<u>(22,923)</u>	<u>-</u>	<u>(492)</u>
<i>Fund balances - beginning of year</i>	85,498	576	-	191	492
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>85,498</u>	<u>576</u>	<u>-</u>	<u>191</u>	<u>492</u>
<i>Fund balances - end of year</i>	<u>\$ 35,106</u>	<u>\$ 4,218</u>	<u>\$ (22,923)</u>	<u>\$ 191</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement F-5

	Special Revenue			
	2010 GO Bonds Student Library Funds (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	2010 GO Bonds Instructional Materials 27171
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	50,179	3,892
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>50,179</u>	<u>3,892</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	50,179	3,892
Support services				
Students	-	-	-	-
Instruction	-	3,136	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,136</u>	<u>50,179</u>	<u>3,892</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(3,136)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(3,136)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(194)	-	-	(329)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>(194)</u>	<u>-</u>	<u>-</u>	<u>(329)</u>
<i>Fund balances - end of year</i>	<u>\$ (194)</u>	<u>\$ (3,136)</u>	<u>\$ -</u>	<u>\$ (329)</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
ANANSI CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

Statement F-5

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	84,354	74,854	1,286,957
Federal grants	-	-	-	-
Miscellaneous	-	-	-	700
Charges for services	-	-	-	55,765
Investment Income	-	-	-	51
<i>Total revenues</i>	<u>-</u>	<u>84,354</u>	<u>74,854</u>	<u>1,343,473</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	819,264
Support services				
Students	-	-	-	62,939
Instruction	-	-	-	12,776
General administration	-	-	-	8,367
School administration	-	-	-	226,248
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	127,972
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	96,586	84,354	32,876	213,816
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>96,586</u>	<u>84,354</u>	<u>32,876</u>	<u>1,471,382</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(96,586)</u>	<u>-</u>	<u>41,978</u>	<u>(127,909)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	94,131	-	-	94,131
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>94,131</u>	<u>-</u>	<u>-</u>	<u>94,131</u>
<i>Net changes in fund balances</i>	<u>(2,455)</u>	<u>-</u>	<u>41,978</u>	<u>(33,778)</u>
<i>Fund balances - beginning of year</i>	-	-	-	86,234
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,234</u>
<i>Fund balances - end of year</i>	<u>\$ (2,455)</u>	<u>\$ -</u>	<u>\$ 41,978</u>	<u>\$ 52,456</u>

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

STATE OF NEW MEXICO

TAOS MUNICIPAL SCHOOL DISTRICT

ANANSI CHARTER SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds \$ (33,778)

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 exceeds capital outlays for the period.

Depreciation expense (6,187)

Capital Outlays 102,107

Prepaid expenses used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Prepaid leases (46,584)

Change in net position - total governmental activities \$ 15,558

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 OPERATIONAL FUND (11000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-7

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,042,040	1,057,866	1,065,222	7,356
Federal grants	-	-	-	-
Miscellaneous	750	750	700	(50)
Charges for services	41,900	41,900	55,765	13,865
Interest	50	50	51	1
<i>Total revenues</i>	<u>1,084,740</u>	<u>1,100,566</u>	<u>1,121,738</u>	<u>21,172</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	682,027	717,801	710,103	7,698
Support services				
Students	110,087	47,900	40,016	7,884
Instruction	31,459	22,759	9,640	13,119
General administration	11,130	10,985	6,913	4,072
School administration	169,578	229,626	226,248	3,378
Central services	65	65	-	65
Operation & maintenance of plant	139,293	137,686	127,972	9,714
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,143,639</u>	<u>1,166,822</u>	<u>1,120,892</u>	<u>45,930</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(58,899)</u>	<u>(66,256)</u>	<u>846</u>	<u>67,102</u>
<i>Other financing sources (uses):</i>				
Designated cash	58,899	66,256	-	(66,256)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,899</u>	<u>66,256</u>	<u>-</u>	<u>(66,256)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>846</u>	<u>846</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>118,288</u>	<u>118,288</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>118,288</u>	<u>118,288</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,134</u>	<u>\$ 119,134</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 846	
Adjustments to revenues			-	
Adjustments to expenditures			(51,238)	
Net change in fund balance (GAAP basis)			<u>\$ (50,392)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INSTRUCTIONAL MATERIALS FUND (14000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	7,623	8,456	833
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,623</u>	<u>8,456</u>	<u>833</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	7,623	4,814	2,809
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,623</u>	<u>4,814</u>	<u>2,809</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>3,642</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>3,642</u>
<i>Cash or fund balances - beginning of year</i>	-	-	576	576
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>576</u>	<u>576</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,218</u>	<u>\$ 4,218</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 3,642	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,642</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	22,923	7,151	(15,772)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>22,923</u>	<u>7,151</u>	<u>(15,772)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	22,923	22,923	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>22,923</u>	<u>22,923</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,772)</u>	<u>(15,772)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(15,772)	(15,772)
<i>Cash or fund balances - beginning of year</i>	-	-	(7,151)	(7,151)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(7,151)</u>	<u>(7,151)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,923)</u>	<u>\$ (22,923)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (15,772)	
Adjustments to revenues			(7,151)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (22,923)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SEG FEDERAL STIMULUS SPECIAL REVENUE FUND (25250)
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	191	191
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>191</u>	<u>191</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 191</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 JF MADDOX FOUNDATION SPECIAL REVENUE FUND (26109)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	492	-	(492)
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>492</u>	<u>-</u>	<u>(492)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	492	492	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>492</u>	<u>492</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(492)</u>	<u>(492)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(492)	(492)
<i>Cash or fund balances - beginning of year</i>	-	-	492	492
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>492</u>	<u>492</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (492)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (492)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2010 GO BONDS STUDENT LIBRARY FUNDS (SB1) SPECIAL REVENUE FUND (27106)
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,097	2,097	2,096	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,097</u>	<u>2,097</u>	<u>2,096</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	2,097	2,097	-	2,097
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,097</u>	<u>2,097</u>	<u>-</u>	<u>2,097</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,096</u>	<u>2,096</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,096	2,096
<i>Cash or fund balances - beginning of year</i>	-	-	(2,290)	(2,290)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,290)</u>	<u>(2,290)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (194)</u>	<u>\$ (194)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 2,096	
Adjustments to revenues			(2,096)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	3,137	3,137	-	(3,137)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,137</u>	<u>3,137</u>	<u>-</u>	<u>(3,137)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	3,137	3,137	3,136	1
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,137</u>	<u>3,137</u>	<u>3,136</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,136)</u>	<u>(3,136)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(3,136)	(3,136)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,136)</u>	<u>\$ (3,136)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (3,136)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (3,136)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NM READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	50,179	4,851	(45,328)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,179</u>	<u>4,851</u>	<u>(45,328)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	50,179	50,179	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,179</u>	<u>50,179</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(45,328)</u>	<u>(45,328)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(45,328)	(45,328)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,328)</u>	<u>\$ (45,328)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (45,328)	
Adjustments to revenues			45,328	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2010 GO BONDS INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27171)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-15

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	6,748	3,893	2,854	(1,039)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,748</u>	<u>3,893</u>	<u>2,854</u>	<u>(1,039)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,748	3,893	3,892	1
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,748</u>	<u>3,893</u>	<u>3,892</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,038)</u>	<u>(1,038)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,038)	(1,038)
<i>Cash or fund balances - beginning of year</i>	-	-	(3,183)	(3,183)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,183)</u>	<u>(3,183)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,221)</u>	<u>\$ (4,221)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (1,038)	
Adjustments to revenues			1,038	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BOND BUILDING CAPITAL PROJECT FUND (31100)
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	396,085	88,176	307,909
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>396,085</u>	<u>88,176</u>	<u>307,909</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(396,085)</u>	<u>(88,176)</u>	<u>307,909</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	396,085	88,176	(307,909)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>396,085</u>	<u>88,176</u>	<u>(307,909)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			5,955	
Adjustments to expenditures			(8,410)	
Net change in fund balance (GAAP basis)			<u>\$ (2,455)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND (31200)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	84,354	63,265	(21,089)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>84,354</u>	<u>63,265</u>	<u>(21,089)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	84,354	84,354	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>84,354</u>	<u>84,354</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,089)</u>	<u>(21,089)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(21,089)	(21,089)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,089)</u>	<u>\$ (21,089)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (21,089)	
Adjustments to revenues			21,089	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 ANANSI CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement F-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	7,569	77,562	69,716	(7,846)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>7,569</u>	<u>77,562</u>	<u>69,716</u>	<u>(7,846)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	7,569	77,562	27,747	49,815
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,569</u>	<u>77,562</u>	<u>27,747</u>	<u>49,815</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>41,969</u>	<u>41,969</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	41,969	41,969
<i>Cash or fund balances - beginning of year</i>	-	-	(2,707)	(2,707)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,707)</u>	<u>(2,707)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,262</u>	<u>\$ 39,262</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 41,969	
Adjustments to revenues			5,138	
Adjustments to expenditures			(5,129)	
Net change in fund balance (GAAP basis)			<u>\$ 41,978</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 FRIENDS OF ANANSI CHARTER SCHOOL
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement F-19

<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 137,940
Donations and other income	99,372
Interest income	64
Cash payments for supplies and maintenance	(53,473)
<i>Net cash provided (used) by operating activities</i>	<u>183,903</u>
<i>Cash flows from investing activities</i>	
Purchase of capital assets	(23,271)
<i>Net cash provided (used) by investing activities</i>	<u>(23,271)</u>
<i>Cash flows from financing activities:</i>	
Loan principal payments	(48,014)
Loan interest payments	(71,662)
<i>Net cash provided (used) by financing activities</i>	<u>(119,676)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	40,956
<i>Cash and cash equivalents - beginning of year</i>	<u>78,477</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 119,433</u>
<i>Reconciliation of operating income (loss) to</i>	
<i>net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ 182,449
Adjustments to reconcile operating income (loss) to	
net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Receivables	-
Accounts payable	1,454
Accrued liabilities	-
<i>Net cash provided (used) by operating activities:</i>	<u>\$ 183,903</u>

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

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TAOS CHARTER SCHOOL

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement G-1

	Taos Charter School	Friends of Taos Charter School	Total
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 45,927	97,552	\$ 143,479
Receivables (net of allowance for uncollectibles)	186,794	11,842	198,636
Inventory	-	-	-
Prepaid assets	-	-	-
<i>Total current assets</i>	<u>232,721</u>	<u>109,394</u>	<u>342,115</u>
<i>Noncurrent assets</i>			
Prepaid assets	-	-	-
Capital assets (net of accumulated depreciation):			
Land and land improvements	250,000	-	250,000
Buildings and building improvements	1,058,421	734,956	1,793,377
Furniture, fixtures and equipment	25,465	-	25,465
Construction in progress	364,140	-	364,140
Less: accumulated depreciation	(193,199)	(146,992)	(340,191)
<i>Total noncurrent assets</i>	<u>1,504,827</u>	<u>587,964</u>	<u>2,092,791</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on advance refunding of debt	-	-	-
<i>Total assets and deferred outflows of resources</i>	<u>\$ 1,737,548</u>	<u>\$ 697,358</u>	<u>\$ 2,434,906</u>
LIABILITIES			
<i>Current liabilities</i>			
Accounts payable	\$ 64,008	\$ 4,357	68,365
Accrued payroll liabilities	112,497	-	112,497
Accrued interest payable	-	-	-
Unearned lease income	-	-	-
Current maturities of:			
Bonds payable	-	-	-
Capital lease	-	-	-
Compensated absences	-	-	-
<i>Total current liabilities</i>	<u>176,505</u>	<u>4,357</u>	<u>180,862</u>
<i>Noncurrent liabilities:</i>			
Unearned lease income	-	-	-
Bonds payable	-	-	-
Capital lease	-	-	-
Compensated absences	-	-	-
<i>Total noncurrent liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
NET POSITION			
Net investment in capital assets	1,504,827 #	587,964 #	2,092,791
Restricted for:			
Debt service	-	-	-
Capital projects	2,751	-	2,751
Special revenue funds	(21,618)	-	(21,618)
Unrestricted	75,083	105,037	180,120
<i>Total net position</i>	<u>1,561,043</u>	<u>693,001</u>	<u>2,254,044</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 1,737,548</u>	<u>\$ 697,358</u>	<u>\$ 2,434,906</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement G-2

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Taos Charter School	Component Unit
Primary Government						
Governmental activities:						
Instruction	\$ 1,087,103	\$ 30,759	\$ 62,645	\$ -	\$ (993,699)	\$ -
Support services:						
Students	102,462	-	-	-	(102,462)	-
Instruction	1,842	-	-	-	(1,842)	-
General administration	11,578	-	-	-	(11,578)	-
School administration	195,851	-	-	-	(195,851)	-
Other	-	-	-	-	-	-
Central services	52,103	-	-	-	(52,103)	-
Operation & maintenance of plant	161,612	-	-	-	(161,612)	-
Student transportation	-	-	-	-	-	-
Food services operation	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Facilities materials, supplies, & other services	249,073	-	2,175	638,838	391,940	-
Depreciation - unallocated	-	-	-	-	-	-
Total Primary Government	<u>\$ 1,861,624</u>	<u>\$ 30,759</u>	<u>\$ 64,820</u>	<u>\$ 638,838</u>	<u>(1,127,207)</u>	<u>-</u>
Component Unit						
Friends of Taos Charter School	<u>\$ 108,651</u>	<u>\$ 142,100</u>	<u>\$ 15,906</u>	<u>\$ -</u>		<u>49,355</u>

General Revenues:

Property taxes:		
Levied for general purposes	-	-
Levied for debt service	-	-
Levied for capital projects	-	-
Oil and gas taxes	-	-
State equalization guarantee	1,418,801	-
Federal aid not restricted to specific purpose	-	-
Unrestricted investment earnings	-	-
Loss on disposal of fixed assets	-	-
Miscellaneous	47,182	-
Total general revenues	<u>1,465,983</u>	<u>-</u>
Change in net position	338,776	49,355
Net position - beginning of year	<u>1,222,267</u>	<u>643,646</u>
Restatement	-	-
Net position - beginning of year, restated	<u>1,222,267</u>	<u>643,646</u>
Net position - ending of year	<u>\$ 1,561,043</u>	<u>\$ 693,001</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement G-3

	General Fund		Special Revenue		
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	SEG Federal Stimulus 25250	Daniels Fund 26141
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 20,589	\$ -	\$ 56	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	212,539	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<i>Total assets</i>	<u>212,539</u>	<u>20,589</u>	<u>-</u>	<u>56</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	45,548	-	-	-	-
Accrued payroll liabilities	112,497	-	-	-	-
Interfund payables	-	-	61,615	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>158,045</u>	<u>-</u>	<u>61,615</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Prepaid expenses	-	-	-	-	-
Transportation	-	-	-	-	-
Instructional materials	-	20,589	-	-	-
Grant mandates	-	-	-	56	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	54,494	-	(61,615)	-	-
<i>Total fund balances</i>	<u>54,494</u>	<u>20,589</u>	<u>(61,615)</u>	<u>56</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 212,539</u>	<u>\$ 20,589</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement G-3

	Special Revenue			
	2010 GO Bonds Student Library Funds (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	2010 GO Bonds Instructional Materials 27171
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	2,175	-	47,588	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>2,175</u>	<u>-</u>	<u>47,588</u>	<u>-</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	2,175	1,842	47,588	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>2,175</u>	<u>1,842</u>	<u>47,588</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(1,842)	-	-
<i>Total fund balances</i>	<u>-</u>	<u>(1,842)</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,175</u>	<u>\$ -</u>	<u>\$ 47,588</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement G-3

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ 25,282	\$ 45,927
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	51,554	71,050	14,427	186,794
Interfund receivables	-	-	14,652	227,191
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>51,554</u>	<u>71,050</u>	<u>54,361</u>	<u>459,912</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	18,460	-	-	64,008
Accrued payroll liabilities	-	-	-	112,497
Interfund payables	42,921	71,050	-	227,191
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>61,381</u>	<u>71,050</u>	<u>-</u>	<u>403,696</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	20,589
Grant mandates	-	-	-	56
Capital projects	-	-	54,361	54,361
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	(9,827)	-	-	(18,790)
<i>Total fund balances</i>	<u>(9,827)</u>	<u>-</u>	<u>54,361</u>	<u>56,216</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 51,554</u>	<u>\$ 71,050</u>	<u>\$ 54,361</u>	<u>\$ 459,912</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement G-4

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

Fund balances - total governmental funds	\$ 56,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,504,827
	<hr/>
Net position - component unit	<u><u>\$ 1,561,043</u></u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement G-5

	General Fund		Special Revenue		
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	SEG Federal Stimulus 25250	Daniels Fund 26141
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	1,428,633	15,057	-	-	-
Federal grants	-	-	-	-	-
Miscellaneous	37,350	-	-	-	-
Charges for services	30,759	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>1,496,742</u>	<u>15,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	1,005,397	4,702	25,403	-	4,013
Support services					
Students	66,250	-	36,212	-	-
Instruction	-	-	-	-	-
General administration	11,578	-	-	-	-
School administration	195,851	-	-	-	-
Central services	52,103	-	-	-	-
Operation & maintenance of plant	161,612	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>1,492,791</u>	<u>4,702</u>	<u>61,615</u>	<u>-</u>	<u>4,013</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>3,951</u>	<u>10,355</u>	<u>(61,615)</u>	<u>-</u>	<u>(4,013)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
Bond underwriter premium	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>3,951</u>	<u>10,355</u>	<u>(61,615)</u>	<u>-</u>	<u>(4,013)</u>
<i>Fund balances - beginning of year</i>	50,543	10,234	-	56	4,013
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>50,543</u>	<u>10,234</u>	<u>-</u>	<u>56</u>	<u>4,013</u>
<i>Fund balances - end of year</i>	<u>\$ 54,494</u>	<u>\$ 20,589</u>	<u>\$ (61,615)</u>	<u>\$ 56</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement G-5

	Special Revenue			
	2010 GO Bonds Student Library Funds (SB1) 27106	2012 GO Bonds Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	2010 GO Bonds Instructional Materials 27171
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,175	-	47,588	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>2,175</u>	<u>-</u>	<u>47,588</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	47,588	-
Support services				
Students	-	-	-	-
Instruction	-	1,842	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	2,175	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,175</u>	<u>1,842</u>	<u>47,588</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,842)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(1,842)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (1,842)</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
TAOS CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

Statement G-5

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	142,100	134,675	1,770,228
Federal grants	-	-	-	-
Miscellaneous	-	-	-	37,350
Charges for services	-	-	-	30,759
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>142,100</u>	<u>134,675</u>	<u>1,838,337</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	1,087,103
Support services				
Students	-	-	-	102,462
Instruction	-	-	-	1,842
General administration	-	-	-	11,578
School administration	-	-	-	195,851
Central services	-	-	-	52,103
Operation & maintenance of plant	-	-	-	161,612
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	371,890	142,100	80,314	596,479
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>371,890</u>	<u>142,100</u>	<u>80,314</u>	<u>2,209,030</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(371,890)</u>	<u>-</u>	<u>54,361</u>	<u>(370,693)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	362,063	-	-	362,063
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>362,063</u>	<u>-</u>	<u>-</u>	<u>362,063</u>
<i>Net changes in fund balances</i>	<u>(9,827)</u>	<u>-</u>	<u>54,361</u>	<u>(8,630)</u>
<i>Fund balances - beginning of year</i>	-	-	-	64,846
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,846</u>
<i>Fund balances - end of year</i>	<u>\$ (9,827)</u>	<u>\$ -</u>	<u>\$ 54,361</u>	<u>\$ 56,216</u>

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

STATE OF NEW MEXICO

Statement G-6

TAOS MUNICIPAL SCHOOL DISTRICT

TAOS CHARTER SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds	\$	(8,630)
--	----	---------

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 exceeds capital outlays for the period.

Depreciation expense		(23,956)
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Capital Outlays		371,362
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Change in net position - total governmental activities	\$	<u>338,776</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
TAOS CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,418,801	1,428,633	1,428,633	-
Federal grants	-	-	-	-
Miscellaneous	-	27,950	37,350	9,400
Charges for services	25,000	25,000	30,759	5,759
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,443,801</u>	<u>1,481,583</u>	<u>1,496,742</u>	<u>15,159</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	957,646	991,775	929,612	62,163
Support services				
Students	76,900	88,436	66,250	22,186
Instruction	-	-	-	-
General administration	10,560	12,257	11,578	679
School administration	204,559	208,258	195,851	12,407
Central services	52,200	53,077	52,103	974
Operation & maintenance of plant	208,531	204,144	160,817	43,327
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,510,396</u>	<u>1,557,947</u>	<u>1,416,211</u>	<u>141,736</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(66,595)</u>	<u>(76,364)</u>	<u>80,531</u>	<u>156,895</u>
<i>Other financing sources (uses):</i>				
Designated cash	66,595	76,364	-	(76,364)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>66,595</u>	<u>76,364</u>	<u>-</u>	<u>(76,364)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>80,531</u>	<u>80,531</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>132,008</u>	<u>132,008</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>132,008</u>	<u>132,008</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,539</u>	<u>\$ 212,539</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 80,531	
Adjustments to revenues			-	
Adjustments to expenditures			(76,580)	
Net change in fund balance (GAAP basis)			<u>\$ 3,951</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INSTRUCTIONAL MATERIALS FUND (14000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	4,729	4,729	15,057	10,328
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,729</u>	<u>4,729</u>	<u>15,057</u>	<u>10,328</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,729	4,729	4,702	27
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,729</u>	<u>4,729</u>	<u>4,702</u>	<u>27</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>10,355</u>	<u>10,355</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>10,355</u>	<u>10,355</u>
<i>Cash or fund balances - beginning of year</i>	-	-	10,234	10,234
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,234</u>	<u>10,234</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,589</u>	<u>\$ 20,589</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 10,355	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 10,355</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	61,615	58,582	(3,033)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>61,615</u>	<u>58,582</u>	<u>(3,033)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	25,403	25,403	-
Support services				
Students	-	36,212	36,212	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>61,615</u>	<u>61,615</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,033)</u>	<u>(3,033)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(3,033)	(3,033)
<i>Cash or fund balances - beginning of year</i>	-	-	(58,582)	(58,582)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(58,582)</u>	<u>(58,582)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,615)</u>	<u>\$ (61,615)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (3,033)	
Adjustments to revenues			(58,582)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (61,615)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SEG FEDERAL STIMULUS SPECIAL REVENUE FUND (25250)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-10

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	56	56
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 56</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DANIELS FUND SPECIAL REVENUE FUND (26141)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	4,013	4,013	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,013</u>	<u>4,013</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(4,013)</u>	<u>(4,013)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	4,013	-	(4,013)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>4,013</u>	<u>-</u>	<u>(4,013)</u>
<i>Net change in fund balances</i>	-	-	(4,013)	(4,013)
<i>Cash or fund balances - beginning of year</i>	-	-	4,013	4,013
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,013</u>	<u>4,013</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (4,013)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (4,013)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2010 GO BONDS STUDENT LIBRARY FUNDS (SB1) SPECIAL REVENUE FUND (27106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	2,177	-	(2,177)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,177</u>	<u>-</u>	<u>(2,177)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	2,177	2,175	2
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,177</u>	<u>2,175</u>	<u>2</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,175)</u>	<u>(2,175)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(2,175)	(2,175)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,175)</u>	<u>\$ (2,175)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (2,175)	
Adjustments to revenues			2,175	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	3,260	3,260	-	(3,260)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,260</u>	<u>3,260</u>	<u>-</u>	<u>(3,260)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	3,260	3,260	1,842	1,418
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,260</u>	<u>3,260</u>	<u>1,842</u>	<u>1,418</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,842)</u>	<u>(1,842)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,842)	(1,842)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,842)</u>	<u>\$ (1,842)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (1,842)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,842)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NM READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	47,588	-	(47,588)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>47,588</u>	<u>-</u>	<u>(47,588)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	47,588	47,588	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>47,588</u>	<u>47,588</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(47,588)</u>	<u>(47,588)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(47,588)	(47,588)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,588)</u>	<u>\$ (47,588)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (47,588)	
Adjustments to revenues			47,588	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2010 GO BONDS INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27171)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-15

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	706	12,185	11,479
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>706</u>	<u>12,185</u>	<u>11,479</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	706	-	706
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>706</u>	<u>-</u>	<u>706</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,185</u>	<u>12,185</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	12,185	12,185
<i>Cash or fund balances - beginning of year</i>	-	-	(12,185)	(12,185)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,185)</u>	<u>(12,185)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 12,185	
Adjustments to revenues			(12,185)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BOND BUILDING CAPITAL PROJECT FUND (31100)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	740,054	353,430	386,624
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>740,054</u>	<u>353,430</u>	<u>386,624</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(740,054)</u>	<u>(353,430)</u>	<u>386,624</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	740,054	310,509	(429,545)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>740,054</u>	<u>310,509</u>	<u>(429,545)</u>
<i>Net change in fund balances</i>	-	-	(42,921)	(42,921)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,921)</u>	<u>\$ (42,921)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (42,921)	
Adjustments to revenues			51,554	
Adjustments to expenditures			(18,460)	
Net change in fund balance (GAAP basis)			<u>\$ (9,827)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND (31200)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	142,100	71,050	(71,050)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>142,100</u>	<u>71,050</u>	<u>(71,050)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	142,100	142,100	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>142,100</u>	<u>142,100</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(71,050)</u>	<u>(71,050)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(71,050)	(71,050)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (71,050)</u>	<u>\$ (71,050)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (71,050)	
Adjustments to revenues			71,050	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 TAOS CHARTER SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement G-18

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	5,332	139,629	131,313	(8,316)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,332</u>	<u>139,629</u>	<u>131,313</u>	<u>(8,316)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	5,332	139,629	80,314	59,315
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,332</u>	<u>139,629</u>	<u>80,314</u>	<u>59,315</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>50,999</u>	<u>50,999</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	50,999	50,999
<i>Cash or fund balances - beginning of year</i>	-	-	(11,065)	(11,065)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,065)</u>	<u>(11,065)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,934</u>	<u>\$ 39,934</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 50,999	
Adjustments to revenues			3,362	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 54,361</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 FRIENDS OF TAOS CHARTER SCHOOL
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement G-19

<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 130,258
Donations and other income	15,906
Interest income	-
Cash payments for supplies and maintenance	(85,920)
<i>Net cash provided (used) by operating activities</i>	<u>60,244</u>
<i>Cash flows from investing activities</i>	
Purchase of capital assets	-
<i>Net cash provided (used) by investing activities</i>	<u>-</u>
<i>Cash flows from financing activities:</i>	
Loan principal payments	-
Loan interest payments	-
<i>Net cash provided (used) by financing activities</i>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	60,244
<i>Cash and cash equivalents - beginning of year</i>	<u>37,308</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 97,552</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ 67,729
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Receivables	(11,842)
Accounts payable	4,357
Accrued liabilities	-
<i>Net cash provided (used) by operating activities:</i>	<u>\$ 60,244</u>

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

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VISTA GRANDE HIGH SCHOOL

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement H-1

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 410,475
Receivables (net of allowance for uncollectibles)	176,719
Inventory	-
Prepaid assets	-
<i>Total current assets</i>	<u>587,194</u>
<i>Noncurrent assets</i>	
Prepaid assets	-
Capital assets (net of accumulated depreciation):	
Land and land improvements	-
Buildings and building improvements	-
Furniture, fixtures and equipment	66,725
Construction in progress	73,398
Less: accumulated depreciation	<u>(23,472)</u>
<i>Total noncurrent assets</i>	<u>116,651</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on advance refunding of debt	-
<i>Total assets and deferred outflows of resources</i>	<u>\$ 703,845</u>
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 50,714
Accrued payroll liabilities	39,729
Accrued interest payable	-
Unearned lease income	-
Current maturities of:	
Bonds payable	-
Loans payable	-
Compensated absences	<u>5,275</u>
<i>Total current liabilities</i>	<u>95,718</u>
<i>Noncurrent liabilities:</i>	
Unearned lease income	-
Bonds payable	-
Loans payable	-
<i>Total noncurrent liabilities</i>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	-
NET POSITION	
Net investment in capital assets	116,651
Restricted for:	
Debt service	-
Capital projects	50,395
Special revenue funds	<u>(767)</u>
Unrestricted	<u>441,848</u>
<i>Total net position</i>	<u>608,127</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 703,845</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement H-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 470,916	\$ -	\$ 10,169	\$ -	\$ (460,747)
Support services:					
Students	41,825	-	-	-	(41,825)
Instruction	6,545	-	-	-	(6,545)
General administration	11,923	-	-	-	(11,923)
School administration	204,471	-	-	-	(204,471)
Other	-	-	-	-	-
Central services	96,795	-	-	-	(96,795)
Operation & maintenance of plant	112,994	-	-	-	(112,994)
Student transportation	-	-	-	-	-
Food services operation	229	-	-	-	(229)
Community services	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Facilities materials, supplies, & other services	59,814	-	-	206,925	147,111
Depreciation - unallocated	9,574	-	-	-	(9,574)
Total Primary Government	<u>\$ 1,015,086</u>	<u>\$ -</u>	<u>\$ 10,169</u>	<u>\$ 206,925</u>	<u>(797,992)</u>

General Revenues:

Property taxes:	
Levied for general purposes	-
Levied for debt service	-
Levied for capital projects	-
Oil and gas taxes	-
State equalization guarantee	839,779
Federal aid not restricted to specific purpose	-
Unrestricted investment earnings	-
Transfer from agency funds	1,342
Miscellaneous	9,959
Total general revenues	<u>851,080</u>
Change in net position	53,088
Net position - beginning of year	<u>530,965</u>
Restatement	<u>24,074</u>
Net position - beginning of year, restated	<u>555,039</u>
Net position - ending of year	<u>\$ 608,127</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement H-3

	General Fund		Special Revenue	
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	2010 GO Bonds Student Library Funds (SB1) 27106
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 402,087	\$ 6,511	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	80,949	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>483,036</u>	<u>6,511</u>	<u>-</u>	<u>-</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	2,695	-	-	-
Accrued payroll liabilities	39,729	-	-	-
Interfund payables	-	-	623	2,021
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>42,424</u>	<u>-</u>	<u>623</u>	<u>2,021</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	6,511	-	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	440,612	-	(623)	(2,021)
<i>Total fund balances</i>	<u>440,612</u>	<u>6,511</u>	<u>(623)</u>	<u>(2,021)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 483,036</u>	<u>\$ 6,511</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement H-3

	Special Revenue				
	2012 GO Bonds Student Library Fund (SB66) 27107	Technology for Education 27145	School Library Material Fund FY08 27549	Private Direct Grants 29102	Activity Funds 29999
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 1,529	\$ 304	\$ 44	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>1,529</u>	<u>304</u>	<u>44</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Prepaid expenses	-	-	-	-	-
Transportation	-	-	-	-	-
Instructional materials	-	-	-	-	-
Grant mandates	-	1,529	304	44	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>1,529</u>	<u>304</u>	<u>44</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 1,529</u>	<u>\$ 304</u>	<u>\$ 44</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement H-3

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 410,475
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	130,905	45,814	-	176,719
Interfund receivables	-	-	-	80,949
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>130,905</u>	<u>45,814</u>	<u>-</u>	<u>668,143</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	48,019	-	-	50,714
Accrued payroll liabilities	-	-	-	39,729
Interfund payables	26,155	48,151	3,999	80,949
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>74,174</u>	<u>48,151</u>	<u>3,999</u>	<u>171,392</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - other	-	45,814	-	45,814
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>45,814</u>	<u>-</u>	<u>45,814</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Prepaid expenses	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	6,511
Grant mandates	-	-	-	1,877
Capital projects	56,731	-	-	56,731
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(48,151)	(3,999)	385,818
<i>Total fund balances</i>	<u>56,731</u>	<u>(48,151)</u>	<u>(3,999)</u>	<u>450,937</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 130,905</u>	<u>\$ 45,814</u>	<u>\$ -</u>	<u>\$ 668,143</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE BALANCE SHEET TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Statement H-4

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

Fund balances - total governmental funds	\$ 450,937
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	116,651
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred inflows of resources represent revenues collected but not "available" and are considered to be unearned revenue in the fund financial statements but are considered revenue in the Statement of Activities	45,814
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	<u>(5,275)</u>
Net position - component unit	<u>\$ 608,127</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement H-5

	General Fund		Special Revenue	
	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	2010 GO Bonds Student Library Funds (SB1) 27106
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	839,779	3,986	-	-
Federal grants	-	-	-	-
Miscellaneous	9,959	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>849,738</u>	<u>3,986</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	464,841	-	-	-
Support services				
Students	41,825	-	-	-
Instruction	6,545	-	-	-
General administration	11,923	-	-	-
School administration	204,471	-	-	-
Central services	96,795	-	-	-
Operation & maintenance of plant	112,994	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	229	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>939,623</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(89,885)</u>	<u>3,986</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(4,930)	-	-	-
Proceeds from bond issues	-	-	-	-
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(4,930)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(94,815)</u>	<u>3,986</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	549,724	2,525	(623)	(2,021)
<i>Prior period adjustment</i>	(14,297)	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>535,427</u>	<u>2,525</u>	<u>(623)</u>	<u>(2,021)</u>
<i>Fund balances - end of year</i>	<u>\$ 440,612</u>	<u>\$ 6,511</u>	<u>\$ (623)</u>	<u>\$ (2,021)</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement H-5

	Special Revenue				
	2012 GO Bonds Student Library Fund (SB66) 27107	Technology for Education 27145	School Library Material Fund FY08 27549	Private Direct Grants 29102	Activity Funds 29999
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	5,879	304	-	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,879</u>	<u>304</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	4,350	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>1,529</u>	<u>304</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	6,272
Proceeds from bond issues	-	-	-	-	-
Bond underwriter premium	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,272</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>1,529</u>	<u>304</u>	<u>-</u>	<u>6,272</u>
<i>Fund balances - beginning of year</i>	-	-	-	44	(6,272)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>(6,272)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1,529</u>	<u>\$ 304</u>	<u>\$ 44</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

Statement H-5

	Capital Projects			Total
	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	16,982	-	866,930
Federal grants	-	-	-	-
Miscellaneous	-	-	-	9,959
Charges for services	-	-	-	-
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,982</u>	<u>-</u>	<u>876,889</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	469,191
Support services				
Students	-	-	-	41,825
Instruction	-	-	-	6,545
General administration	-	-	-	11,923
School administration	-	-	-	204,471
Central services	-	-	-	96,795
Operation & maintenance of plant	-	-	-	112,994
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	229
Community service	-	-	-	-
Capital outlay	87,398	45,814	-	133,212
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>87,398</u>	<u>45,814</u>	<u>-</u>	<u>1,077,185</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(87,398)</u>	<u>(28,832)</u>	<u>-</u>	<u>(200,296)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	1,342
Proceeds from bond issues	144,129	-	-	144,129
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>144,129</u>	<u>-</u>	<u>-</u>	<u>145,471</u>
<i>Net changes in fund balances</i>	<u>56,731</u>	<u>(28,832)</u>	<u>-</u>	<u>(54,825)</u>
<i>Fund balances - beginning of year</i>	-	(37,725)	(3,999)	501,653
<i>Prior period adjustment</i>	-	18,406	-	4,109
<i>Adjusted fund balance - beginning of year</i>	<u>-</u>	<u>(19,319)</u>	<u>(3,999)</u>	<u>505,762</u>
<i>Fund balances - end of year</i>	<u>\$ 56,731</u>	<u>\$ (48,151)</u>	<u>\$ (3,999)</u>	<u>\$ 450,937</u>

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

STATE OF NEW MEXICO

Statement H-6

TAOS MUNICIPAL SCHOOL DISTRICT

VISTA GRANDE HIGH SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds	\$ (54,825)
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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 exceeds capital outlays for the period.

Depreciation expense	(9,574)
Capital Outlays	73,398

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Change in deferred inflows of resources - other	45,814
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in accrued compensated absences	(1,725)
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Change in net position - total governmental activities	\$ 53,088
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 OPERATIONAL FUND (11000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-7

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	839,750	848,985	849,014	29
Federal grants	-	-	-	-
Miscellaneous	-	-	9,959	9,959
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>839,750</u>	<u>848,985</u>	<u>858,973</u>	<u>9,988</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	588,414	597,649	453,484	144,165
Support services				
Students	77,000	77,000	41,825	35,175
Instruction	200	200	6,545	(6,345)
General administration	29,600	29,600	11,923	17,677
School administration	172,404	172,404	204,471	(32,067)
Central services	144,852	144,852	96,795	48,057
Operation & maintenance of plant	168,695	168,695	111,828	56,867
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	40,000	40,000	229	39,771
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,221,165</u>	<u>1,230,400</u>	<u>927,100</u>	<u>303,300</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(381,415)</u>	<u>(381,415)</u>	<u>(68,127)</u>	<u>313,288</u>
<i>Other financing sources (uses):</i>				
Designated cash	381,415	381,415	-	(381,415)
Operating transfers	-	-	(4,930)	(4,930)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>381,415</u>	<u>381,415</u>	<u>(4,930)</u>	<u>(386,345)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(73,057)</u>	<u>(73,057)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>570,390</u>	<u>570,390</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(14,297)</u>	<u>(14,297)</u>
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>556,093</u>	<u>556,093</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,036</u>	<u>\$ 483,036</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (73,057)	
Adjustments to revenues			(9,235)	
Adjustments to expenditures			(12,523)	
Net change in fund balance (GAAP basis)			<u>\$ (94,815)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INSTRUCTIONAL MATERIALS FUND (14000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	3,986	3,986
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,986</u>	<u>3,986</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	199	199	-	199
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>199</u>	<u>199</u>	<u>-</u>	<u>199</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(199)</u>	<u>(199)</u>	<u>3,986</u>	<u>4,185</u>
<i>Other financing sources (uses):</i>				
Designated cash	199	199	-	(199)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>199</u>	<u>199</u>	<u>-</u>	<u>(199)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,986</u>	<u>3,986</u>
<i>Cash or fund balances - beginning of year</i>	-	-	2,525	2,525
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,525</u>	<u>2,525</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,511</u>	<u>\$ 6,511</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 3,986	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,986</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	34,037	-	(34,037)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,037</u>	<u>-</u>	<u>(34,037)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	34,037	-	34,037
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,037</u>	<u>-</u>	<u>34,037</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	(623)	(623)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(623)</u>	<u>(623)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (623)</u>	<u>\$ (623)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2010 GO BONDS STUDENT LIBRARY FUNDS (SB1) SPECIAL REVENUE FUND (27106)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-10

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	(2,021)	(2,021)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,021)</u>	<u>(2,021)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,021)</u>	<u>\$ (2,021)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	3,122	3,122	-	(3,122)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,122</u>	<u>3,122</u>	<u>-</u>	<u>(3,122)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	3,122	3,122	-	3,122
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,122</u>	<u>3,122</u>	<u>-</u>	<u>3,122</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND (27145)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	4,350	(4,350)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>4,350</u>	<u>(4,350)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,350)</u>	<u>(4,350)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,350)	(4,350)
<i>Cash or fund balances - beginning of year</i>	-	-	5,879	5,879
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,879</u>	<u>5,879</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,529</u>	<u>\$ 1,529</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (4,350)	
Adjustments to revenues			5,879	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,529</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCHOOL LIBRARY MATERIAL FUND FY08 SPECIAL REVENUE FUND (27549)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	304	304
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>304</u>	<u>304</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 304</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			304	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 304</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND (29102)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	44	44
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 44</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ACTIVITY FUNDS SPECIAL REVENUE FUND (29999)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-15

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	6,272	6,272
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>6,272</u>	<u>6,272</u>
<i>Net change in fund balances</i>	-	-	6,272	6,272
<i>Cash or fund balances - beginning of year</i>	-	-	(6,272)	(6,272)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,272)</u>	<u>(6,272)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ 6,272	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 6,272</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BOND BUILDING CAPITAL PROJECT FUND (31100)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	269,268	39,379	229,889
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>269,268</u>	<u>39,379</u>	<u>229,889</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(269,268)</u>	<u>(39,379)</u>	<u>229,889</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	269,268	13,224	(256,044)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>269,268</u>	<u>13,224</u>	<u>(256,044)</u>
<i>Net change in fund balances</i>	-	-	(26,155)	(26,155)
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,155)</u>	<u>\$ (26,155)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (26,155)	
Adjustments to revenues			130,905	
Adjustments to expenditures			(48,019)	
Net change in fund balance (GAAP basis)			<u>\$ 56,731</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND (31200)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	16,982	16,982
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,982</u>	<u>16,982</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	45,814	(45,814)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>45,814</u>	<u>(45,814)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(28,832)</u>	<u>(28,832)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(28,832)	(28,832)
<i>Cash or fund balances - beginning of year</i>	-	-	(37,725)	(37,725)
Prior period adjustments	-	-	18,406	18,406
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,319)</u>	<u>(19,319)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,151)</u>	<u>\$ (48,151)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ (28,832)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (28,832)</u>	

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL DISTRICT
 VISTA GRANDE HIGH SCHOOL
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement H-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,440	4,515	-	(4,515)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,440</u>	<u>4,515</u>	<u>-</u>	<u>(4,515)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	2,440	4,515	-	4,515
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,440</u>	<u>4,515</u>	<u>-</u>	<u>4,515</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	-	-	(3,999)	(3,999)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,999)</u>	<u>(3,999)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,999)</u>	<u>\$ (3,999)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
VISTA GRANDE HIGH SCHOOL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Statement H-19

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 312
<i>Total assets</i>	<u> 312</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	312
<i>Total liabilities</i>	<u>\$ 312</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
VISTA GRANDE HIGH SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Statement H-20

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2014</u>
General Activity	\$ 876	804	1,583	\$ 215	\$ 312
Tech Team	1,557	-	-	(1,557)	-
	<u>\$ 2,433</u>	<u>\$ 804</u>	<u>\$ 1,583</u>	<u>\$ (1,342)</u>	<u>\$ 312</u>

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

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule I

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014
Due to Operational Fund	\$ 12,461	\$ -	\$ -	\$ (12,461)	\$ -
Administration	144,077	28,918	34,116	(78,088)	60,791
Taos High School	141,892	328,736	322,318	65,774	214,084
Taos Middle School	35,226	56,918	62,294	8,271	38,121
Enos Elementary	31,246	71,163	70,218	6,413	38,604
Ranchos Elementary	25,011	48,734	49,727	5,565	29,583
Arroyo Del Norte	8,985	14,215	9,065	(2,503)	11,632
	<u>\$ 398,898</u>	<u>\$ 548,684</u>	<u>\$ 547,738</u>	<u>\$ (7,029)</u>	<u>\$ 392,815</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2014

Schedule II

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2014</u>
Primary Government:				
US Bank:				
	FHLMC FGLMC G01554	5/1/2033	31283HWP6	\$ 477,089
	FNMA POOL AE9299	11/1/2025	31419LKM4	215,622
	FNMA POOL AE9826	12/1/2025	31419L4L4	<u>1,826,849</u>
Total US Bank				<u><u>\$ 2,519,560</u></u>

The securities are held at the Federal Home Loan Bank,
not in the District's name at the following address:
221 E. 4th Street, Suite 1000
Cincinnati, OH 45202

Centinel Bank:				
	FFCB	5/22/2019	31331VZL3	\$ 651,795
	FHLB	6/21/2017	313379DD8	2,006,618
	FFCB	11/19/2018	31331J2U6	520,625
	FHLB	12/14/2015	313376BR5	504,339
	FFCB	6/11/2018	3133ED4Q2	351,873
	N.M.M.I. Revenue	6/1/2013	647183BM3	150,000
	FNMA 1612	1/1/2027	3138E5YJ1	851,108
	Alamogordo SD	8/1/2021	011464GW8	250,000
	Questa GO ED	7/1/2014	74837KAB5	195,000
	Los Alamos SD GO	8/1/2019	54422NBL9	<u>400,000</u>
Total Centinel Bank				<u><u>\$ 5,881,358</u></u>

The securities are held at the Texas Independent Banker,
not in the District's name at the following address:
45454 Fuller Dr.
Irving, TX 75058

Component Unit - Vista Grande High School				
Centinel Bank:				
	Questa SD GO ED	7/1/2016	74837KAD1	<u>\$ 205,000</u>
Total Centinel Bank				<u><u>\$ 205,000</u></u>

The securities are held at the Texas Independent Banker,
not in the District's name at the following address:
45454 Fuller Dr.
Irving, TX 75058

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2014

Schedule III
(Page 1 of 2)

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Other Adjustments</u>	<u>Book Balance</u>
Primary Government						
Centinel Bank						
Operating Account	Checking	\$ 10,784,491	\$ -	\$ 1,169,881	\$ -	\$ 9,614,610
Activity Account	Checking	406,102	-	13,287	-	392,815
Total Wells Fargo Bank		<u>11,190,593</u>	<u>-</u>	<u>1,183,168</u>	<u>-</u>	<u>10,007,425</u>
US Bank						
Payroll Account	Checking	<u>2,751,438</u>	<u>-</u>	<u>1,478,215</u>	<u>1,335,177</u>	<u>2,608,400</u>
State of New Mexico						
LGIP Fund (Pool - 4101)	Investment	<u>1,747,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,747,164</u>
Total		<u>\$ 15,689,195</u>	<u>\$ -</u>	<u>\$ 2,661,383</u>	<u>\$ 1,335,177</u>	<u>\$ 14,362,989</u>

Cash per financial statements

Cash and cash equivalents - Government Activities Exhibit A-1	\$ 13,990,174
Fiduciary funds - Exhibit D-1	392,815
	<u>\$ 14,382,989</u>

Component Unit - Anansi Charter School

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Other Adjustments</u>	<u>Book Balance</u>
US Bank						
Operating Account	Checking	<u>\$ 87,627</u>	<u>\$ -</u>	<u>\$ 21,713</u>	<u>\$ -</u>	<u>\$ 65,914</u>

Cash per financial statements

Cash and cash equivalents - Government Activities Statement F-1	<u>\$ 65,914</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2014

Schedule III
(Page 2 of 2)

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Other Adjustments</u>	<u>Book Balance</u>
Component Unit - Taos Charter School						
<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Other Adjustments</u>	<u>Book Balance</u>
US Bank						
Operating Account	Checking	\$ 192,387	\$ -	\$ 152,376	\$ -	\$ 40,011
Construction Account	Checking	5,916	-	-	-	5,916
Total US Bank		<u>\$ 198,303</u>	<u>\$ -</u>	<u>\$ 152,376</u>	<u>\$ -</u>	<u>\$ 45,927</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Statement G-1						<u>\$ 45,927</u>

Component Unit - Vista Grande High School

<u>Bank Name/Account Type</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Other Adjustments</u>	<u>Book Balance</u>
Centinel Bank						
Operating Account	Checking	\$ 472,391	\$ -	\$ 65,315	\$ 3,399	\$ 410,475
Activity Account	Checking	512	-	200	-	312
Total Wells Fargo Bank		<u>\$ 472,903</u>	<u>\$ -</u>	<u>\$ 65,515</u>	<u>\$ 3,399</u>	<u>\$ 410,787</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Statement H-1						\$ 410,475
Fiduciary funds - Statement H-19						312
						<u>\$ 410,787</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 1 of 8)

Primary Government

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2013	\$ 1,417,662	\$ 24,969	\$ 36,334	\$ (223,897)
Add:				
Current year revenues	19,777,436	947,984	180,802	1,415,148
Permanent cash transfers	-	-	-	-
Prior period adjustment	51,148	-	-	-
Loans from other funds	-	-	-	268,636
Total cash available	21,246,246	972,953	217,136	1,459,887
Less:				
Current year expenditures	(19,330,209)	(924,020)	(71,845)	(1,459,887)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(1,800,000)	-	-	-
Cash, June 30, 2014	<u>\$ 116,037</u>	<u>\$ 48,933</u>	<u>\$ 145,291</u>	<u>\$ -</u>

Component Unit
Anansi Charter School

Cash, June 30, 2013	\$ 118,288	\$ -	\$ 576	\$ -
Add:				
Current year revenues	1,121,738	-	8,456	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	1,240,026	-	9,032	-
Less:				
Current year expenditures	(1,120,892)	-	(4,814)	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(104,736)	-	-	-
Cash, June 30, 2014	<u>\$ 14,398</u>	<u>\$ -</u>	<u>\$ 4,218</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 2 of 8)

Component Unit
Taos Charter School

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2013	\$ 132,008	\$ -	\$ 10,234	\$ -
Add:				
Current year revenues	1,496,742	-	15,057	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	1,628,750	-	25,291	-
Less:				
Current year expenditures	(1,416,211)	-	(4,702)	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(212,539)	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,589</u>	<u>\$ -</u>

Component Unit
Vista Grande High School

Cash, June 30, 2013	\$ 570,390	\$ -	\$ 2,525	\$ -
Add:				
Current year revenues	858,973	-	3,986	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	1,429,363	-	6,511	-
Less:				
Current year expenditures	(927,100)	-	-	-
Permanent cash transfers	(4,930)	-	-	-
Prior period adjustment	(14,297)	-	-	-
Loans to other funds	(80,949)	-	-	-
Cash, June 30, 2014	<u>\$ 402,087</u>	<u>\$ -</u>	<u>\$ 6,511</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 3 of 8)

Primary Government

	Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
Cash, June 30, 2013	\$ 35,215	\$ (1,276,913)	\$ 215,828	\$ 48,719	\$ 1,958
Add:					
Current year revenues	73,036	2,459,902	251,834	-	467,329
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	1,286,767	21,068	-	295,728
Total cash available	108,251	2,469,756	488,730	48,719	765,015
Less:					
Current year expenditures	(102,880)	(2,436,749)	(212,261)	-	(682,702)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	(1)	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ 5,371</u>	<u>\$ 33,006</u>	<u>\$ 276,469</u>	<u>\$ 48,719</u>	<u>\$ 82,313</u>

Component Unit
Anansi Charter School

Cash, June 30, 2013	\$ -	\$ (7,151)	\$ 191	\$ 492	\$ (5,473)
Add:					
Current year revenues	-	7,151	-	-	9,801
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	22,923	-	-	52,879
Total cash available	-	22,923	191	492	57,207
Less:					
Current year expenditures	-	(22,923)	-	(492)	(57,207)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 4 of 8)

Component Unit
Taos Charter School

	Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
Cash, June 30, 2013	\$ -	\$ (58,582)	\$ 56	\$ 4,013	\$ (12,185)
Add:					
Current year revenues	-	58,582	-	-	12,185
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	61,615	-	-	51,605
Total cash available	-	61,615	56	4,013	51,605
Less:					
Current year expenditures	-	(61,615)	-	(4,013)	(51,605)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit
Vista Grande High School

Cash, June 30, 2013	\$ -	\$ (623)	\$ -	\$ -	\$ 4,162
Add:					
Current year revenues	-	-	-	-	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	623	-	-	2,021
Total cash available	-	-	-	-	6,183
Less:					
Current year expenditures	-	-	-	-	(4,350)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,833</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 5 of 8)

Primary Government

	State Direct 28000	Local / State 29000	Bond Building 31100	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300
Cash, June 30, 2013	\$ 60,747	\$ (23,092)	\$ 77,544	\$ -	\$ 1
Add:					
Current year revenues	37,805	12,505	11,677,922	-	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	44,141	26,117	-	-	-
Total cash available	142,693	15,530	11,755,466	-	1
Less:					
Current year expenditures	(31,800)	(10,428)	(4,518,252)	-	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ 110,893</u>	<u>\$ 5,102</u>	<u>\$ 7,237,214</u>	<u>\$ -</u>	<u>\$ 1</u>

Component Unit
Anansi Charter School

Cash, June 30, 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Add:					
Current year revenues	-	-	88,176	63,265	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	-	-	21,089	-
Total cash available	-	-	88,176	84,354	-
Less:					
Current year expenditures	-	-	(88,176)	(84,354)	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<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 SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 6 of 8)

Component Unit
Taos Charter School

	State Direct 28000	Local / State 29000	Bond Building Account 31100	Bond Building Account 31200	Bond Building Account 31300
Cash, June 30, 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Add:					
Current year revenues	-	-	310,509	71,050	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	-	42,921	71,050	-
Total cash available	-	-	353,430	142,100	-
Less:					
Current year expenditures	-	-	(353,430)	(142,100)	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit
Vista Grande High School

Cash, June 30, 2013	\$ -	\$ (6,228)	\$ -	\$ (37,725)	\$ -
Add:					
Current year revenues	-	-	13,224	16,982	-
Permanent cash transfers	-	6,272	-	-	-
Prior period adjustment	-	-	-	18,406	-
Loans from other funds	-	-	26,155	48,151	-
Total cash available	-	44	39,379	45,814	-
Less:					
Current year expenditures	-	-	(39,379)	(45,814)	-
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 7 of 8)

Primary Government	Cap. Improv. SB 9 31700	Educational Tech Equip 31900	Debt Service Fund 41000	Education Tech Debt Service Fund 43000	Total
Cash, June 30, 2013	\$ 1,242,631	\$ 38	\$ 3,215,009	\$ 784,344	\$ 5,637,097
Add:					
Current year revenues	2,162,352	2,150,397	17,878,885	689,558	60,182,895
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	1	-	-	-	51,149
Loans from other funds	-	-	-	-	1,942,457
Total cash available	3,404,984	2,150,435	21,093,894	1,473,902	67,813,598
Less:					
Current year expenditures	(1,970,963)	(1,122,668)	(18,292,924)	(713,378)	(51,880,966)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	(1)
Loans to other funds	-	-	(142,457)	-	(1,942,457)
Cash, June 30, 2014	<u>\$ 1,434,021</u>	<u>\$ 1,027,767</u>	<u>\$ 2,658,513</u>	<u>\$ 760,524</u>	<u>\$ 13,990,174</u>
Component Unit					
Anansi Charter School					
Cash, June 30, 2013	\$ (2,707)	\$ -	\$ -	\$ -	\$ 104,216
Add:					
Current year revenues	69,716	-	-	-	1,368,303
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	7,845	-	-	-	104,736
Total cash available	74,854	-	-	-	1,577,255
Less:					
Current year expenditures	(27,747)	-	-	-	(1,406,605)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	(104,736)
Cash, June 30, 2014	<u>\$ 47,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,914</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV
(Page 8 of 8)

Component Unit

Taos Charter School

	Cap. Improv. SB 9 31700	Educational Tech Equip 31900	Debt Service Fund 41000	Education Tech Debt Service Fund 43000	Total
Cash, June 30, 2013	\$ (11,065)	\$ -	\$ -	\$ -	\$ 64,479
Add:					
Current year revenues	131,313	-	-	-	2,095,438
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	-	-	-	227,191
Total cash available	120,248	-	-	-	2,387,108
Less:					
Current year expenditures	(80,314)	-	-	-	(2,113,990)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	(14,652)	-	-	-	(227,191)
Cash, June 30, 2014	<u>\$ 25,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,927</u>

Component Unit

Vista Grande High School

Cash, June 30, 2013	\$ (3,999)	\$ -	\$ -	\$ -	\$ 528,502
Add:					
Current year revenues	-	-	-	-	893,165
Permanent cash transfers	-	-	-	-	6,272
Prior period adjustment	-	-	-	-	18,406
Loans from other funds	3,999	-	-	-	80,949
Total cash available	-	-	-	-	1,527,294
Less:					
Current year expenditures	-	-	-	-	(1,016,643)
Permanent cash transfers	-	-	-	-	(4,930)
Prior period adjustment	-	-	-	-	(14,297)
Loans to other funds	-	-	-	-	(80,949)
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,475</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2014

Schedule V

Title: Joint use and development of 23.8+- acre Salazar property and sports facilities

Participants: Town of Taos and Taos Municipal School District

Responsible Party: Town of Taos and Taos Municipal School District

Description: The Town of Taos agreed to construct athletic facilities on land owned by Taos Municipal School District and to maintain the property. The facilities will be made available to the District at no cost other than maintaining insurance on the property. The facilities shall be made available for public use. Scheduling and charges for use of others will be agreed to by the Town and the District. The District shall own the land, and the Town shall own the improvements.

Dates of Operation: Agreement entered into in September 2009 with a term of 40 years with the option for an additional 40 year renewal.

Projected Cost: Cost of liability insurance coverage in the amount of \$1,000,000.

Audit Responsibility: Town of Taos and Taos Municipal School District

Fiscal Agent: Town of Taos for the facilities

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

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COMPLIANCE SECTION



**Manning Accounting and Consulting
Services, LLC**

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

Independent Auditor's Report

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Taos Municipal School District
Taos, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund of the Taos Municipal School District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated February 06, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness. (FS 2010-009, FS 2013-004, FS 2014-004, FS 2014-005, FS 2014-012, and FS 2014-013)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. (FS 2010-021, FS 2012-001, FS 2013-005, FS 2014-001, FS 2014-002, FS 2014-006, FS 2014-009, FS 2014-015, FS 2014-016, FS 2014-019, FS 2014-020, FS 2014-027, FS 2014-029, FS 2014-035, FS 2014-039, FS 2014-041, FS 2014-042, FS 2014-045, FS 2014-047, and FS 2014-050)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2014-003, FS 2014-007, FS 2014-008, FS 2014-010, 2014-011, FS 2014-014, FS 2014-017, FS 2014-018, FS 2014-021, FS 2014-022, FS 2014-023, FS 2014-024, FS 2014-025, FS 2014-026, FS 2014-028, FS 2014-030, FS 2014-031, FS 2014-032, FS 2014-033, FS 2014-034, FS 2014-036, FS 2014-037, FS 2014-038, FS 2014-040, FS 2014-043, FS 2014-044, FS 2014-046, FS 2014-048, FS 2014-049, FS 2014-051, and FS 2014-052.

Taos Municipal School District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
February 06, 2015

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FEDERAL FINANCIAL ASSISTANCE



Manning Accounting and Consulting Services, LLC

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Taos Municipal School District
Taos, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Taos Municipal School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item FA 2014-003. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 2014-001 and FA 2014-002 to be a significant deficiency.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
February 06, 2015

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
(Page 1 of 2)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Title I IASA *	24101	84.010	\$ 1,166,128
IDEA B - Entitlement *	24106	84.027	825,653
IDEA-B Competitive*	24108	84.027	8,099
IDEA-B Preschool*	24109	84.173	23,174
IDEA-B "Risk Pool" *	24120	84.027	6,552
IDEA-B Results Plan*	24132	84.027	206,227
English Language Acquisition	24153	84.365	13,749
Teacher / Principal Training & Recruiting	24154	84.367	177,594
Rural & Low-Income Schools	24160	84.358	54,667
Title I School Improvement*	24162	84.010	27,712
Carl D. Perkins Secondary - Current	24174	84.048	31,556
Carl D. Perkins Secondary - Redistribution	24176	84.048	6,580
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			2,547,691
U.S. Department of Education - Continued			
<i>Direct U.S. Department of Education</i>			
Impact Aid	11000	84.041	19,317
Impact Aid - Special Education	25145	84.041	44,420
Impact Aid - Indian Education	25147	84.041	18,469
Indian Education Formula Grant	25184	84.060	39,713
<i>Subtotal - Direct U.S. Department of Education</i>			121,919
Total U.S. Department of Education			2,669,610
U.S. Department of Agriculture			
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	11000	10.672	197,135
<i>Subtotal - Direct U.S. Department of Agriculture</i>			197,135
<i>Passthrough State of New Mexico Public Education Department</i>			
Fresh Fruit and Vegetables	24118	10.582	46,829
National School Breakfast Program	21000	10.553	404,585
National School Lunch Program	21000	10.555	771,533
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			1,222,947
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.553/ 10.555	97,796
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			97,796
Total U.S. Department of Agriculture			1,517,878
Total Federal Financial Assistance			\$ 4,187,488

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI
(Page 2 of 2)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Anansi Charter School			
IDEA B - Entitlement *	24106	84.027	\$ 22,923
Taos Charter School			
IDEA B - Entitlement *	24106	84.027	61,615
Vista Grande High School			
IDEA B - Entitlement *	24106	84.027	-
Total Federal Financial Assistance - Component Units			<u>\$ 84,538</u>

(1) Denotes Major Federal Financial Assistance Program

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Taos Municipal Schools (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of 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. Subrecipients

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

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$97,796 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 4,272,026
Total expenditures funded by other sources	<u>49,531,896</u>
Total expenditures	<u>\$ 53,803,922</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness in internal control identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | Yes |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.010 84.027 and 84.173	Title I IASA Cluster Special Education Cluster (IDEA)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings

FS 2010-009 [10-09] – Improper Recording and Maintenance of Fixed Assets (Material Weakness) Repeated and Revised

Criteria: Per 2.20.2.8 NMAC 1978:

- A. Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.
- B. The information to be recorded and maintained on its fixed assets, must include at a minimum the following:
- (1) agency name or commonly used initials used to identify the agency;
 - (2) fixed asset number or fixed asset number plus component number;
 - (3) a description using words meaningful for identification;
 - (4) location, specifically a building and room number. If the asset is movable, the name and location of the fixed asset coordinator should be used;
 - (5) manufacturer name (NOT the vendor's name, unless vendor is the manufacturer);
 - (6) model number or model name;
 - (7) serial number, or vehicle identification number (VIN) for vehicles in agency's use & possession. If the fixed asset has no serial number, e.g., a custom-built asset, absence should be acknowledged by coding this as "none";
 - (8) estimated useful life or units expected to be produced;
 - (9) date acquired (month and year);
 - (10) cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
 - (11) fund and organization that purchased the asset, or to which it was transferred.
- C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

2.20.1.09 NMAC 1978:

- A. The type of service that the asset was purchased for must be used to classify fixed assets. The object code under which it was purchased is usually a reliable indicator of the service for which it was purchased.
- B. Object codes from the category for capital outlay may be used. Purchases from other categories may also be capitalized if appropriate. For example, certain types of repairs or maintenance may increase the useful life of the asset. These costs should be added to the cost of the asset.
- C. The recommended classifications and definitions are:
- (1) "Land": Only real property is included in this category. Costs to be included that are not specifically stated in Section 10.2 [Subsection B of Section 2.20.1.10 NMAC] include fees for appraisals, title searches, attorney's fees, demolition of structures (less any salvage) as part of site preparation, and agent's commissions.
 - (2) "Land Improvements": Improvements subsequent to the acquisition of land are in this category. Such assets have a limited economic life. Examples are roadways, landscaping, utility infrastructure, and fencing. This category may also be used to record leasehold improvements. Leasehold improvements should be capitalized to recognize the allocation of the cost of the improvements for the duration of their useful lives.
 - (3) "Buildings and Structures": This category shall be used for all buildings and structures that are permanently fixed to land.
 - (4) "Furniture and Fixtures": These are assets that are not permanently fixed to land, but are the contents of a building.
 - (5) "Information Technology Equipment" (including software): This category of equipment includes computers and peripherals, and all equipment related to electronic communications.
 - (6) "Equipment and Machinery": Equipment that is related to industrial production, construction, land or grounds maintenance, food service, public safety should be recorded in this category.
 - (7) "Farm Equipment": All equipment related to agricultural or ranch production should be recorded in this category.
 - (8) "Livestock and Poultry": This category is only used for farm or ranch animals that are not purchased for immediate consumption or production of food.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2010-009 [10-09] – Improper Recording and Maintenance of Fixed Assets (Material Weakness) Repeated and Revised (continued)

(9) "Library and Museum Acquisitions": Assets in this category only include holdings of libraries or museum collections. A publication that is available in a library but that is acquired by an agency for its private use would be appropriately categorized as furniture and fixtures. Similarly, a farm museum would use this classification for tractors and ploughs, even if they are used for their intended purpose.

(10) "Motor Vehicles and Aircraft": This category is for all such vehicles that the agency owns. Vehicles and aircraft acquired under the terms of an operating lease should not be recorded as fixed assets.

D. Agencies may use these fixed asset classifications for the purpose of pooling assets for depreciation, for publication in financial statements, or other management objectives.

2.20.1.12 NMAC 1978:

A. Depreciation is a set of methods for allocating the cost of an asset over its economic life. Assets owned by proprietary funds and nonexpendable trust funds are required to be depreciated. Assets held in the general fixed assets account group may, at the option of the fund's managers, be depreciated.

B. Depreciation normally should not be recorded until the asset is ready for use.

C. Depreciation reduces the net book value of an asset as its economic usefulness is consumed. Depreciation expense should normally be closed to fund balance at year-end.

D. The offset to the depreciation account is accumulated depreciation. This is a contra-account to assets, whose net value is historical cost less accumulated depreciation.

2.20.1.16 NMAC 1978, Annual Inventory:

A. At the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.

B. This inventory shall include all property procured through the capital projects fund which are assigned to the agency designated by the director of the property control division as the user agency.

C. All passenger vehicles must be included in the inventory process. This includes all vehicles leased from the transportation services division of the general services department as required by the "Auditor's Rule" 2 NMAC 2.2.11.1.L [now Paragraph (8) or Subsection A of 2.2.2.12 NMAC].

D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and brings to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.

E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures (Laws 1999, Chapter 230).

Condition: During our review of fixed assets, we identified the following issues:

- The District does not currently have a fixed asset management system which enables it to provide fixed asset detail or depreciation detail by asset.
- The District did not take an annual inventory of its assets and submit this to the board for certification.
- The District misclassified assets such as purchasing a new parcel of land and classifying it as a land improvement.
- The District was including the cost related to moving of furniture and classroom supplies from one building to another in its calculation of fixed asset additions.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2010-009 [10-09] – Improper Recording and Maintenance of Fixed Assets (Material Weakness) Repeated and Revised (continued)

Cause: The District has not made use of its fixed asset inventory system in Visions and has instead kept it in an excel spreadsheet. These records do not allow for proper categorization of assets and proper calculation of depreciation for each of these assets. The District's intent is to transfer all asset records into the visions asset inventory system during the current year.

Effect: The District is currently unable to properly identify, categorize, and record current additions/deletions effectively and properly maintain fixed asset records, including detail depreciation records.

Auditors' Recommendations: We recommend that the District utilize its Visions software to maintain detail of its fixed assets. That the information be input into the system and then maintained throughout the year so that all additions, deletions, and modifications to fixed assets are properly recorded. We also recommend that the District provide a fixed asset detail to the Board annually for their certification as required by state statute.

Responsible Official's View: The District will diligently bring its Fixed Assets up-to-date in the Fixed Assets Module and maintain it throughout the year. The District will also ensure that a physical inventory is taken and provided to the Board for certification annually.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS-2010-021 [10-21] – Segregation of Duties (Significant Deficiency) Repeated and Revised

Criteria: 6.20.2.11 NMAC 1978:

A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

(1) rights and ownership;

(2) existence and occurrence;

(3) valuation and allocations;

(4) completeness; and,

(5) presentation and disclosure.

D. The internal control structure shall demonstrate that the school district identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the school district complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through school district correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a school district to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all school district transactions.

Condition: During our review of payroll we noted the following deficiencies:

- The payroll department has the authority to input employee information and the same individual has the ability to issue payroll checks

Cause: There is not a proper segregation of duties between the human resources department and the payroll department.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS-2010-021 [10-21] – Segregation of Duties (Significant Deficiency) Repeated and Revised (continued)

Effect: The payroll department has the ability to input new employee information and create payroll checks without oversight or involvement of the human resources department. This could lead to an incidence of fraud as there is no internal control to prevent the creation of a non-existent employee.

Auditors' Recommendation: We recommend that the District ensure that the ability to input a new employee into the payroll system be divided between the two departments so that no one individual has unchecked ability to create new employees.

Responsible Official's View: The District will move the entry of new employees and their contracts to an employee other than the payroll clerk to ensure the proper internal controls are in place. Additionally, security in the accounting payroll module will be used to restrict access to certain employees to ensure the proper internal controls are electronically controlled.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-001 – Purchase Orders and Payment Authorization (Significant Deficiency)

Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services, or construction.” Additionally, 13-1-158 NMSA 1978 states:

“No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications or unless prepayment is permitted under [Section 13-1-98](#) NMSA 1978 by exclusion of the purchase from the Procurement Code [[13-1-28](#) NMSA 1978].”

Condition: During our testing of forty items in cash disbursements we identified six instances in which a valid and signed purchase order was not in place prior to goods and or services being received by the district. Three of these instances related to the reimbursement of travel vouchers. Two instances were for payments to individuals who officiated at sporting events, and one was a reimbursement for state testing an employee took. The value of these services ranged from \$44.00 to \$255.00.

During our review of individually significant items we noted several instances in which proper procedures were not followed:

- In four instances there was not a proper purchase order in place prior to the purchase of goods and services. The value of these goods was \$90,877.50, \$60,585.00, \$69,515.47, and \$115,550.02.
- In one instance the invoice amount and check did not agree. The invoice was for \$80,301.25 and the check was for \$81,686.65.
- In one instance we noted that there was no receiving documentation to verify that goods or services were received. The value of these goods was \$171,233.79.

During our review of activity disbursements we noted one instance in which there was no receiving documentation to verify goods were received. The value of these goods was \$275.00.

During our review of accounts payable we noted the following deficiencies:

- There were 11 instances in which goods and services were purchased prior to the creation of a valid purchase order. The value of these goods and services ranged from \$558.35 to \$523,845.62

During our review of credit cards we noted an instance in which the purchase order was created two days after the check was written. The value of this purchase was \$4,009.41

Cause: District personnel have not followed state guidelines or internal procedures in the payment of services. Policy clearly states that the District must have a signed purchase order in place prior to receiving goods and or services.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds

Auditor’s Recommendation: We recommend that all personnel be reminded of, or trained in, district and state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that a purchase order must be approved prior to the receipt of goods and services. Additionally, when an employee is traveling on school business and will be receiving a reimbursement, the PO should be on file prior to employee beginning travel. Finally, every purchase should have adequate receiving documentation in place to identify when the goods or services were received and who is attesting to their receipt.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-001 – Purchase Orders and Payment Authorization (Significant Deficiency) (continued)

Responsible Official's View: Training was provided to all coaches in August of 2014 that included the purchasing requirements. Additionally, on September 29, 2014, the District provided training for all secretaries that covered the purchasing requirements. This training will now be provided to all members of the leadership team so that they can reinforce the requirements to their staff and hold them accountable for following purchasing procedures. The Superintendent will be notified of known infractions of procedures.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-002 – Payment for Goods and/or Services not Completed Within 30 Days (Significant Deficiency)

Criteria: Per 13-1-158 NMSA 1978 section C:

Except as provided in Subsection D of this section, upon certification by the central purchasing office or the using agency that services, construction, or items of tangible personal property have been received and accepted, payment shall be tendered to the contractor within thirty days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date that written certification of acceptance is issued, late payment charges shall be paid on the unpaid balance due on the contract to the contractor at the rate of one and one-half percent per month. For purchases funded by state or federal grants to the local public bodies, if the local public body has not received the funds from the federal or state funding agency, payments shall be tendered to the contractor within five working days of receipt of funds from that funding agency.

Condition: During our testing of forty items in cash disbursements transactions we identified two instances in which payment for goods received was not paid within thirty days of receipt of a verified invoice. In one instance the payment was not issued until more than two months after receipt. The value of the items purchase were \$3,968.76 and \$1,059.73. Because payments were not made in a timely manner the District was assessed \$15.45 in late payment fees.

During our review of individually significant items we noted five instances in which payment was not made within 30 days of receipt of an invoice:

- An invoice for \$90,877.50 was received on 7/16/13 and payment was sent 8/29/13.
- An invoice for \$61,372.62 was received in August and payment was sent in October.
- An invoice for \$82,671.96 was received 1/8/2014 and payment was sent 3/14/2014
- An invoice for \$156,048.04 was received 1/8/2014 and payment was sent 3/25/2014

During our review of accounts payable we noted four instances in which the District did not submit payment within 30 days of receipt of the invoice. The values of these invoices were \$156,210.44, \$16,791.23, \$21,597.65, and \$2,254.77. In one of these instances the District was assessed \$499.54 in late fees

Cause: District personnel have not followed state guidelines or internal procedures for the payment of items. State guidelines clearly state that vendors should be paid within 30 days of receipt of goods.

Effect: Internal control over payment and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds and puts the District at risk of incurring greater expenses as vendors may charge late fees.

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, district and state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that payments for goods, services, and construction are to be paid within 30 days of receipt on a valid invoice.

Responsible Official's View: The District has had three different accounts payable employees this year. The accounts payable clerk currently holding the position has been with us for 9 months now and understands the importance of paying invoices in a timely manner. Another aspect of timely and proper payment of invoices is the timely acknowledgement that product/services have been received and the authorization to make payment accordingly. The appropriate training will be provided to the Leadership team as well as to their support staff.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-003 – Improper Purchase of High Grade Fuel (Non-Compliance)

Criteria: In accordance with 1.5.4.12 NMAC, State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with:

- A. regular gasoline;
- B. unleaded gasoline;
- C. diesel fuel;
- D. lubrication;
- E. motor oil;
- F. car wash; and
- G. emergency purchases not exceeding \$100.00 in total.

Condition: During our testing of accounts payable, we identified two purchases of high grade fuel. These purchases were made using the gas card in violation of New Mexico laws. Each of these purchases occurred in June and totaled \$140.

During our review of credit card purchases we noted several instances in which high grade fuels were purchased:

- In September there were \$99.28 in high grade fuel purchases
- In October there were \$153.03 in high grade fuel purchases
- In January there were \$213.03 in high grade fuel purchases
- In May there were \$251.52 in high grade fuel purchases

Cause: Fuel cards are being used to purchase high grade fuels in violation of state statute.

Effect: The District is in violation of state statute and is spending funds on products which are considered excessive.

Auditor's Recommendation: We recommend that the District adhere to state law regarding the purchase of fuel with gas cards. All individuals who drive District vehicles and use the gas cards should be instructed in the law as to what is and is not proper with regards to gas cards. Relevant sections may be found at 1.5.3.19, 1.5.3.20, and 1.5.4.12 NMAC.

Responsible Official's View: The District will notify all staff using the District's gasoline card that Premium gasoline is not allowed to be purchased under any circumstances. Additionally, the Transportation Department of the District will monitor all gasoline tickets to ensure this regulation is met.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014–004 – Incomplete Bidding Procedures and Purchases Requiring Quotations (Material Weakness)

Criteria: According to 1.4.1.15 NMSA 1978, All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

Additionally, 1.4.1.48 NMAC sets forth the guidelines for small purchases. The provisions of 1.4.1.48 through 1.4.1.52 NMAC of this rule apply to the procurement of nonprofessional services, construction or items of tangible personal property having a value not exceeding sixty thousand dollars (\$60,000) and to the procurement of professional services having a value not exceeding sixty thousand dollars (\$60,000) the use of a statewide price agreement, an existing contract or the methods of procurement set forth in 1.4.1.50 through 1.4.1.52 NMAC of this rule provide alternatives to the competitive sealed bid and competitive sealed proposal methods of procurement. If an existing statewide price agreement, an existing contract or, the procurement methods set forth in 1.4.1.50 through 1.4.1.52 NMAC of this rule are not used, the competitive sealed bid or competitive sealed proposal methods shall apply.

1.4.1.65 goes on to state, The state purchasing agent or a central purchasing office may contract for services, professional services, construction, or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals as follows:

A. at a price equal to or less than the contractor's current federal supply contract (GSA), providing the contractor has indicated in writing a willingness to extend the contract's pricing, terms and conditions to the state agency and the purchase order adequately identifies the contract relied upon; or

B. with a business which has a current price agreement with the state purchasing agent or a central purchasing office for the item, services, or construction meeting the same standards and specifications as the items to be procured, if the following conditions are met:

(1) the total quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement; and

(2) the purchase order adequately identifies the price agreement relied upon;

C. other than Subsection A and B of this section and cooperative procurements as authorized by statute (and described in 13-1-135 NMSA 1978) or the state procurement card program (described in 6-5-9.1 NMSA 1978), no other procurement under existing contracts is authorized; no central purchasing office of a state agency or any other governmental entity may utilize a contract entered into by a different state agency or other governmental entity if not involved in the procurement itself (i.e., so-called "piggybacking" of contracts; the practice of "piggybacking" is not allowed under the Procurement Code); purchases under contracts developed through cooperative procurement authorized under 13-1-135 NMSA 1978 or contracts which qualify under 13-1-129 NMSA 1978 is permitted and does not constitute "piggybacking."

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-004 – Incomplete Bidding Procedures and Purchases Requiring Quotations (Material Weakness)
(continued)

Finally 1.4.1.67 NMAC requires, “A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.”

Condition: During our testing of individually significant disbursements we identified the following issues:

- There was one instance in which goods and services greater than \$60,000 were purchased without the project going out for bid. The District contracted with Wild Branch Solutions for three years of computer support at the rate of \$250,000 per year; however, the District could not provide information related to a bid or request for proposal for these services.
- There was one instance of payments in the amount of \$90,899.14 to Northern Mountain Constructors where the District was unable to provide us with the bid documentation related to this project.
- There were ten instances in which a copy of the CES contract was not in the file. The cost of these contracts ranged from \$64,371.56 to \$411,711.22.

Cause: The District has not followed proper state statutes in the receiving of bids. The district has not properly documented and maintained bids as they are received and they have not assigned statutory preference as required by law. The district has also failed to maintain adequate copies of state no-bid awards.

Effect: The District is not in compliance with State Purchasing Guidelines. This opens the District up to possible incidences of fraud and possible occurrences of disputed awards which could cause additional legal and monetary consequences.

Auditor’s Recommendation: We recommend that the District ensure that all projects in excess of \$60,000 go out for bid or RFP, and that the District maintains these documents for review by the auditors. We also recommend that the District maintain a copy of all CES or state contracts to verify compliance with state requirements.

Responsible Official’s View: The District will provide training to the leadership team and appropriate support staff outlining the bid process. It will also ensure adequate training is provided to those individuals authorized to prepare draft bids for their departments. The District will also identify one department to finalize all bid documents and one custodian of all bid documents. Anyone with a need to access the bid files will be required to sign for the bid file needed and must return the bid file within a short period of time.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-005 – Improper Recording of Journal Entries (Material Weakness)

Criteria: According to 6-5-2C NMSA 1978, “state agencies shall implement accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.”

Good accounting procedures require that all manual journal entries should have proper supporting documentation and be reviewed by at least two individuals who should sign and date the journal entry. This should be performed in order to detect errors and to prevent improper movement of funds. This provides an internal deterrent to errors, fraud, and misappropriation of assets.

Condition: During our review of manual journal entries, we found two instances where the manual journal entry had no supporting documentation to show why journal entry was created. These entries ranged from \$1,030.84 to \$1,266.00. The journal entries include transfer of expenses to a more appropriate fund.

Additionally we found that in all 15 journal entries tested there was no secondary approving signature.

Cause: The District did not think to include supporting documentation when moving expenses from one fund to another. Additionally, the District had not considered the consequences of not having all journal entries reviewed and signed off of by a second individual.

Effect: District personnel have not followed state guidelines or internal procedures in the recording of journal entries. Good accounting procedures require appropriate documentation to support journal entries and that all journal entries be reviewed by at least two individuals.

Auditor’s Recommendation: We recommend that management provide adequate supporting documentation for all journal entries and ensure that all journal entries are reviewed by and signed off by a second individual.

Responsible Official’s View: The District will utilize the security within the accounting software to limit employees authorized to enter a manual journal entry and to require a second employee’s authorization to approve the manual journal entry. Prior to approving a manual journal entry, the approver will review the supporting documentation for the journal entry to ensure adequate documentation is available.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-006 – Payroll Documentation and Federal Forms (Significant Deficiency)

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll we noted the following deficiencies:

- Seven out of forty I-9's tested were not in the file.
- In two of the seven instances the entire employee file was missing.

Cause: District, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The District is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986 and the Taos Public Schools' Payroll Policy and Procedure Manual.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete Section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work. We also recommend that an employee file be completed and maintained for all employees of the District.

Responsible Official's View: The District will follow and develop a corrective action plan to comply with the Immigration Reform and control Act of 1986. A checklist will be developed to help employees maintain and complete each file.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014- 007 – Improper Withholding of Employee Contributions (Material Non-Compliance)

Criteria: According to 22-29-10 1978:

A. Group insurance contributions for school districts, charter schools and participating entities in the authority shall be made as follows:

- (1) at least seventy-five percent of the cost of the insurance of an employee whose annual salary is less than fifteen thousand dollars (\$15,000);
- (2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars (\$15,000) or more but less than twenty thousand dollars (\$20,000);
- (3) at least sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000); or
- (4) at least sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more.

B. Within available revenue, school districts, charter schools and participating entities in the authority may contribute up to eighty percent of the cost of the insurance of all employees.

Condition: During our review of personnel files we discovered two employees whose withholdings were more than prescribed by statute. The first employee was having dental coverage deducted in the amount of \$7.78 when it should have been \$3.25 as the employee makes less than \$15,000. The second employee had health care deducted at an amount of \$110.36 when it should have been \$96.56 as the employee's contract was for more than \$20,000 but less than \$25,000. A third employee was not having enough withheld. They were having \$245.28 for health withheld when it should be \$280.32, vision was withheld at \$2.47 when it should have been \$2.83, and dental was withheld at \$14.26 when it should be \$16.30.

Cause: Taos Public Schools has not followed state guidelines in regards to employee contribution rates.

Effect: The District's improper calculation of employee withholdings has resulted in two employees having more withheld from their paycheck than necessary and a third who is not contributing enough towards their plan.

Auditor's Recommendation: We recommend that Taos Public Schools review personnel files to ensure that employee contributions are being calculated and withheld properly.

Responsible Official's View: The District will establish a system for properly recording the benefit deductions of its employees as well as a system for reconciling the New Mexico Public Schools Insurance Authority (NMPSIA) benefits on a monthly basis. Additionally, the District will provide needed training to the payroll department staff.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-008 – Timeliness of Deposits And Recording of Deposits (Non-Compliance)

Criteria: 6.20.2.14 NMAC:

C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

Condition: During our review of cash receipts, we noted seven out of fifty-five samples in which monies were not deposited within 24 hours or receipt. The amounts of the deposits are as follows:

- \$3.48 were received on 9/24/2013 and not deposited until 9/26/2013
- \$249.88 was received on 10/18/2013 and not deposited until 11/25/2013
- \$2.10 was received on 10/18/2013 and not deposited until 11/25/2013
- \$16.30 was received on 10/18/2013 and not deposited until 11/25/2013
- \$2.83 was received on 10/18/2013 and not deposited until 11/25/2013
- \$3.48 was received on 3/25/2014 was not deposited until 3/27/2014
- \$138.29 was received on 4/18/2014 and was not deposited until 5/7/2014

During our review of activity receipts we noted several instances in which monies received were not deposited within 24 hours of receipt. The amounts of the deposits are as follows:

- \$20.00 was received on 1/22/2014 and was not deposited until 1/24/2014
- \$137.00 was received on 10/8/2013 and was not deposited until 10/17/2013
- \$7.00 was received on 11/15/2013 and was not deposited until 11/19/2013
- \$757.80 was received on 11/29/2013 and was not deposited until 12/3/2013

We also noted 2 journal entries which were not entered in correctly. In one instance the checks deposited totaled \$328.34 but was entered in the amount of \$328.31. In the second instance the difference was \$.99.

Additionally, 2 deposits were miscoded to the wrong object code when entered into the general ledger – one deposit of \$3.48 and one for \$700.00.

Cause: The staff of the District did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed. Human error resulted in the recorded of incorrect amounts and into incorrect general ledger line items.

Effect: Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud. Additionally, improperly recording the amounts and line items may cause financial reports to be incorrect.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible. Additionally, staff should take care to see that all amounts are recorded in the proper amounts and in the proper line items.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-008 – Timeliness of Deposits And Recording of Deposits (Non-Compliance) (continued)

Responsible Official's View: Training was provided to all coaches in August of 2014 that included the 24-hour rule for deposits. Additionally, on September 29, 2014, the District provided training for all secretaries that covered the 24-hour rule for deposits. This training will now be provided to all members of the leadership team so that they can reinforce the requirements to their staff and hold them accountable for following purchasing procedures. The Superintendent will be notified of known infractions of procedures.

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Section II – Financial Statement Findings (Continued)

FS 2014-009 – Improper Procedures for Bid/RFP's and Assigning Statutory Preferences (Significant Deficiency)

Criteria: 1.4.1.15 NMAC 1978:

All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

1.4.1.17 NMAC 1978:

Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

- A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.
- B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.
- C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.23 NMAC 1978:

- A. Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening.
- B. No bids received. Except as provided in 1.4.1.68 through 1.4.1.72 NMAC of this rule, if no bids are received or if all bids received are rejected in accordance with the provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule, a new IFB shall be issued. If upon re-bidding with no change in specifications from the first IFB, the bids received are unacceptable, or if no bids are secured, the state purchasing agent may purchase (i.e., as opposed to procure) the items of tangible personal property, construction or services in the open market at the best obtainable price.
- C. Opening and recording. Bids and modifications shall be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The name of each bidder, the amount of each bid and each bid item, if appropriate, the names and addresses of the required witnesses, and such other relevant information as may be specified by the state purchasing agent shall be recorded. The record shall be open for public inspection. Each bid, except those portions for which a bidder has made a written request for confidentiality, shall also be open to public inspection. Any data, which a bidder believes should be kept confidential shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-009 – Improper Procedures for Bid/RFP's and Assigning Statutory Preferences (Significant Deficiency) (continued)

1.4.1.25 NMAC 1978:

Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.

Finally, 1.4.1.67 NMAC 1978: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

Condition: During our testing of bid compliance we identified several instances in which proper procedures were not followed:

- In 10 of 15 items reviewed there was no evidence of date and times stamp to verify when bid packets were received.
- In 12 of 15 items reviewed there were no copies of the legal announcement from the paper in which the requests for proposal was published in.
- In 10 of 15 items reviewed there was no copy of the sign-in sheet or bid tabulation sheet to show the list of bidders who provided bids to the District.
- In 13 of 15 items reviewed there was no mention of statutory preferences given in the scoring of bids.
- For 2 of the 15 items reviewed the District was unable to produce any documentation for review.

Cause: The District has not followed proper state statutes in the bidding process. The district has not established procedures to ensure that all regulations related to bids and RFPs are properly included in bid documents, that documents relating to the publication of the bids, the receipt of the bids, and the scoring of the bids are maintained in a central location.

Effect: The District is not in compliance with State Purchasing Guidelines. This opens the District up to possible incidences of fraud and possible occurrences of disputed awards which could cause additional legal and monetary consequences.

Auditor's Recommendation: We recommend that the District establish policies whereby they include statutory preferences and required scoring for all bids and RFP's, that all personnel responsible for the receipt of bid envelopes are trained in proper receiving procedures, and that all documentation – bid legal notice publications, envelopes which are time and date stamped, and scoring sheets for awards – is maintained in a central location. We recommend that a check-off sheet be instituted and used to make sure compliance with all aspects of state statute are adhered to.

Responsible Official's View: The District will provide training to the leadership team and appropriate support staff outlining the bid process. It will also ensure adequate training is provided to those individuals authorized to prepare draft bids for their departments. The District will also identify one department to finalize all bid documents and one custodian of all bid documents. Anyone with a need to access the bid files will be required to sign for the bid file needed and must return the bid file within a short period of time

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 20014-010 – Federal Reporting Requirements (Non-Compliance)

Criteria: 2.2.2.10 NMAC:

(2) IRS employee income tax compliance issues - noncompliance with these IRS requirements requires a current year audit finding:

(b) the auditor should test to ensure that agency personal service contractors (1099 employees) meet the IRS tests to qualify as contract labor and that employees with contractor characteristics are properly classified as employees; the relevant IRS criteria for these tests are available in chapter 2 of the IRS Publication 15-A, employer's summary tax guide; in the event a personal services contractor is in substance an employee, the governmental agency could be liable for the employee's share of FICA and employer FICA match on the contract payments; PERA or ERB could expect excess retirement payments to be refunded in some circumstances; see Sections 10-11-8(C) and 22-11-25 NMSA 1978;

Condition: During our review of W-9s and 1099s we noted the following deficiencies:

- 2 out of 14 vendors reviewed did not have a W-9 on file.
- 1 out of 14 vendors reviewed did not have a copy of the 1099 on file.

Cause: State and Federal reporting requirements are not being followed.

Effect: The District is in a violation of NMAC 2.2.2.10 and IRS regulations.

Auditor's Recommendation: We recommend that the District ensure that proper guidelines be followed in obtaining and retaining federally mandated tax forms.

Responsible Official's View: The District will establish a written procedure that outlines the process for W-9's for serviced providers and for ensuring the accuracy of 1099's issued and the proper filing of such.

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Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-011 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component unit in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: The District has completed a thorough review of its general ledger cash control which includes not only the current year but the prior years as well. The general ledger now ties to the bank reconciliations as a result. The District will also establish procedures to ensure that the audit of FY15 can be performed in a timely basis. These procedures will include timely close of the books for FY15, utilizing the list of audit expectations to organize information that will be needed during the audit and have it readily available when the audit process begins.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS-2014-012 – Improper Cash Controls and Cash Reconciliation (Material Weakness)

Criteria: 6.20.2.14 NMAC 1978:

- A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
- B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
- C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.
- D. A cash receipts journal is to be used for each fiscal year beginning July 1 and ending June 30, and is to be presented to the school district's auditor during the annual audit.
- E. The school district shall verify that there is sufficient cash and budget prior to the disbursement of cash. A revenue ledger is required for each revenue code as approved in the finalized budget, and additional revenue ledgers may be added as necessary.
- F. The school district shall establish a cash control ledger for each fund/subfund. Inter-fund transfers of cash among separate and distinct funds are not receipts or expenditures. Permanent transfers of previously receipted cash require local board and SIDE approval prior to the transfer. All other types of cash transfers require only local board approval.
- (1) Temporary transfers of cash are to be posted as "due from" and "due to" to indicate inter-fund receivables and payables.
- (2) Posting errors are not to be erased, crossed out, or in any other manner eliminated from the ledger. A separate entry is required to incorporate necessary corrections. Cross-referencing of a correcting entry to the original error should be inserted under the "description" column of the ledger.
- G. Clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.
- H. A local board, through the issuance of a formal board resolution, may authorize the superintendent of schools or his/her designee to approve vouchers for payment prior to a board meeting. A summary listing of the vouchers and any additional information prescribed by the local board shall be presented at the next regular board meeting for formal approval and entry in the minutes.
- I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.
- (1) Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.
- (2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.
- J. The school district shall maintain a cash control ledger for each fund/subfund where all transactions affecting cash are recorded. Cash balances reported to the department shall be the same as the district's cash control ledger and annual audit.
- K. All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
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Schedule VII

Section II – Financial Statement Findings (Continued)

FS-2014-012 – Improper Cash Controls and Cash Reconciliation (Material Weakness)

L. The school district shall submit cash reports to the department by the last working day of the month following the end of the reporting period, unless extended to a later date by the secretary of education.

M. Petty cash funds shall be utilized only in rare instances to facilitate small payments. Petty cash funds are established by drawing a check made payable to the employee charged with responsibility for the fund. The petty cash fund shall contain cash and/or invoices totaling the full amount of the petty cash fund and is to remain at the amount originally established.

- (1) Petty cash funds are to be reflected on the school district's balance sheet as cash on hand.
- (2) Petty cash and change funds shall not be used to make loans to employees or for cashing checks.
- (3) Petty cash may not contain more than \$100 unless more is authorized through local board action.
- (4) Change funds shall be established pursuant to school district procedure.

N. School districts shall obtain a surety bond for persons who handle or manage cash or funds.

Condition: During our review of cash and cash reconciliation we identified several instances where proper procedures are not being maintained, such as:

- The District is not properly recording its monthly cash reconciliations.
- At year end cash was over reported by approximately \$120,000.
- Discrepancies are not always corrected when identified.
- Correction of purchase orders were charged to cash.
- Old stale dated checks remained on reconciliation.
- Differences between NMPSIA billings and payments are not reconciled to the cash accounts.
- Cash reconciliations are not signed off and reviewed by two individuals.
- June 30, 2014 year-end cash was not completely reconciled until the end of January 2015.

Cause: Due to the errors in prior years related to the financial data of the District, the District was catching up with the operating transactions from the prior years and throughout the current year in order to reconcile their bank accounts. Additionally, discrepancies are not always corrected when identified and are added to a list to be completed at a later date. The District is working to put proper procedures in place for reconciling their monthly statements timely, but full and complete reconciliations are not completed in 30 days.

Effect: Bank accounts were misstated at year-end as initially provided to the auditors and the true results of financial data were initially incorrect. Also, inaccurate bank reconciliations may lead to poor management decisions based on incomplete information and possible errors or fraudulent activity within the account may occur without detection.

Auditors' Recommendation: We recommend that the District's bank reconciliations be completed in a timely and accurate manner and are reviewed and signed by a member of management. This review should be documented in the form of initialing and dating each reconciliation. All differences should be identified and corrected immediately.

Responsible Official's View: The Finance Office has been trained on completing a cash report that ties to the bank reconciliations and the general ledger trial balance. Bank reconciliations will be completed within two weeks of month-end and tied to a cash report and the general ledger on a monthly basis.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014– 013 – Improper Recording of Debt Revenues and Payments (Material Weakness)

Criteria: 6-5-2C NMSA 1978

“State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law.”

Condition: The District issued a general obligation bond to refund a 2009 bond issuance. When the refunding bond was issued the District did not record the revenue received from the new bond of approximately \$14.4 million, nor did they record the bond issuance costs of approximately \$171,000 or the payoff of the 2009 bonds of approximately \$14.2 million.

The District also issued two bonds for education technology. The District did not record \$110,000 in revenue from the bond nor did they record \$110,000 in costs.

The District has three Build America bonds, one of which was paid off with the refunding bond. However, the District did not record the revenue indirectly received from the Federal Government in the amount of approximately \$829,000. The interest expense has also not been recorded in the same amount.

Cause: District personnel were unaware that these amounts should be recorded in the general ledger as the cash for these bonds and payments never came directly to the District. The District receives documentation from the bond advisor which details the information, but the receipts and payments are made through a trustee.

Effect: The revenues and expenditures related to the Debt Service Fund (41000) and the Education Technology Debt Service Fund (43000) were materially understated in the current year and have been materially misstated in previous years as well.

Auditor’s Recommendation: We recommend that District personnel record all revenues and expenditures incurred by the District. Even when revenues are received by a trustee or paid by a trustee on behalf of the District, those amounts should be recorded as if the funds came to the District and then the District paid the related costs. This will provide for accurate reports to management, the Board, and the State.

Responsible Official’s View: District staff understands the need to record all costs of bonds as an expense and to record the sale of the bonds at the full value and will do so accordingly.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section II – Financial Statement Findings (Continued)

FS 2014-014 – Budgetary Controls (Material Non-Compliance)

Criteria: According to 22-8-11 B. NMSA 1978:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department’s rules and procedures.

Condition: The District incurred expenditures in excess of budgetary authority in the following funds and functions:

Fund #	Fund Name	Function	Amount
Major Funds:			
11000	Operational	Central Services	\$ 27,929
43000	Education Technology Debt Service	Debt Service	35,000
Non-Major Funds:			
24101	Title I - IASA	General Administration	44
24101	Title I - IASA	Central Services	737
24109	IDEA-B Pre School	Students	5,113
24132	IDEA-B Results	School Administration	189
24154	Teacher/Principal Training	Students	2,445
27166	Kindergarten Three Plus	Operations & Maintenance	1,093
Total			\$ 72,550

Cause: The District did not properly review all budgets and make adjustments prior to year end.

Effect: The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated.

Auditor’s Recommendation: We recommend that the District adhere to their policy of obtaining budgets and maintaining those budgets during the year as prescribed by State statutes.

Responsible Official’s View: The District understands the requirement of State statutes that the expenditures in each function cannot exceed the budget authority for that function. Keeping in mind that budget authority cannot be approved by PED after the first few days of June, the District will ensure that all transfer BARs will be submitted to PED through OBMS (PED’s Operating Budget Maintenance System) prior to the cutoff date for transfer BAR’s.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-015 - Background Checks and Licensure (Significant Deficiency)

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to **require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.**

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. **At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.** Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of forty personnel files, twelve did not have a copy of a background check in the file. An additional sixteen files only contained a printout from the PED indicating that a background check was completed. However, a copy of the background check was not included in the file.

We also noted three of the forty personnel files did not have a copy of the employee's license or certification.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-015 - Background Checks and Licensure (Significant Deficiency) (continued)

Cause: Taos Municipal School District has not followed state guidelines in regards to documentation of licensure and background checks.

Effect: The District's failure to maintain a background check report in the employee file is a violation of state statute and puts the District and School at additional risk of liability for any actions that may arise regarding employees. and not having licensure for all employees required does not comply with state regulations.

Auditor's Recommendation: We recommend that Taos Municipal School District follow their policy regarding background checks and licensure and ensure that all employees receive the background check and the certification be maintained in the personnel files as required. We also recommend that the District ensure that all employees required to have state licensure have a copy of that license in their files. If licenses are not received and maintained by the District, the employees should not be paid past 90 days of being employed.

Responsible Official's View: The District has updated the Taos Municipal School policies on background checks and has been board approved. The District will conduct background checks and the certifications will be maintained in personnel files. The District will ensure that all licenses are in personnel files.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Anansi Charter School

FS 2014 – 016 – Improper Recording of Journal Entries (Significant Deficiency)

Criteria: According to 6-5-2C NMSA 1978, “state agencies shall implement accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.”

6.20.2.10 NMAC 1978, Budget Maintenance Standards:

A. Budget adjustment requests shall be submitted on the most current form prescribed by the department. The school district shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes.

B. School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. The department must take action on budget adjustment requests within 30 calendar days from the date of receipt by the department or such requests will otherwise be considered approved. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

Good accounting procedures require that all manual journal entries should have proper supporting documentation and be reviewed by at least two individuals who should sign and date the journal entry. This should be performed in order to detect errors and to prevent improper movement of funds. This provides an internal deterrent to errors, fraud, and misappropriation of assets.

Condition: During our review of manual journal entries, we found two instances where the manual journal entry had no supporting documentation to show why the journal entry was created. These entries were for \$8,188.48 and \$25,751.36. The journal entries were to show a due to/due from but no further indication as to the reason for the interfund entry.

We also noted two instances in which the individual making the journal entry did not sign off on the entry. These two entries were for \$7,656.98 and \$487.56.

Lastly, in our review of budget adjustment requests we noted that there is no secondary signature on any of the 12 items tested. Also, adjustments are recorded in the ledger prior to approval from the PED.

Cause: The Charter did not provide adequate documentation to support its journal entries and did not follow proper accounting procedures by having all entries signed off by at least two individuals.

Effect: Charter personnel have not followed state guidelines or proper internal procedures in the recording of journal entries. Good accounting procedures require appropriate documentation to support journal entries so that a third party may be able to view and understand the reason for a journal entry when the originator of the entry is not available for questioning. Additionally, adjusting journal entries allow complete modification of an entity's financial records, and, therefore, should have a secondary signed review to institute good internal control procedures.

Auditor's Recommendation: We recommend that management record all journal entries properly and ensure that all adjusting journal entries are reviewed by a second individual. PED guidelines state that adjustments should not be made to the budget until approval has been granted by PED.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014 – 016 – Improper Recording of Journal Entries (Significant Deficiency) (continued)

Responsible Official's View: Management has implemented a procedure within its bank reconciliation process to ensure all journal entries are “reviewed and signed” by a second individual and that budget adjustment entries are recorded within the month PED approval has been granted.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-017 – Payroll – Federal Forms (Material Non-Compliance)

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll we noted the following deficiencies:

- 9 out of 25 I-9's tested had incomplete documentation on file.
- In 1 of 25 items tested there was no W-4 on file.

Cause: Charter, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The Charter is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986.

Auditor's Recommendation: We recommend that the Charter follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Responsible Official's View: Management will provide training to new employees currently responsible for maintaining employee personnel files and monitoring compliance with the Immigration Reform and Control Act of 1986, and to ensure employees immediately complete section 1 of the Form I-9 and submit the required documentation as required in Section 2.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014 – 018 – Background Checks and Licensing (Material Non-Compliance)

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old. Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of personnel files we noted the following deficiencies.

- In 9 of 25 files reviewed there was no background check on file
- In 4 of 25 files reviewed there was no license on file

Cause: Anansi Charter has not followed state guidelines in regards to documentation of licensure and background checks.

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TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014 – 018 – Background Checks and Licensing (Material Non-Compliance) (continued)

Effect: The Charter's failure to maintain a background check report in the employee file is a violation of state statute and puts the Charter at additional risk of liability for any actions that may arise regarding the employees, and not having proper licensure documentation for all employees required to have licensure does not comply with state regulations. Without proof of licensure, the Charter is also in violation of state statute if the employee is compensated after three months of employment.

Auditor's Recommendation: We recommend that Anansi Charter establish a policy regarding background checks and licensure which includes ensuring they are properly maintained within the employee's personnel file.

Responsible Official's View: Management will provide training to new employees currently responsible for monitoring compliance and maintaining employee files pertaining to background checks and licensure documentation.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-019 – Payment In Excess of Contract (Significant Deficiency)

Criteria: 6.20.2.18 NMAC states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll and personnel files we noted the following deficiencies:

- We noted that an individual was being paid \$40.00 per pay period above their signed contract amount.

Cause: The employee’s contract showed that the employee should receive \$1,000 per pay period but was being paid \$1,040 during the pay period tested.

Effect: The Charter is in a violation of NMAC 6.20.2.18 and is not paying the employee at the signed contract amount.

Auditor’s Recommendation: We recommend that the charter review the employee’s contract and make adjustments to be in compliance with state and federal law and in compliance with the contract established for the employee.

Responsible Official’s View: Management will review all employee contracts and contract adjustments to ensure employees are properly paid and that payments are in compliance with state and federal laws established on behalf of all employees.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-020 – Purchase Orders and Payment Authorization (Significant Deficiency)

Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.” Additionally, “all verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statutes include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of twenty-five items in cash disbursements, we identified multiple instances in which proper procedures were not followed.

- In 2 out of 25 items there was no receiving documentation to verify who received the goods and or services and when they were received. The value of these two items was \$4.86 and \$168.99.
- In 2 out of 25 items reviewed the good and or services were received prior to the creation of a valid PO. The value of these two items was \$2,300.00 and \$106.05.
- In 1 out of 25 items reviewed the invoice amount and the check amount did not agree. The invoice was for \$105.98 and the check was in the amount of \$138.98.

During our review of accounts payable we identified one instance in which proper procedures were not followed:

- Construction and labor on the library was started prior to a signed PO being in place. Labor began on 6/10/14 and the PO was not signed until 7/9/2014. The cost of this service was \$5,027.50 and was paid to two individuals.

Cause: School personnel have not followed state guidelines or internal procedures in the purchase of items. PED procedures clearly state that the school have a signed purchase order in place prior to the order of any goods or services. State guidelines require that goods and services received by the school have appropriate receiving documentation.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the school and the board at risk for fraud or misuse of public funds

Auditor’s Recommendation: We recommend that all personnel be reminded of, or trained in, school and state policy in regards to purchasing of goods, services, or construction. All school personnel need to be aware that a purchase order must be approved prior to payment authorization. Additionally, when goods and services are received by the school, someone must sign and date when the product or service was received.

Responsible Official’s View: Management will work with current business office personnel to provide training in both school and state procurement policies pertaining to the purchase of goods, services and construction services. Management will also emphasize with all employees the need to obtain prior payment authorization before making any purchases and the requirement that office personnel must sign and date when the products or service are received.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-021 – Payment for Goods and/or Services not Completed Within 30 Days (Non-Compliance)

Criteria: Per 13-1-158 NMSA 1978:

C. Except as provided in Subsection D of this section, upon certification by the central purchasing office or the using agency that services, construction, or items of tangible personal property have been received and accepted, payment shall be tendered to the contractor within thirty days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date that written certification of acceptance is issued, late payment charges shall be paid on the unpaid balance due on the contract to the contractor at the rate of one and one-half percent per month. For purchases funded by state or federal grants to the local public bodies, if the local public body has not received the funds from the federal or state funding agency, payments shall be tendered to the contractor within five working days of receipt of funds from that funding agency.

Condition: During our review of accounts payable we noted an instance in which vendors were not paid within 30 days.

- An invoice for electrical services was not paid within 30 days and the charter was assessed \$11.70 in late fees.

Cause: District personnel have not followed state guidelines or internal procedures for the payment of items. State guidelines clearly state that vendors must be paid within 30 days of receipt of goods or services.

Effect: Internal control over payment and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the school and the board at risk for fraud or misuse of public funds and puts the school at risk of incurring greater expenses as vendors may charge late fees.

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, school and state policy in regards to payment of goods, services, or construction. All school personnel need to be aware that payments for goods, services, and construction are to be paid within 30 days of receipt of a valid invoice.

Responsible Official's View: Management will work with current business office personnel to provide training in both school and state procurement policies pertaining to the purchase of goods, services, and construction services and that all invoices for the payments for goods, services, and construction must be paid within 30 days of receipt of a valid invoice.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-022 – Improper Payment of Travel Advance (Non-Compliance)

Criteria: According to 2.42.2.10 NMAC;

A. Authorizations: Upon written request accompanied by a travel voucher, agency heads and governing boards of local public bodies or their authorized designees may approve a public officer's or employee's request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC and for other travel expenses that may be reimbursed under 2.42.2.12 NMAC. Requests for travel advances shall not be submitted to the financial control division of the department of finance and administration more than two weeks prior to travel unless, by processing the request earlier, significant savings can be realized for travel by common carrier or for registration fees for seminars and conferences.

Additionally 2.42.2.11 NMAC states;

A. Applicability: Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section.

B. Rate: Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows:

(1) unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle;

C. Local public bodies: Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978.

D. Privately owned automobile: For conveyance in the discharge of official duties by privately owned automobile, mileage accrued shall be reimbursed at the rate set forth in this section as follows:

(1) pursuant to the mileage chart of the official state map published by the state highway and transportation department for distances in New Mexico and the most recent edition of the Rand-McNally road atlas for distances outside of New Mexico; or

(2) pursuant to actual mileage if the beginning and ending odometer reading is certified as true and correct by the traveler; and

(a) the destination is not included on the official state map or on the Rand McNally road atlas,
or,

(b) at the destination(s) of the public officer or employee, the public officer or employee was required to use the private conveyance in performance of official duties.

Condition: During our testing of cash disbursements, we discovered that an individual was advanced 100% of the projected cost of travel rather than the 80% per statute. This payment was in the amount of \$114.84.

During our review of travel reimbursements we noted one instance where mileage was paid to employee without verification of the actual miles traveled. There was no map, starting and ending destinations, nor was there a beginning and ending odometer reading recorded.

Cause: The Charter did not follow state guidelines in its disbursement of travel advances and mileage reimbursement.

Effect: The Charter may end up paying more than the actual cost of the trip and result in the need to obtain a refund from the individual. Additionally, all mileage reimbursement documentation should indicate supporting documentation for the mileage being reimbursed – beginning and ending odometer reading, beginning and ending destination points, or other method to support the reimbursement.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-022 – Improper Payment of Travel Advance (Non-Compliance) (continued)

Auditor's Recommendation: We recommend that management ensure that when travel advances are paid that they are not paid at more than 80% of the per diem rate or 80% of the expected cost if actual costs will be reimbursed. Also we recommend that beginning and ending mileage be recorded on the reimbursement form when employees use their personal vehicles for official travel.

Responsible Official's View: Management will review travel reimbursement requests more closely to ensure that no more than 80% of anticipated actual cost is put on employee travel advances, but we currently require beginning and ending mileage to be recorded on our reimbursement form when employees use their personal vehicles for official travel, unless they are using map mileage.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-023 – Timeliness of Deposits (Material Non-Compliance)

Criteria: 6.20.2.14 NMAC:

C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

Condition: During our review of receipts, we noted four out of twenty-two samples in which monies were not deposited within 24 hours of receipt. The amounts of the deposits are as follows:

- \$32.00 was received on 9/25 and was deposited on 9/30
- \$174.00 was received on 11/13 and was deposited on 11/30
- \$358.00 was received on 11/22 and was deposited on 11/30
- \$732.00 was received on 2/24 and was deposited on 2/28

Cause: The staff of the charter did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to state statutes places the charter in noncompliance and lack of timeliness of deposits could subject the charter to a possible occurrence of fraud.

Auditors' Recommendations: We recommend that the charter emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes. The charter should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible.

Responsible Official's View: Management will cross-train our business office employees on deposit preparation protocol and will monitor more closely the timeliness of the daily deposits of receipts to ensure compliance with state statutes.

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Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-024 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Material Non-Compliance)

Criteria: 1.4.1.15 NMAC 1978:

All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

1.4.1.17 NMAC 1978:

Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

- A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.
- B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.
- C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.23 NMAC 1978:

- A. Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening.
- B. No bids received. Except as provided in 1.4.1.68 through 1.4.1.72 NMAC of this rule, if no bids are received or if all bids received are rejected in accordance with the provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule, a new IFB shall be issued. If upon re-bidding with no change in specifications from the first IFB, the bids received are unacceptable, or if no bids are secured, the state purchasing agent may purchase (i.e., as opposed to procure) the items of tangible personal property, construction or services in the open market at the best obtainable price.
- C. Opening and recording. Bids and modifications shall be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The name of each bidder, the amount of each bid and each bid item, if appropriate, the names and addresses of the required witnesses, and such other relevant information as may be specified by the state purchasing agent shall be recorded. The record shall be open for public inspection. Each bid, except those portions for which a bidder has made a written request for confidentiality, shall also be open to public inspection. Any data, which a bidder believes should be kept confidential shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-024 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Material Non-Compliance) (continued)

1.4.1.25 NMAC 1978:

Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.

Finally, 1.4.1.67 NMAC 1978: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

Condition: During our testing of bid compliance we identified the following instances in which proper procedures were not followed:

- The Charter did not include statutory preferences in its scoring for its bid.
- The Charter did not time stamp the envelope when the bid packets were received.

Cause: The Charter has not followed proper state statutes in the receiving of bids. The Charter has not properly documented and maintained bids as they are received and they have not assigned statutory preference as required by law.

Effect: The Charter is not in compliance with State Purchasing Guidelines. This opens the Charter up to possible incidences of fraud and possible occurrences of disputed awards which could cause additional legal and monetary consequences.

Auditor’s Recommendation: We recommend that the Charter include statutory preferences and required scoring for all bids and RFP’s, that all personnel responsible for the receipt of bid envelopes are trained in proper receiving procedures, and that statutory preferences are awarded where applicable.

Responsible Official’s View: Management will include statutory preferences pertaining to required scoring of all bids and RFP’s to ensure that that statutory preferences are awarded where and when applicable.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-025 – Annual Physical Inventory Certification (Non-Compliance)

Criteria: Per 6.20.1.8 NMAC 1978:

B. The information to be recorded and maintained on its fixed assets must include at a minimum the following:

- (10) Cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
- (11) Fund and organization that purchased the asset, or to which it was transferred.

C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

6.20.1.13 NMAC 1978, Betterments and Replacements:

A. Betterments to assets should be capitalized. If the asset consists of identifiable and separately valued components, and a component is improved, the old component should be removed from the asset account, and the new component added to the asset account.

6.20.1.16 NMAC 1978, Annual Inventory:

D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and bring to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.

E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures

Condition: The fixed asset detail and inventory were not submitted to the governing council for annual certification.

Cause: School employees were not aware that an annual certification of assets needed to be recorded and submitted to the governing council for review.

Effect: This leaves the school in non-compliance with state statutes.

Auditors' Recommendations: We recommend that the school emphasize the importance of adherence to State guidelines in regards to capital assets.

Responsible Official's View: Management will submit to the governing council for annual certification a detailed list of fixed assets and will adhere to state guidelines regarding capital assets.

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Schedule VII

Section II – Financial Statement Findings – Anansi Charter School (Continued)

FS 2014-026 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component unit in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: Management will work with the district and auditor to meet any prescribed audit work schedule or timeline to ensure completion of our annual audit by the required statutory deadline of November 15th.

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Schedule VII

Section II – Financial Statement Findings – Friends of Anansi Charter School

FS 2014-027 – Timeliness of Deposits and Receipt of Revenues (Significant Deficiency)

Criteria: Good accounting and internal control procedures dictate that all monies received should be properly receipted with a numbered receipt. Additionally, all monies received should be deposited within a reasonable period of time, normally within 24 to 72 hours from receipt. This should be performed to prevent fraud and misappropriation of assets.

Condition: During our review of cash receipts, we noted several instances in which proper procedures were not being followed:

- In 10 of 25 items tested we noted that there was no receipt for monies that were received. The amounts received which were not receipted ranged from \$90.00 to \$2,500.

Cause: The foundation did not provide a receipt for all monies received. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to good accounting and internal control procedures for receipting and depositing of funds places the foundation in jeopardy of fraud or embezzlement.

Auditors' Recommendations: We recommend that the foundation emphasize the importance of recording of and timely deposits of receipts, and monitor receipts more closely in order to be compliant with good accounting procedures. Whenever possible, the foundation should attempt to receive help from staff of Anansi Charter School when funds are brought to the school. Additionally when large amounts of cash are received good internal controls would have two people verify amounts received.

Responsible Officials View: Management will cross-train our business office employees on deposit preparation protocol and will monitor more closely the timeliness of the daily deposits of receipts to ensure compliance with state statutes.

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Schedule VII

Section II – Financial Statement Findings – Friends of Anansi Charter School (Continued)

FS 2014-028 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component units in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: Management will work with the district and auditor to meet any prescribed audit work schedule or timeline to ensure completion of our annual audit by the required statutory deadline of November 15th.

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Schedule VII

Section II – Financial Statement Findings – Taos Charter School

FS 2014-029 – Purchase Orders and Payment Authorization (Significant Deficiency)

Criteria: The New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must *precede* the placement of any order for goods, services or construction.” Additionally, “all verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statutes include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of twenty-five items in cash disbursements, we identified multiple instances in which proper procedures were not followed.

- In 7 of 25 items reviewed there was not a purchase order (PO) in place prior to the purchase of goods and or services. The value of these items ranged from \$94.00 to \$3,502.02.
- In 1 of 25 items reviewed, the vendor invoice does not itemize the hours billed at the two separate rates being paid so that the accuracy of the invoice can be verified.

During our review of individually significant items we identified multiple instances in which proper procedures were not followed:

- In 5 of 26 items reviewed there was no receiving documentation to verify that goods and or services were received by the charter. The value of these goods and or services ranged from \$5,800.00 to \$114,277.13.
- In 2 of 26 items reviewed payments exceed the amount of the PO:
 - In the first instance the PO was for \$5,000 and payment was made for \$5,110.00.
 - In the second instance the PO was for \$11,689.36 and payment was made for \$11,750.54.

During our review of travel and per diem we noted two instances in which PO’s were created after the employee returned from their travel. The cost of these two reimbursements was \$145.72 and \$101.20.

Cause: Charter personnel have not followed state guidelines or internal procedures in the purchase of items. Policy clearly states that the Charter has a signed purchase order in place prior to order of any goods and services. State guidelines require that goods and services received by a Charter have appropriate receiving documentation.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the Charter and the Board at risk for fraud or misuse of public funds.

Auditor’s Recommendation: We recommend that all personnel be reminded of, or trained in, Charter and state policy in regards to purchasing of goods, services, or construction. All Charter personnel need to be aware that a purchase order must be approved prior ordering goods or services being ordered or travel being initiated. Additionally, when goods and services are received by the Charter, someone must sign and date when the product or service was received.

Responsible Official’s View: Management will work with current business office personnel to provide training in both school and state procurement policies pertaining to the purchase of goods, services, and construction services. Management will also emphasize with all employees the need to obtain prior payment authorization before making any purchases and the requirement that office personnel must sign and date when the products or service are received.

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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-030 – Payment for Goods and/or Services not Completed Within 30 Days (Non-Compliance)

Criteria: Per 13-1-158 NMSA 1978:

C. Except as provided in Subsection D of this section, upon certification by the central purchasing office or the using agency that services, construction, or items of tangible personal property have been received and accepted, payment shall be tendered to the contractor within thirty days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date that written certification of acceptance is issued, late payment charges shall be paid on the unpaid balance due on the contract to the contractor at the rate of one and one-half percent per month. For purchases funded by state or federal grants to the local public bodies, if the local public body has not received the funds from the federal or state funding agency, payments shall be tendered to the contractor within five working days of receipt of funds from that funding agency.

Condition: During our review of 25 cash disbursements we noted five instances in which vendors were not paid within 30 days. The value of these invoices ranged from \$204.00 to \$3,502.00.

Cause: District personnel have not followed state guidelines or internal procedures for the payment of items. State guidelines clearly state that vendors should be paid within 30 days of receipt of goods and or services.

Effect: Internal control over payment and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the Charter and the Board at risk for fraud or misuse of public funds and puts the Charter at risk of incurring greater expenses as vendors may charge late fees.

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that payments for goods, services, and construction are to be paid within 30 days of receipt on a valid invoice.

Responsible official's view: Management will work with current business office personnel to provide training in both school and state procurement policies pertaining to the purchase of goods, services and construction services and that all invoices for the payments for goods, services, and construction must be paid within 30 days of receipt of a valid invoice.

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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-031 – Payroll – Federal Forms (Material Non-Compliance)

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll we noted the following deficiencies:

- 17 out of 25 I-9's tested had incomplete information or were missing information.

Cause: Charter, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The Charter is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986.

Auditor's Recommendation: We recommend that the Charter follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Responsible official's view: Management will provide training to new employees currently responsible for maintaining employee personnel files and monitoring compliance with the Immigration Reform and Control Act of 1986 and to ensure employees complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2.

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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014 – 032 – Background Checks and Licensing (Material Non-Compliance)

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old. Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of personnel files we noted the following deficiencies.

- In 12 of 25 files reviewed there was no background check on file.
- In 4 of 25 files reviewed there was no license on file or the license had expired.

Cause: Taos Charter has not followed state guidelines in regards to documentation of licensure and background checks.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014 – 032 – Background Checks and Licensing (Material Non-Compliance) (continued)

Effect: The Charter’s failure to maintain a background check report in the employee file is a violation of state statute and puts the Charter at additional risk of liability for any actions that may arise regarding the employees, and not having proper licensure documentation for all employees required to have licensure does not comply with state regulations. Without proof of licensure, the Charter is also in violation of state statute if the employee is compensated after three months of employment.

Auditor’s Recommendation: We recommend that Taos Charter establish a policy regarding background checks and licensure and ensuring they are properly maintained within the employee personnel file.

Responsible Official’s View: Management will provide training to new employees currently responsible for monitoring compliance and maintaining employee files pertaining to background checks and licensure documentation.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-033 – Improper Retention of Supporting Contracts (Non-Compliance)

Criteria: 1.4.1.15 NMAC 1978:

All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

1.4.1.17 NMAC 1978:

Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

- A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.
- B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.
- C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.23 NMAC 1978:

- A. Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening.
- B. No bids received. Except as provided in 1.4.1.68 through 1.4.1.72 NMAC of this rule, if no bids are received or if all bids received are rejected in accordance with the provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule, a new IFB shall be issued. If upon re-bidding with no change in specifications from the first IFB, the bids received are unacceptable, or if no bids are secured, the state purchasing agent may purchase (i.e., as opposed to procure) the items of tangible personal property, construction or services in the open market at the best obtainable price.
- C. Opening and recording. Bids and modifications shall be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The name of each bidder, the amount of each bid and each bid item, if appropriate, the names and addresses of the required witnesses, and such other relevant information as may be specified by the state purchasing agent shall be recorded. The record shall be open for public inspection. Each bid, except those portions for which a bidder has made a written request for confidentiality, shall also be open to public inspection. Any data, which a bidder believes should be kept confidential shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-033 – Improper Retention of Supporting Contracts (Non-Compliance) (continued)

1.4.1.25 NMAC 1978:

Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.

Finally, 1.4.1.67 NMAC 1978: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

Condition: During our testing of individually significant testing we identified one instance in which proper procedures were not followed:

- We noted one instance where the Charter did not retain a copy of the CES contract for one of their construction projects.

Cause: The Charter has not followed proper state statutes in the maintenance of supporting documentation when relying on firms which have won awards through cooperative purchasing agreements, state bids, or other related state or federal price agreements.

Effect: The Charter is not in compliance with State Purchasing Guidelines and is unable to support the lack of a proper bid or request for proposal through contracting with a vendor on the CES listing.

Auditor's Recommendation: We recommend that the Charter obtain and maintain copies of agreements with CES or state or federal purchase agreements when satisfying state purchasing agreements which would otherwise require a bid or request for proposal.

Responsible official's view: Management will obtain and maintain copies of agreements with CES or state or federal purchase agreements in all future contracts to satisfy state purchasing agreements, which would otherwise require a bid or request for proposals.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
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Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-034 – Improper Payment of Travel Reimbursement (Non-Compliance)

Criteria: According to 2.42.2.8 NMAC, “Per diem rates shall be paid to public officers and employees only in accordance with the provisions of this section. Per diem rates shall be paid without regard to whether expenses are actually incurred.”

(1) Partial day per diem rate: Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;

(2) Overnight Travel: “Regardless of the number of hours traveled, travel for public officers and employees where overnight lodging is required shall be reimbursed as follows:

- (a) in state areas \$85.00
- (b) in state special areas \$135.00
- (c) out of state areas \$115.00;
- (d) or actual lodging and meal expenses under 2.42.2.9 NMAC.

Condition: During our testing of cash disbursements, we discovered an instance in which an employee was not paid the proper per diem amount for travel. The employee was away for 26.5 hours. The employee should have been paid \$97.00 but was paid \$115.00.

Cause: District personnel have not followed state guidelines in regards to overnight travel and per diem rates. The \$85 rate is for a 24 hour period and additional amounts for a partial day are to be calculated beginning after the completion of the 24 hour period.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately distribute monies for which they bear responsibility may be compromised. Employees have not been properly reimbursed for their travel.

Auditor’s Recommendation: We recommend that management review state guidelines and ensure that Charter personnel are properly trained and knowledgeable of applicable statutes.

Responsible Official’s View: Management will review state guidelines and ensure that Charter personnel are properly trained and knowledgeable of statutes pertaining to mileage, per diem and travel reimbursements.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-035 – Payment In Excess of Contract (Significant Deficiency)

Criteria: 6.20.2.18 NMAC states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll and personnel files we noted the following deficiencies:

- One employee was paid improperly. Contract was for \$50,501 but was paid at a rate of \$51,501.

Cause: The employee's contract showed that the employee should receive an annual salary of \$50,501 but was being paid at an annual rate of \$51,501, an excess of \$1,000 for the year. The Charter was unable to explain how the error happened other than human error while inputting the salary amount into the system.

Effect: The Charter is in a violation of NMAC 6.20.2.18 and is not paying the employee at the signed contract amount.

Auditor's Recommendation: We recommend that the Charter review the employee's contract and make adjustments to be in compliance with state and federal law and in compliance with the contract established for the employee.

Responsible Official's View: Management will review all employee contracts and contract adjustments to ensure employees are properly paid and that payments are in compliance with state and federal laws established on behalf of all employees.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-036 – Annual Physical Inventory Certification (Non-Compliance)

Criteria: Per 6.20.1.8 NMAC 1978:

B. The information to be recorded and maintained on its fixed assets must include at a minimum the following:

- (10) Cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
- (11) Fund and organization that purchased the asset, or to which it was transferred.

C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

6.20.1.13 NMAC 1978, Betterments and Replacements:

A. Betterments to assets should be capitalized. If the asset consists of identifiable and separately valued components, and a component is improved, the old component should be removed from the asset account, and the new component added to the asset account.

6.20.1.16 NMAC 1978, Annual Inventory:

D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and bring to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.

E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures

Condition: The fixed asset detail and inventory were not submitted to the governing council for annual certification.

Cause: School employees were not aware that an annual certification of assets needed to be recorded and submitted to the governing council for review.

Effect: This leaves the school in non-compliance with state statutes.

Auditors' Recommendations: We recommend that the school emphasize the importance of adherence to State guidelines in regards to capital assets.

Responsible Official's view: Management will submit to the governing council for annual certification a detailed list of fixed assets and will adhere to state guidelines regarding capital assets.

STATE OF NEW MEXICO
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Schedule VII

Section II – Financial Statement Findings – Taos Charter School (Continued)

FS 2014-037 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component unit in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: Management will work with the district and auditor to meet any prescribed audit work schedule or timeline to ensure completion of our annual audit by the required statutory deadline of November 15th.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
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Schedule VII

Section II – Financial Statement Findings – Friends of Taos Charter School

FS 2014-038 – Timeliness of Deposits and Receipt of Revenues (Material Non-Compliance)

Criteria: Good accounting and internal control procedures dictate that all monies received should be properly receipted with a numbered receipt. Additionally, all monies received should be deposited within a reasonable period of time, normally within 24 to 72 hours from receipt. This should be performed to prevent fraud and misappropriation of assets.

Condition: During our review of cash receipts, we noted several instances in which proper procedures were not being followed:

- In 7 of 8 items tested there was no receipt to verify when monies were received. The amounts received which weren't receipted ranged from \$182.00 to \$11,841.66.

Cause: The foundation did not provide a receipt for all monies received. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to good accounting and internal control procedures for receipting and depositing of funds places the foundation in jeopardy of fraud or embezzlement.

Auditors' Recommendations: We recommend that the foundation emphasize the importance of recording of and timely deposits of receipts, and monitor receipts more closely in order to be compliant with good accounting procedures. Whenever possible, the foundation should attempt to receive help from staff of Taos Charter School when funds are brought to the school. Additionally when large amounts of cash are received good internal controls would have two people verify amounts received.

Responsible Officials View: The board agrees with the auditor's observations and recommendations and will take corrective action to correct the timeliness of deposits and receipt of revenues.

STATE OF NEW MEXICO
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Schedule VII

Section II – Financial Statement Findings – Friends of Taos Charter School (Continued)

2014-039 – Backup of Computer Files (Significant Deficiency)

Criteria: Good internal controls indicate that where computer files are critical to the operation of an organization, those files should be regularly backed up and maintained in a secure location off-site so that the files can be recovered in the case of a disaster at the organization's place of operation.

Condition: After year-end, the computer used by the Foundation had a significant failure. However, the Foundation didn't have a complete backup of information that it could provide for the year under audit. The computer was subsequently repaired, and the information was recovered, but the information would have been lost had the computer not been able to be repaired.

Effect: In the event of a major disaster the existing client data could all be destroyed, leaving the organization without access to client data or its historical data. This could cause a financial cost to the Foundation to be able to recreate all the data necessary for operating their required procedures and have supporting documentation.

Cause: Foundation personnel had considered that they may lose computer data but had not provided for consistent backups to be maintained in a location away from its computer.

Recommendation: The Foundation should establish a regularly scheduled backup of its data and maintain this backup at a location separate from its computer.

Responsible Official's View: The Foundation agrees with the auditor's recommendations and will store computer data at the Taos Charter School storage closet that is utilized by the Foundation and/or Cloud storage.

STATE OF NEW MEXICO
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Schedule VII

Section II – Financial Statement Findings – Friends of Taos Charter School (Continued)

FS 2014-040 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component units in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: The Foundation agrees with the auditors' recommendations and will follow-up with the Taos Municipal School District so that we can become more knowledgeable about the procurement process and procedure and to also find out how or if we can become part of this process (i.e. part of the evaluation committee). Please note that the Foundation is dependent upon the Taos Municipal School District.

STATE OF NEW MEXICO
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 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Section II – Financial Statement Findings – Vista Grande High School

FS 2012-001 [V-12-01] – Inactive Funds – (Significant Deficiency) Repeated and Revised

Criteria: Good accounting policy indicates that funds that are no longer being used should be adjusted to \$0, closed out, and no longer used.

Condition: During our review of the Vista Grande’s trial balance, we noted several funds which are carrying balances forward from year-to-year, but are no longer active funds of the School:

Fund	Amount
2010 GO Bonds Student Library Funds (SB1) (27106)	\$ (2,021)
Technology for Education (27145)	1,529
School Library Material Fund FY08 (27549)	304
Private Direct Grants (29102)	<u>44</u>
Total	<u>\$ (144)</u>

During the year, the School did spend \$4,350 in Fund 27145; however, the School never received budget authority from the Public Education Department (PED).

Cause: The School has funds on its books which are no longer active funds, but these funds have never been truly closed out.

Effect: The funds remain on the books without any activity. The cash balances are inactive, be they positive or negative. These funds cause additional issues for reporting procedures.

Auditors’ Recommendations: We recommend that the School close out these four remaining inactive funds and determine whether funds need to be returned to the grantor or transferred to the general fund. In the case where the fund has a deficit balance, the School needs to determine whether the balance can be received from the grantor, or if the funds need to be transferred from the General Fund to cover the deficit.

Responsible Official’s Review: The school will close out the four remaining funds by requesting a permanent cash transfer approved by the Governing Council and NMPED. We will return any funds necessary.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2013 –004 [V-13-04] – Recording of Revenues and Expenditures Improperly (Material Weakness)
Repeated and Revised

Criteria: In accordance with proper accounting procedures and guidance provided by PSAB Supplement 1 – expenses and revenues should be reported separately. Per Supplement 1, “anticipated revenues for local, state, and federal categories should be consistently reviewed for accuracy and if conditions change, budget authority shall be adjusted in a timely manner.”

Condition: During our review of cash disbursement we noted several instances in which revenues were not recorded correctly:

- In 7 of 20 items tested we noted that revenues received for a school activity was recorded as a negative expense in the general ledger. Each of these seven instances was for \$100.00.
- A refund from the IRS for \$7,460.36 was recorded as a negative expense in the general ledger.
- A lease assistance payment of \$145.79 was recorded as a negative expense in the general ledger.

Additionally, the school received a lease assistance payment of \$16,982 which was also recorded as a negative expense in the general ledger. This revenue was also recorded in the wrong fund as it was recorded in the Operational Fund (Fund 11000) instead of Public School Capital Outlay (Fund 31200). The offsetting lease expense was also recorded in the Operational Fund instead of the Public School Capital Outlay Fund.

Cause: The school mistakenly believed that monies received to pay for known and pre-determined expenses should be recorded as negative expenses rather than as revenues. Also, school personnel were unaware of the correct fund where the revenues related to the Public School Capital Outlay award for lease assistance and the lease costs related to the award should be recorded.

Effect: Actual revenues and expenditures of the school are underreported by significant amounts, and those revenues and expenditures are not being recorded in the correct funds.

Auditor’s Recommendation: We recommend that all revenues from any source be recorded in a revenue account and that all expenditure accounts accurately reflect the total expenditures incurred by the school. We also recommend that these revenues and expenditures be recorded in the correct funds.

Responsible Official’s View: Revenue from all sources will be recorded in a revenue account to insure a true cost of expenditures, and coded in the appropriate fund.

STATE OF NEW MEXICO
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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2013-005 [V-13-05] – Budgetary Controls (Significant Deficiency) Repeated and Revised

Criteria: According to 22-8-11 B. NMSA 1978:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department’s rules and procedures.

Condition: Vista Grande High School incurred expenditures in excess of budgetary authority in the following funds and functions:

Fund & Function	Amount
11000 Operational – Support Services - Instruction	\$ 6,345
11000 Operational – Support Services – School Administration	32,067
27145 Technology for Education – Instruction	4,350
31200 Public School Capital Outlay – Capital Outlay	<u>45,814</u>
Total	<u>\$88,576</u>

Cause: The items in the Operational Fund were missed while reviewing for budget adjustments and not included in a maintenance budget adjustment request (BAR) prior to year end. No budgets were put in place for the Technology for Education or Public School Capital Outlay Funds.

Effect: The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated.

Auditor’s Recommendation: We recommend that the school adhere to their policy of obtaining budgets and maintaining those budgets during the year as prescribed by State statutes.

Responsible Official’s View: The school will do operating budget maintenance regularly to insure compliance with state statutes prior to year end.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014– 041 – Improper Cash Controls Voided Warrants (Significant Deficiency)

Criteria: 6.20.2.14 NMAC 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.

(1) Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

(2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.

Additionally 6.20.2.11 NMAC 1978 states:

A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.

Condition: During our review of voided checks we observed the school was not maintaining proper internal controls regarding its voided checks. Reissued checks are not given a new check number.

Cause: When warrants are misprinted a new check number is not issued and there is no entry in the general ledger to account for the voided warrant. Instead the school is reprinting the check with the same number as the voided warrant and reissuing it

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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014– 041 – Improper Cash Controls Voided Warrants (Significant Deficiency) (continued)

Effect: The school is keeping in its records the physical copy of voided checks and issuing the same check number and amount to individuals. This causes the school to have the same check number recorded as both a void and a valid and issued warrant.

Auditor’s Recommendation: We recommend that management obtain pre-numbered checks to be in compliance with statute. Until that time we recommend the school ensure that when warrants are voided and reissued that the reissued warrant receive a different number than the warrant.

Responsible Official’s View: The school will make sure to be in compliance with statute by having sequentially numbered checks. The school will not reprint checks. When there is need to void a check the reissued check will be issued a different number.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014 – 042 – Improper Recording of Journal Entries (Significant Deficiency)

Criteria: According to 6-5-2C NMSA 1978, “state agencies shall implement accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.”

6.20.2.10 NMAC 1978, Budget Maintenance Standards:

A. Budget adjustment requests shall be submitted on the most current form prescribed by the department. The school district shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes.

B. School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. The department must take action on budget adjustment requests within 30 calendar days from the date of receipt by the department or such requests will otherwise be considered approved. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

Good accounting procedures require that all manual journal entries should have proper supporting documentation and be reviewed by at least two individuals who should sign and date the journal entry. This should be performed in order to detect errors and to prevent improper movement of funds. This provides an internal deterrent to errors, fraud, and misappropriation of assets.

Condition: During our review of manual journal entries, we noted that there is no supporting documentation to support the reasons for the adjustment, the journal entry is not signed off by the individual who is recording the entry, and there is no secondary review of the adjusting entry. These deficiencies were noted in all 10 journal entries reviewed.

Cause: The school did not provide adequate documentation to support its journal entries and did not follow proper accounting procedures by having all entries signed off on by at least two individuals.

Effect: School personnel have not followed state guidelines or internal procedures in the recording of journal entries. Good accounting procedures require appropriate documentation to support journal entries.

Auditor's Recommendation: We recommend that management record all journal entries properly, maintain proper supporting documentation, and ensure that all adjusting journal entries are reviewed by a second individual.

Responsible Official's View: The school will insure that a second individual reviews and signs off on all manual journal entries and that all manual journal entries have supporting documentation.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-043 – Payroll – Federal Forms (Material Non-Compliance)

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll we noted the following deficiencies:

- 7 out of 12 personnel files tested for I-9s had incomplete documentation or they were missing from the file.

Cause: School, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The School is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986.

Auditor's Recommendation: We recommend that the School follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employees complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for “knowingly” continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Responsible Official's View: The school will insure that all employees have the most current Form I-9 on file as well as the required supporting documentation before commencing employment. The Form is to be dated when it is fully completed.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014 – 044 - Background Checks and Licensing (Material Non-Compliance)

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old. Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of personnel files we noted the following deficiencies.

- In 7 of 12 personnel files reviewed there was no background check on file
- In 3 of 12 personnel files reviewed there was no license on file

Cause: Vista Grande High School has not followed state guidelines in regards to documentation of licensure and background checks.

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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014 – 044 - Background Checks and Licensing (Material Non-Compliance) (continued)

Effect: The Charter's failure to maintain a background check report in the employee file is a violation of state statute and puts the Charter at additional risk of liability for any actions that may arise regarding the employees, and not having proper licensure documentation for all employees required to have licensure does not comply with state regulations. Without proof of licensure, the Charter is also in violation of state statute if the employee is compensated after three months of employment.

Auditor's Recommendation: We recommend that Vista Grande establish a policy regarding background checks and licensure which includes ensuring they are properly maintained within the employee's personnel file.

Responsible Official's View: Licensure for all employees has been confirmed and a copy will be placed in employee files to comply with state regulations. All employees will have a completed background check on file to comply with our local LEA policies.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-045 – Purchase Orders and Payment Authorization (Significant Deficiency)

Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.” Additionally, “all verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statues include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of twenty-five items in cash disbursements, we identified multiple instances in which proper procedures were not followed:

- In 8 out of 25 items there was no authorization for payment for goods and services received.
- In 8 out of 25 items reviewed there was no receiving documentation to verify that goods and services were received.
- The value of these goods and services ranged from \$67.61 to \$791.00

During our review of individually significant items we noted an instance in which proper authorization for payment was not given. The value of the goods received was \$4,165.25.

During our review of travel and per diem we noted several instances in which proper authorization for payment was not completed:

- In 4 of 10 items reviewed payment authorization was not done by supervisor. The value of these reimbursements ranged from \$146.26 to \$290.19.
- In 1 of 10 items reviewed the employee seeking reimbursement did not sign the reimbursement sheet. The value of this reimbursement was \$114.48

In our review of credit cards we noted one instance in which there was no signature to verify payment was authorized. The amount of this payment was \$97.91

Cause: School personnel have not followed state guidelines or internal procedures in the purchase of items. PED procedures clearly state that the school have a signed purchase order in place prior to the order of any goods or services. State guidelines require that goods and services received by the school have appropriate receiving documentation.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the school and the board at risk for fraud or misuse of public funds

Auditor’s Recommendation: We recommend that all personnel be reminded of, or trained in, school and state policy in regards to purchasing of goods, services, or construction. All school personnel need to be aware that a purchase order must be approved prior to payment authorization. Additionally, when goods and services are received by the school, someone must sign and date when the product or service was received.

Responsible Official’s View: Processes are in place and will be adhered to by school personnel in regards to purchasing of goods, services and constructions. Prior payment authorization, and purchase orders with signature will be the rule. All goods and services received by the school also require signature and date received.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-046 – Timeliness of Deposits and Receipt of Revenues (Material Non-Compliance)

Criteria: NMAC 6.20.2.14 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

Condition: During our review of activity receipts, we noted several instances in which proper procedures were not being followed:

- In 11 out of 25 items tested the school did not issue a receipt for monies received. The value of these amounts ranged from \$30.75 to \$69,979.12.
- In 4 out of 25 items tested monies received were not deposited within 24 hours.
 - \$100 was received on 3/10 and was deposited 3/12
 - \$100 was received on 5/8 and was deposited 5/14
 - \$100 was received on 5/12 and was deposited on 5/14
 - \$100 was received on 5/21 and was deposited on 5/23

Cause: The school did not deposit the funds within 24 hours after receipt, and proper recording of monies received was not done. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to state statutes places the school in noncompliance and lack of timeliness of deposits could subject the school to a possible occurrence of fraud.

Auditors' Recommendations: We recommend that the school emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes. The school should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible. Additionally when large amounts of cash are received good internal controls would have two people verify amounts received.

Responsible Officials View: Internal controls will be adhered to to insure all monies received will be issued a receipt, and deposited within 24 hours.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-047 – Payment for Goods and/or Services not Completed Within 30 Days (Significant Deficiency)

Criteria: Per 13-1-158 NMSA 1978 section C:

Except as provided in Subsection D of this section, upon certification by the central purchasing office or the using agency that services, construction, or items of tangible personal property have been received and accepted, payment shall be tendered to the contractor within thirty days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date that written certification of acceptance is issued, late payment charges shall be paid on the unpaid balance due on the contract to the contractor at the rate of one and one-half percent per month. For purchases funded by state or federal grants to the local public bodies, if the local public body has not received the funds from the federal or state funding agency, payments shall be tendered to the contractor within five working days of receipt of funds from that funding agency.

Condition: During our testing of thirty items in individually significant transactions we identified an instance in which payment was not made within 30 days. The school received an invoice for electricity services on 8/1/13 and payment was not made until 11/6/13. The school was assessed \$92.50 in late fees.

Cause: School personnel have not followed state guidelines or internal procedures for the payment of items. State guidelines clearly state that vendors should be paid within 30 days of receipt of a valid invoice.

Effect: Internal control over payments and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the school and the Council at risk for fraud or misuse of public funds and puts the school at risk of incurring greater expenses as vendors may charge late fees.

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, district and state policy in regards to payment of goods, services, or construction. All school personnel need to be aware that payments for goods, services, and construction are to be paid within 30 days of receipt on a valid invoice.

Responsible Official's View: This payment was delayed because we had not received invoices in a timely manner due to relocation of VGHS. There was also a discrepancy in invoices due to closing of accounts. This was a one time occurrence due to the provider. Payments of goods, services and construction will be paid within 30 days.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-048 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Non Compliance)

Criteria: 1.4.1.15 NMAC 1978:

All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

1.4.1.17 NMAC 1978:

Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

- A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.
- B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.
- C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.24 NMAC 1978

- G. Documentation of award. Following award, a record showing the basis for determining the successful bidder shall be made a part of the procurement file. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.
- H. Publicizing awards. Written notice of award shall be sent to the successful bidder. Notice of award shall also be posted at the state purchasing agent's office.

1.4.1.57 NMAC 1978:

RECORDS OF SOLE SOURCE PROCUREMENTS: The state purchasing agent or central purchasing office shall maintain records of sole source procurements for a minimum of three years. The party responsible for the procurement must retain the records. Posting such procurements on the state purchasing agent's website does not remove the central purchasing office's responsibility to maintain these records if the central purchasing office was responsible for the procurement. The record of each such procurement shall be a public record and shall contain:

- A. the contractor's name and address;
- B. the amount and term of the contract;
- C. a listing of the services, construction, or items of tangible personal property procured under the contract; and
- D. the justification for the procurement method which shall include any written determinations and written approvals required by any provision of 1.4.1.53 through 1.4.1.57 NMAC of this rule.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-048 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Non Compliance)

1.4.1.67 NMAC 1978:

COPIES OF CONTRACTS AND PRICE AGREEMENTS: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

1.4.1.25 NMAC 1978:

Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.

Finally, 1.4.1.67 NMAC 1978: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

Condition: During our testing of individually significant items we noted that a state purchasing contract was not in the file. The school entered into a purchase agreement with Apple Inc. who is a sole source provider, but did not have a copy of the contract or justification in its files.

During our review of bid’s and requests for proposals (RFP) we noted that the governing council did not approve the award. Additionally, the bid did not include the required statutory preferences required by New Mexico statute.

Cause: The School has not followed proper state statutes ensuring that it maintains copies of any state contracts for sole source vendors or no bid contracts. Only one bid was submitted for a construction bid and the board did not sign off on the award. Even though only one bid was received the governing council must still sign off on the award and make such award publicly known. Additionally, statutory preferences, as required by statute, were not included in the bid.

Effect: The school is not in compliance with State Purchasing Guidelines. This opens the school up to possible incidences of fraud and possible occurrences of disputed awards which could cause additional legal and monetary consequences.

Auditor’s Recommendation: We recommend that the school maintain a copy of state purchasing contracts for any sole source vendors and no bid contractors and that all awards be approved by the board and publication of such awards be made. Additionally, statutory preferences should be included in all bids and RFP’s.

Responsible Official’s View: VGHS will maintain a copy of state purchasing contract for sole source vendors. The governing council will approve all bids and requests for proposals and statutory preferences will be included in all bids and RFP’s.

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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-049 – Annual Physical Inventory Certification (Non-Compliance)

Criteria: Per 6.20.1.8 NMAC 1978:

B. The information to be recorded and maintained on its fixed assets must include at a minimum the following:

- (10) Cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
- (11) Fund and organization that purchased the asset, or to which it was transferred.

C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

6.20.1.13 NMAC 1978, Betterments and Replacements:

A. Betterments to assets should be capitalized. If the asset consists of identifiable and separately valued components, and a component is improved, the old component should be removed from the asset account, and the new component added to the asset account.

6.20.1.16 NMAC 1978, Annual Inventory:

D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and bring to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.

E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures

Condition: The fixed asset detail and inventory were not submitted to the governing council for annual certification.

Cause: School employees were not aware that an annual certification of assets needed to be recorded and submitted to the governing council for review.

Effect: This leaves the school in non-compliance with state statutes.

Auditors' Recommendations: We recommend that the school emphasize the importance of adherence to State guidelines in regards to capital assets.

Responsible Official's View: The school will submit the fixed asset detail and inventory list annually to the governing council for annual certification.

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Schedule VII

Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-050 – Accrued Compensated Absences (Significant deficiency)

Criteria: 6.20.2.18 NMAC states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Additionally, according to Vista Grande’s collective bargaining agreement, school employees can accrue a maximum of 45 days leave.

Condition: During our review of accrued compensated absences we noted the following deficiencies:

- One employee had accrued 47 days of leave which is in excess of the maximum 45 days provided for in the collective bargaining agreement (CBA).
- Five employees did not accrue leave in accordance with the CBA. According to the CBA school employees were to accrue 12 days per year of leave but the five employees received only 10 days of leave which was not in compliance with school policy.

Cause: The school’s personnel policies and the collective bargaining agreement were not aligned with one another. This resulted in the school accruing leave improperly. While the school made adjustments at its June 2014 meeting, the leave policies are still not in agreement with the CBA.

Effect: The District is in a violation of NMAC 6.20.2.18 and is not following internal policies in the accrual of annual leave and cannot be in compliance with its own policy and its legally approved CBA simultaneously.

Auditor’s Recommendation: We recommend that the school review its annual leave policies and either get a change in the CBA or change the school policies to bring the two policies into agreement to avoid this issue in the future.

Responsible Official’s View: The school will request a modification to the CBA to be in alignment with the school policies, or have the school policy revised to be in agreement with the CBA.

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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-051 – Federal Reporting Requirements (Material Non-Compliance)

Criteria: 2.2.2.10 NMAC:

(2) IRS employee income tax compliance issues - noncompliance with these IRS requirements requires a current year audit finding:

(b) the auditor should test to ensure that agency personal service contractors (1099 employees) meet the IRS tests to qualify as contract labor and that employees with contractor characteristics are properly classified as employees; the relevant IRS criteria for these tests are available in chapter 2 of the IRS Publication 15-A, employer's summary tax guide; in the event a personal services contractor is in substance an employee, the governmental agency could be liable for the employee's share of FICA and employer FICA match on the contract payments; PERA or ERB could expect excess retirement payments to be refunded in some circumstances; see Sections 10-11-8(C) and 22-11-25 NMSA 1978;

Condition: During our review of W-9 and 1099 we noted the following deficiencies:

- An employee was paid their annual leave as a 1099 vendor rather than through payroll. This payment was for \$800.00
- In 2 of 10 items tested for 1099 compliance there was no W-9 on file.
- In 1 of 10 items tested for 1099 compliance the information on the W-9 did not match the 1099.

Cause: State and Federal reporting requirements are not being followed.

Effect: The school is in a violation of NMAC 2.2.2.10 and IRS regulations.

Auditor's Recommendation: We recommend that the school ensure that proper guidelines be followed in the retention of federally mandated tax forms.

Responsible Official's View: The school will insure that proper guidelines are followed to be in compliance with IRS regulations in regards to federal reporting.

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Section II – Financial Statement Findings – Vista Grande High School (Continued)

FS 2014-052 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District and Friends of Taos Charter School were unable to provide the information necessary to complete an accurate and complete audit by the statutory deadline. Cash, fixed assets, and major adjustments to debt services were not provided to the auditors until late January 2015 by the District which is also the timeframe in which the Foundation was able to provide information as well. The auditors didn't begin receiving information from the District until the first of October. The District has been working to clean up financial processes that have been ignored for many years and was unable to complete it by the audit deadline. The Foundation had a computer crash of their financial information which caused a delay in providing information to the auditors.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District continue to improve their financial processes and procedures to enable it to maintain its financial information properly. This will allow the District to provide accurate information in a timely manner. We also recommend that the audit process begin sooner for the District and its component unit in the coming year. Beginning the audit process in the spring will ease the pressure to complete the audit by the statutory deadline.

Responsible Official's View: VGHS will continue to be compliant with all requests from auditors.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings

FA 2014-001– Indirect Costs Charged Exceeded Allowable Rate (Significant Deficiency)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: IDEA-B Entitlement and Title I School Improvement

CFDA Number: 84.027 and 84.377

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require matching of reports submitted to supporting documentation. Additionally, OMB Circular A-87 Cost Principle for State, Local and Indian Tribal Governments establishes principles and standards for determining allowable direct and indirect costs for Federal Awards.

Condition: During our review of indirect costs and related documentation, we identified two funds which had exceeded their allowed indirect costs. The allowable indirect cost percentage from the PED for FY 13-14 is 3.51%. Fund 24108 had indirect costs of 3.67% and fund 24162 had indirect costs of 3.53%. The District exceeded the indirect cost rate resulting in an overcharge of \$13.48 and \$6.84 respectively.

Questioned Costs: \$20.32

Cause: District personnel did not ensure that the correct indirect cost percentages were applied to Federal funds.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program.

Auditor's Recommendation: The District should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. Prior to year end, indirect costs should be reviewed to make sure no funds are overcharged for the year.

Responsible Official's View: The District will ensure that responsible personnel pull current indirect cost rates from PED's website each year prior to billing grants for indirect cost. Budget reports will be closely reviewed by the Finance Director prior to authorizing the last indirect cost expense to grants each year.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-002 – Disallowed Expenses Not Moved to Operational Fund (Significant Deficiency)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: Title I, IDEA-B Entitlement, and Title I School Improvement

CFDA Number: 84.010, 84.027, and 84.377

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require matching of reports submitted to supporting documentation

Condition: During our review of revenue and related documentation, we identified three instances in which disallowed expenditures reimbursements were not recorded to the Operational Fund. For fund 24101 Title I there was one instance for \$268.94. For Fund 24106 IDEA – B – Entitlement, there was one instance for \$96.67. For Fund 24162, Title I School Improvement, there was one instance for \$194.84.

Questioned Costs: \$560.45

Cause: The District had expenditures in three funds which were disallowed; however, District personnel did not remove those disallowed expenditures from the respective funds prior to year end. They have kept the expenditures as a cost to the respective Federal fund instead of moving these expenses to the Operational Fund.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program.

Auditor's Recommendation: The District should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. The District should move all disallowed expenditures from Federal funds to the Operation Fund immediately after the state rejects the expenditures.

Responsible Official's View: This should also a response from Melissa and Jim but might sound like: District administrators in charge of grants will establish a system to ensure that all expenditures from their funds are an allowable expense prior to initiating a purchase requisition. The system would include a process for removing expenditures that, though believed allowable, PED disapproves. (The system would include language that other grants would be considered prior to moving the expense to Operational.)

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-003 – Improper Maintenance of Personnel Activity Reports (Non-Compliance)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: IDEA-B Entitlement and Title I

CFDA Number: 84.027, 84.010

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to OMB Circular-87:

3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared **at least semi-annually** and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- a) **More than one Federal award,**
- b) **A Federal award and a non-Federal award,**
- c) An indirect cost activity and a direct cost activity,
- d) Two or more indirect activities which are allocated using different allocation bases, or
- e) An unallowable activity and a direct or indirect cost activity.

5) Personnel activity reports or equivalent documentation must meet the following standards:

- a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- b) They must account for the total activity for which each employee is compensated,
- c) **They must be prepared at least monthly and must coincide with one or more pay periods, and**
- d) They must be signed by the employee.

Condition: During our review of payroll and related documentation, we identified several instances in which proper procedures were not followed.

- The District did not keep any certifications to verify time and effort related to fund 24106
- For one employee in fund 24101 monthly certifications are not being kept, only semi-annual certifications

Questioned Costs: Undeterminable

Cause: District personnel were not keeping any certifications for time and effort for IDEA – B Entitlement.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program for undocumented payroll distributions.

Auditor's Recommendation: We recommend that all individuals who manage Federal programs and those individuals who process payroll be trained on the requirements of personnel activity reports as they relate to payments using Federal funds.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-003 – Improper Maintenance of Personnel Activity Reports (Non-Compliance)

Responsible Official's View: The District staff which work on multiple activities or cost objectives will be identified and required to submit PARs on a monthly basis with signature verification of site supervisor and/or program director. Those staff which work solely on a single Federal award cost objective will submit a PAR twice a year.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section IV – Prior Year Audit Finding

Primary Government

FS 2010-009 [10-09] – Depreciation Policy & Capital Assets – Repeated and Revised
FS 2010-015 [10-15] – Missing Background Check Policy – Resolved
FS 2010-021 [10-21] – Segregation of Duties Policy – Repeated and Revised

Component Unit – Anansi Charter School

None

Component Unit – Friends of Anansi Charter School

None

Component Unit – Taos Charter School

None

Component Unit – Friends of Taos Charter School

None

Component Unit – Vista Grande High School

FS 2012-001 [V-12-01] – Outstanding Balances – Repeated and Revised
FS 2013-001 [V-13-01] – Per Diem and Mileage – Resolved
FS 2013-002 [V-13-02] – Cash Reconciliation and PED Report – Resolved
FS 2013-003 [V-13-03] – Stale Dated Checks – Resolved
FS 2013-004 [V-13-04] – Overstated Revenue – Repeated and Revised
FS 2013-005 [V-13-05] – Budget Overruns – Repeated and Revised

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL DISTRICT
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2014

Auditor Prepared Financial Statements

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Taos Municipal School District from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

Exit Conference

The contents of this report were discussed February 6, 2015. The following individuals were in attendance.

Taos Municipal School District

Dr. Lillian Torrez, Superintendent
Jason Silva, Board Vice-President
Evangeline Romero, Audit Committee
Monica Martinez, Business Manager
Nancy Ross, Consultant
Maya Romero, Finance Department

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA, Partner
Denise Manning, Staff

Anansi Charter School

Traci McAdams, Board Member
Domingo Sanchez, Business Manager
Roberta Martinez, Administrative Assistant

Friends of Anansi Charter School

Ellen Verner, Treasurer
Domingo Sanchez, Business Manager

Taos Charter School

Dr. Deidre McAdam, School Director
Susan Vigil, Council Member
Domingo Sanchez, Business Manager
Debbie Martinez, Fiscal Administrative Assistant

Friends of Taos Charter School

Roberta Lerman, President
Sharon Voigt-Padilla, Treasurer

Vista Grande High School

Isabelle St. Onge, School Director
Annette Bowden, Business Manager
Brian Greer, Board President