

**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2017**

*Woodard, Cowen & Co.*

Certified Public Accountants

# INTRODUCTORY SECTION

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

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TAOS MUNICIPAL SCHOOL DISTRICT

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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2017

SCHOOL BOARD

James Sanborn	President
Mark Flores II	Vice President
Whitney Goler	Secretary
Jason Silva	Member
Dr. David Chavez	Member

DISTRICT OFFICIALS

Dr. Lillian Torrez	Superintendent
Bobby Spinelli	Business Manager



# FINANCIAL SECTION

# Woodard Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Wayne A. Johnson  
New Mexico State Auditor  
The Board of Education  
Taos Municipal School District  
Taos, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented components units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Taos Municipal School Schools, (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Taos Municipal Schools basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's non-major government funds, fiduciary funds and the budgetary comparisons for the major capital project funds and the major debt service funds, and each discretely presented component unit, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2017 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 misstatements, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Portales: 305 S. Avenue B or PO Box 445, Portales NM 88130 – Phone 575-356-8564 Fax 575-356-2453  
Clovis: 116 E. Grand Avenue or PO Box 1874, Clovis NM 88101 – Phone 575-762-3811 Fax 575-762-3866

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 component units, each major fund and the aggregated remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds 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 non-major governmental fund and the fiduciary funds of the District, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds and debt service funds, and each discretely presented component unit for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Taos Municipal Schools have omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, 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 the omission of the Management Discussion and Analysis.

Accounting principles generally accepted in the United States of America require that the *Schedule of Proportionate Share of the Net Pension Liability* on page 190, the *Schedule of Contributions* on page 194, with the notes to the required supplementary information on page 198 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on Taos Municipal School's financial statements, the combining and individual fund financial statements and budgetary comparisons. The Schedule of Expenditures of federal awards as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) 20, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, the introductory section and the other schedules required by Section 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, the schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “other supplemental information” in the table of contents 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, except schedule 6, 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 the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of federal awards, the schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “other supplemental information” in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and schedule 6, Schedule of Vendors, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017 on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

*Woodard, Cowen & Co*

Clovis, New Mexico  
November 13, 2017

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities	Component Units
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,626,521	\$ 787,078
Investments	-	92,817
Property taxes receivable	1,384,394	-
Due from other governments	1,255,478	328,078
Due from other entities	-	4,565
Inventories	27,989	-
Total current assets	<u>12,274,382</u>	<u>1,212,538</u>
Non-current assets:		
Prepaid lease	-	605,474
Capital assets, net	72,571,722	6,248,319
Total non-current assets	<u>72,571,722</u>	<u>6,853,793</u>
Total assets	<u>84,846,104</u>	<u>8,066,331</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	4,806,311	1,361,384
Deferred outflows related to bond refunding	348,762	-
Total deferred outflows	<u>5,155,073</u>	<u>1,361,384</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	141,547	14,807
Compensated absences	-	12,115
Accrued payroll liabilities	558,966	303,194
Accrued interest payable	552,091	-
Due to other governments	415,915	-
Due to other entities	-	4,585
Current portion of unearned lease income	-	46,584
Current portion of long term debt	2,605,000	41,979
Total current liabilities	<u>4,273,519</u>	<u>423,244</u>
Non-current liabilities:		
Non-current portion of long term debt	29,795,000	2,377,080
Non-current portion of unearned lease income	-	558,890
Net pension liability	33,662,038	5,873,729
Bond premium, net	1,859,764	-
Total non-current liabilities	<u>65,316,802</u>	<u>8,809,699</u>
Total liabilities	<u>69,590,321</u>	<u>9,232,943</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	1,628	-
Deferred inflows related to pensions	1,867,670	132,809
Total deferred inflows	<u>1,869,298</u>	<u>132,809</u>
<b>NET POSITION</b>		
Net investment in capital assets	40,171,722	3,829,260
Restricted:		
Debt Service	3,117,313	-
Special Revenue	451,778	(13,557)
Capital Projects	2,847,202	416,311
Unrestricted	<u>(28,046,457)</u>	<u>(4,170,051)</u>
Total net position	<u>\$ 18,541,558</u>	<u>\$ 61,963</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Instruction	\$ 16,331,164	\$ 61,688	\$ 2,330,954	\$ -	\$ (13,938,522)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	2,275,153	-	492,952	-	(1,782,201)	-
Support Services Instruction	149,005	-	1,954	-	(147,051)	-
Support Services General Administration	1,148,278	-	308,900	-	(839,378)	-
Support Services School Administration	1,114,589	-	27,482	-	(1,087,107)	-
Central Services	735,923	-	155,057	-	(580,866)	-
Operation and Maintenance of Plant	2,445,990	-	988	-	(2,445,002)	-
Student Transportation	876,670	-	825,198	-	(51,472)	-
Other Support Services	503,900	-	-	-	(503,900)	-
Food Services Operations	1,743,876	248,993	1,494,883	-	-	-
Bond Interest Paid and Bond Issuance Cost	1,288,713	-	-	-	(1,288,713)	-
Amortization & Depreciation - Unallocated	1,863,755	173,445	861,586	-	(828,724)	-
<b>Total governmental activities</b>	<b>\$ 30,477,016</b>	<b>\$ 484,126</b>	<b>\$ 6,499,954</b>	<b>\$ -</b>	<b>(23,492,936)</b>	<b>-</b>
Component Units						
Anansi Charter School	\$ 2,597,081	\$ 307,639	\$ 318,788	\$ 234,702		(1,735,952)
Taos Charter School	2,636,736	162,928	247,546	288,835		(1,937,427)
Vista Grande High School	1,403,947	11,459	110,105	108,104		(1,174,279)
<b>Total Component Units</b>	<b>\$ 6,637,764</b>	<b>\$ 482,026</b>	<b>\$ 676,439</b>	<b>\$ 631,641</b>		<b>(4,847,658)</b>
General revenues:						
Property Taxes:						
General purpose					198,313	-
Debt service					3,494,834	-
Capital projects					2,284,437	-
Grant & contributions not restricted					17,307,295	4,139,508
Grants & contributions restricted					-	-
Unrestricted investment earnings					4,124	4,052
Miscellaneous income					25,808	176,101
<b>Total general revenues</b>					<b>23,314,811</b>	<b>4,319,661</b>
Change in net position					(178,125)	(527,997)
Net position - beginning					18,719,684	589,960
Restatements					(1)	-
Net position - beginning as restated					18,719,683	589,960
<b>Net position - ending</b>					<b>\$ 18,541,558</b>	<b>\$ 61,963</b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

BALANCE SHEET- GOVERNMENTAL FUNDS

June 30, 2017

	<u>GENERAL</u>	<u>TITLE I</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,310,734	\$ -
Accounts Receivable		
Property Taxes Receivable	41,210	-
Federal	-	395,972
State	-	-
Others	-	-
Inventories	-	-
Due from Other Funds	1,297,084	-
<b>TOTAL ASSETS</b>	<u><u>\$ 3,649,028</u></u>	<u><u>\$ 395,972</u></u>
<b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ 79,293	\$ -
Accrued Payroll Liabilities	558,966	-
Due to Charter Schools	-	35,824
Due to Other Funds	-	360,148
Accrued Interest Payable	-	-
<b>TOTAL LIABILITIES</b>	<u><u>638,259</u></u>	<u><u>395,972</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	-	-
Unavailable Revenue - Property Taxes	35,892	-
<b>TOTAL DEFERRED INFLOWS</b>	<u><u>35,892</u></u>	<u><u>-</u></u>
<b>FUND BALANCE</b>		
Nonspendable	-	-
Restricted	134,393	-
Committed	-	-
Assigned	-	-
Unassigned	2,840,484	-
<b>TOTAL FUND BALANCE</b>	<u><u>2,974,877</u></u>	<u><u>-</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u><u>\$ 3,649,028</u></u>	<u><u>\$ 395,972</u></u>

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

EXHIBIT C

<u>SB-9 LOCAL</u>	<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 1,874,378	\$ 2,872,117	\$ 2,569,292	\$ 9,626,521
512,566	631,347	179,271	1,364,394
-	-	521,972	917,944
-	-	335,234	335,234
2,300	-	-	2,300
-	-	27,989	27,989
-	3,875	-	1,300,959
<u>\$ 2,389,244</u>	<u>\$ 3,507,339</u>	<u>\$ 3,633,758</u>	<u>\$ 13,575,341</u>
\$ 55,784	\$ -	\$ 6,470	\$ 141,547
-	-	-	558,966
326,797	-	53,294	415,915
-	-	940,811	1,300,959
-	540,470	11,621	552,091
<u>382,581</u>	<u>540,470</u>	<u>1,012,196</u>	<u>2,969,478</u>
-	-	1,628	1,628
452,817	554,507	163,506	1,206,722
<u>452,817</u>	<u>554,507</u>	<u>165,134</u>	<u>1,208,350</u>
-	-	27,989	27,989
1,553,846	2,412,362	2,428,439	6,529,040
-	-	-	-
-	-	-	-
-	-	-	2,840,484
<u>1,553,846</u>	<u>2,412,362</u>	<u>2,456,428</u>	<u>9,397,513</u>
<u>\$ 2,389,244</u>	<u>\$ 3,507,339</u>	<u>\$ 3,633,758</u>	<u>\$ 13,575,341</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position is different because:

Fund Balances - total governmental funds	\$ 9,397,513
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	72,571,722
Deferred outflows related to pensions not reported in the funds	4,806,311
Deferred outflows related to bond refunding	348,762
Net pension liability not reported in the funds	(33,662,038)
Deferred inflows related to pensions not reported in the funds	(1,867,670)
Delinquent property taxes	1,206,722
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(32,400,000)
Bond Premium, net	<u>(1,859,764)</u>
Net position of governmental activities	<u>\$ 18,541,558</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	GENERAL	TITLE I
<b>REVENUE</b>		
Federal Programs	\$ 114,559	\$ 1,072,781
State Programs	1,028,787	-
Local Programs	220,042	-
State Equalization	17,307,295	-
Service Revenues	173,445	-
Taxes	199,683	-
Interest	2,370	-
Other revenue sources	5,681	-
<b>TOTAL REVENUES</b>	<b>19,051,862</b>	<b>1,072,781</b>
<b>EXPENDITURES</b>		
Current		
Instruction	11,557,676	732,819
Support Services	-	-
Support Services Students	1,781,781	78,590
Support Services Instruction	147,051	505
Support Services General Administration	781,134	208,928
Support Services School Administration	1,087,107	218
Central Services	580,866	51,684
Operation and Maintenance of Plant	2,445,002	37
Student Transportation	850,785	-
Other Support Services	-	-
Food Services Operations	-	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Bond Issuance Cost	-	-
Interest and Fiscal Charge	-	-
<b>TOTAL EXPENDITURES</b>	<b>19,231,402</b>	<b>1,072,781</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(179,540)</b>	<b>-</b>
Other Financing Sources (Uses)		
Transfers In/ Transfers (Out)	-	-
Bond Proceeds	-	-
Bond Premiums	-	-
Payment to Bond Escrow Agent	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(179,540)</b>	<b>-</b>
<b>FUND BALANCE</b>		
June 30, 2016	3,154,418	-
Restatements	(1)	-
June 30, 2016 as restated	3,154,417	-
<b>FUND BALANCE</b>		
June 30, 2017	<b>\$ 2,974,877</b>	<b>\$ -</b>

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

EXHIBIT E

SB-9 LOCAL	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 3,024,229	\$ 4,211,569
-	-	1,003,556	2,032,343
-	-	21,000	241,042
-	-	-	17,307,295
-	-	310,681	484,126
2,287,167	2,937,614	576,136	6,000,600
679	835	240	4,124
4,511	15,616	15,000	40,808
<u>2,292,357</u>	<u>2,954,065</u>	<u>4,950,842</u>	<u>30,321,907</u>
-	-	1,521,006	13,811,501
-	-	-	-
-	-	414,782	2,275,153
-	-	1,449	149,005
22,750	29,241	106,225	1,148,278
-	-	27,264	1,114,589
-	-	103,373	735,923
-	-	951	2,445,990
-	-	25,885	876,670
503,900	-	-	503,900
-	-	1,743,876	1,743,876
1,522,817	-	488,348	2,011,165
-	2,120,000	530,000	2,650,000
-	142,433	-	142,433
-	1,097,608	48,672	1,146,280
<u>2,049,467</u>	<u>3,389,282</u>	<u>5,011,831</u>	<u>30,754,763</u>
242,890	(435,217)	(60,989)	(432,856)
1,310,956	-	(1,310,956)	-
-	6,690,000	-	6,690,000
-	1,017,850	-	1,017,850
-	(7,268,761)	-	(7,268,761)
<u>1,310,956</u>	<u>439,089</u>	<u>(1,310,956)</u>	<u>439,089</u>
1,553,846	3,872	(1,371,945)	6,233
-	2,408,490	3,828,373	9,391,281
-	-	-	(1)
<u>-</u>	<u>2,408,490</u>	<u>3,828,373</u>	<u>9,391,280</u>
<u>\$ 1,553,846</u>	<u>\$ 2,412,362</u>	<u>\$ 2,456,428</u>	<u>\$ 9,397,513</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

EXHIBIT F

RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds	\$ 6,233
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital Outlay	173,922
Depreciation	(2,019,374)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>	
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>	
	(7,707,850)
Payment to escrow agent for bond refunding	7,268,761
<p>Expenses in Statement of Activities which do not require use of current financial resources</p>	
Amortization of bond premium	155,619
Pension related expense	(682,420)
Change in delinquent property taxes	(23,016)
Bond Principal	2,650,000
Change in Net Position	<u>\$ (178,125)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT G

COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET  
(NON-GAAP) AND ACTUAL--GENERAL FUND

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 76,400	\$ 76,400	\$ 114,559	\$ 38,159
State Programs	19,078,920	18,947,582	18,336,082	(611,500)
Local Programs	477,761	477,761	600,041	122,280
<b>TOTAL REVENUE</b>	<u>19,633,081</u>	<u>19,501,743</u>	<u>\$ 19,050,682</u>	<u>\$ (451,061)</u>
BUDGETED CASH BALANCE	<u>878,961</u>	<u>2,032,712</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 20,512,042</u>	<u>\$ 21,534,455</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 11,988,247	\$ 12,425,337	\$ 11,539,822	\$ 885,515
Support Services	-	-	-	-
Support Services Students	2,267,731	2,549,651	1,781,781	767,870
Support Services Instruction	154,242	159,342	147,051	12,291
Support Services General Administration	809,031	864,531	773,542	90,989
Support Services School Administration	1,187,960	1,145,505	1,087,107	58,398
Central Services	600,680	638,480	594,151	44,329
Operation and Maintenance of Plant	2,321,773	2,562,835	2,391,764	171,071
Student Transportation	861,986	903,933	850,693	53,240
Other Support Services	320,392	284,841	-	284,841
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 20,512,042</u>	<u>\$ 21,534,455</u>	<u>\$ 19,165,911</u>	<u>\$ 2,368,544</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE AND EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 989,439	\$ 1,120,619	\$ 1,093,176	\$ (27,443)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>989,439</u>	<u>1,120,619</u>	<u>\$ 1,093,176</u>	<u>\$ (27,443)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>-</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ 989,439</u>	 <u>\$ 1,120,619</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 678,622	\$ 759,422	\$ 732,819	\$ 26,603
Support Services	-	-	-	-
Support Services Students	80,021	81,031	78,590	2,441
Support Services Instruction	-	600	505	95
Support Services General Administration	174,328	222,819	208,928	13,891
Support Services School Administration	218	218	218	-
Central Services	56,250	56,250	51,684	4,566
Operation and Maintenance of Plant	-	279	37	242
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 989,439</u>	<u>\$ 1,120,619</u>	<u>\$ 1,072,781</u>	<u>\$ 47,838</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT I

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 499,240
TOTAL ASSETS	<u>\$ 499,240</u>
LIABILITIES	
Due To Student Groups	\$ 499,240
TOTAL LIABILITIES	<u>\$ 499,240</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. 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 the accounting principles generally accepted in the United States of American (GAAP) as applied to the 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 Report Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes the governmental units.

During the year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. Statements No. 68 and 71 require cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the costs-sharing plan.

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 for in GASB Statements No. 14 and No. 39. 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 the Taos Charter School, which is a component unit of the charter school.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 funds 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 the 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 or resources (revenue) until that time.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. 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 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 another fund. The General Fund includes Operational, Transportation, and Instructional Materials.

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 general long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. 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 based upon certain criteria. The major funds presented in the fund financial statements include the following:

OPERATIONAL – General Fund - 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.

TRANSPORTATION - General Fund - 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.

INSTRUCTIONAL MATERIAL – General Fund - 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.

TITLE I IASA – 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.

SB-9 LOCAL– Capital Projects - 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).

DEBT SERVICE - is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

Additionally, the government reports the following fund types:

The fiduciary funds accounts 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 student activities.

As a general rule, the effect of inter-fund 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.

D: Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. 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 OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Cash and Temporary Investments (continued)

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

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

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

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

2. Restricted Assets

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

3. Receivables and Payables

Inter-fund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as inter-fund 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 inter-fund 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 2017 is considered "measurable and available" and, accordingly, is recorded as revenue during the year ended June 30, 2017.

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.

4. 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 SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. 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 items are consumed.

6. 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 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 purchase because their estimated useful life is less than one year.

Major outlays for capital assets and improvements are to be 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, 2017.

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Buildings & Improvements	20
Land Improvements	10-20
Vehicles	5-7
Furniture, Fixtures, and Equipment	3-5

7. Deferred Outflows of Resources-Subsequent Employer Contributions and Change in Proportion-Pensions

The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2017. Contributions made by the District in the current fiscal year and changes in proportion for the District are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. 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.

9. 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.

10. Net Pension Liability

The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan.

11. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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 discounts. Bond issuance costs are reported as expensed in the year of 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.

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

12. 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.

13. Deferred Inflows of Resources-Change in Pension Experience and Proportion

Changes in actuarial experience, investment experience, and change in proportion for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

14. 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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

14. Net Position or Fund Equity (continued)

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". Total restricted net position of \$6,416,293 is comprised of Special Revenue \$451,778 Capital Projects \$2,847,202 and Debt Service Funds \$3,117,313.

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

15. 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 balances classifications.

In the governmental financial statements, fund balances are classified and are displayed in five components:

**Non-spendable:** 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 Purpose, but are neither restricted nor committed, Intent should be expressed by (a) the governing body itself or (b) a body (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.

**Unassigned:** Represents fun 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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Net Position (continued)

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

Inter-fund 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 inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

16. Revenues

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American 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 ensure 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 and Finance. The District received \$17,307,295 in state equalization guarantee distributions during the year ended June 30, 2017.

Tax Revenues - The District property taxes are levied each year on the assessed valuation of property located in the School District. The assessed valuation for the 2017 fiscal year was \$1,114,454,011. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB-9 Fund and Debt Service Funds. Property taxes are assessed on January 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year 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, 2017 were \$6,000,600. Amounts collected from oil and gas taxes were \$0.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

16. 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 \$799,313 in transportation distributions during the year ended June 30, 2017.

Instructional Materials - The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school district 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, 2017 totaled \$144,107.

The District received \$0 in state SB-9 matching during the year ended June 30, 2017.

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 projects 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, 2017, the District received \$21,000 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 of the flow through agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

This 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.

17. Pension Plan – Education Retirement Board

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Plan (ERP) and additions to/deductions from ERP's fiduciary net position have been determined on the same basis as they are reported by ERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$ (32,400,000) difference is as follows:

Bonds Payable	\$ (30,270,000)
Ed Tech Equipment Note	<u>( 2,130,000)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (32,400,000)</u>

Other liabilities that are not reported in the funds are the net pension liabilities and the related deferred inflows and outflows. The details of the \$ (30,723,397) difference is as follows:

Net pension Liability	\$ (33,662,038)
Deferred outflows	4,806,311
Deferred inflows	<u>(1,867,670)</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position- governmental activities	<u>\$ (30,723,397)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the \$(1,845,452) difference is as follows:

Capital Outlay	\$ 173,922
Depreciation expense	<u>(2,019,374)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ (1,845,452)</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of the \$2,650,000 difference is as follows:

Principal repayments:	
General obligation debt	<u>\$ 2,650,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,650,000</u>

III. STEWARDSHIP, COMPLAINE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxilliary 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:

- In April or May, the superintendent 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.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

- 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.
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
- 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.
- 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.
- 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 Department of Education.
- 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.
- Legal budget control for expenditures is by function.
- 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.
- 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. The appropriated budget for the year ended June 30, 2017 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 20,512,042	\$ 21,534,455
Special Revenue Funds	4,575,624	5,808,406
Capital Projects Funds	5,452,821	5,579,975
Debt Service Funds	6,890,144	6,890,144
	<u>\$ 37,430,631</u>	<u>\$ 39,812,980</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

B. Deficit Fund Equity

At June 30, 2017 deficit fund balances consisted of

<u>Fund</u>	<u>Amount</u>
Transportation	\$ (64)
Food Services	(113,128)

The District is evaluating the need to transfer cash from the operational fund to eliminate the deficit balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

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 follow State investment requirements as of June 30, 2017.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

At June 30, 2017, the carrying amount of the District's deposits was \$10,125,761 and the bank balance was \$11,112,703. Of this balance \$500,000 was covered by federal depository insurance and \$7,443,260 was covered by collateral held in joint safekeeping by a third party in the entities name.

Collateral requirements are as follows:

Cintinel Bank	Total Deposits	\$	8,618,585
US Bank	Total Deposits		2,494,118
	Less: FDIC coverage		<u>(500,000)</u>
	Uninsured Public Funds		10,612,703
	Pledged collateral held by pledging bank's agent in the District's name		<u>7,443,260</u>
	Uninsured and un-collateralized	\$	<u><u>3,169,443</u></u>

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The collateral pledged is listed on Schedule 4 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, 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 investment fund in securities that are issued by the direct obligations of the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary.

The State Treasurer issues a separate, publicly available audited financial report that includes disclosure of the collateral pledged to secure State Treasurer cash and investments.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. 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. As of June 30, 2017, the government bank balance was 65% collateralized. As of June 30, 2017, \$3,169,443 of the government's bank balance of \$11,112,703 was exposed to custodial credit risk.

Uninsured and un-collateralized \$ 3,169,443

C. Receivables

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

	General	Title I	SB-9 Local	Debt Service	Non Major Governmental	TOTAL
Taxes:						
Property	\$ 41,210	\$ -	\$512,566	\$ 631,347	\$ 179,271	\$ 1,364,394
Intergovernmental						
Grants:						
Federal	\$ -	\$ 395,972	\$ -	\$ -	\$ 521,972	\$ 917,944
State	-	-	-	-	335,234	335,234
Others	-	-	2,300	-	-	2,300
	<u>\$ 41,210</u>	<u>\$ 395,972</u>	<u>\$514,866</u>	<u>\$ 631,347</u>	<u>\$ 1,036,477</u>	<u>\$ 2,619,872</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$1,206,722 and governmental revenues in the amount of \$1,628 were not collected within the period of availability and have been reclassified as unavailable revenues in the governmental fund financial statements.

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

	<u>Unavailable</u>
Delinquent property taxes	\$ 1,206,722
Grant draw downs prior to meeting all eligibility requirements	<u>1,628</u>
Total deferred/unearned revenue for government funds	<u>\$ 1,208,350</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,528,825	\$ -	\$ -	\$ 3,528,625
Construction in Progress	110,157	57,463	167,620	-
Total Capital Assets not being depreciated	<u>3,638,782</u>	<u>57,463</u>	<u>167,620</u>	<u>3,528,625</u>
Capital assets, being depreciated:				
Land Improvements	7,997,179	-	-	7,997,179
Buildings & Building Improvements	77,577,205	176,071	-	77,753,276
Furniture, Fixtures, Equipment & Vehicles	4,159,044	108,008	(89,000)	4,356,052
Total Capital Assets being depreciated	<u>89,733,428</u>	<u>284,079</u>	<u>(89,000)</u>	<u>90,106,507</u>
Less accumulated depreciation for:				
Land Improvements	518,778	160,389	-	679,167
Buildings & Building Improvements	15,041,714	1,718,882	-	16,760,596
Furniture, Fixtures, Equipment & Vehicles	3,394,544	140,103	(89,000)	3,623,647
Total accumulated depreciation	<u>18,955,036</u>	<u>2,019,374</u>	<u>(89,000)</u>	<u>21,063,410</u>
Total Capital assets, being depreciated, net	<u>70,778,392</u>	<u>(1,735,295)</u>	<u>-</u>	<u>69,043,097</u>
Governmental activities capital assets, net	<u>\$ 74,417,174</u>	<u>\$ (1,677,832)</u>	<u>\$ 167,620</u>	<u>\$ 72,571,722</u>

Depreciation expense for the year ended June 30, 2017 was unallocated in the amount of \$2,019,374.

Bond premiums are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond Premium	\$ 1,167,998	\$ 1,017,850	\$ -	\$ 2,185,848
Less accumulated amortization	<u>170,465</u>	<u>155,619</u>	<u>-</u>	<u>326,084</u>
Bond premium, net	<u>\$ 997,533</u>	<u>\$ 862,231</u>	<u>\$ -</u>	<u>\$ 1,859,764</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities Bonds Payable

A summary in changes in long-term obligations follows:

	Balance 7-1-2016	Bonds Issued	Bonds Redeemed	Refunded Bonds	Balance 6-30-2017	Amounts due within One Year
12/23/2008 \$9,900,000 GO Building Bonds due in annual installments of \$465,000 to \$845,000 through September 2028, interest at 3.5% to 4.5%	\$ 6,480,000	\$ -	\$ 500,000	\$ 6,920,000	\$ 1,060,000	\$ 520,000
10/5/2010 \$13,000,000 GO Building Bonds due in annual installments of \$455,000 to \$1,765,000 through September 2027, interest at 5.15%	11,635,000	-	455,000	-	11,180,000	455,000
10/5/2010 \$1,100,000 GO Building Bonds due in annual installments of \$250,000 to \$300,000 from September 2027 through September 2030, interest at 5.45%	1,100,000	-	-	-	1,100,000	-
9/17/2013 \$1,150,000 GO Ed Tech Bonds due in annual installments of \$50,000 to \$380,000 through October 2016, interest at 0.25% to 1.05%	50,000	-	50,000	-	-	-
9/17/2013 \$1,000,000 GO Ed Tech Bonds due in annual installments of \$50,000 to \$320,000 through October 2016, interest at 0.50% to 1.40%	50,000	-	50,000	-	-	-
4/8/2014 \$13,250,000 GO Building Bonds due in annual installments of \$25,000 to \$2,040,000 through September 2029, interest at 2.00% to 5.00%	11,405,000	-	1,035,000	-	10,370,000	1,065,000
10/6/2015 \$1,030,000 GO Ed Tech Bonds due in annual installments of \$120,000 to \$275,000 through October 2020, interest at 2.00%	1,030,000	-	120,000	-	910,000	250,000
10/6/2015 \$1,530,000 GO Ed Tech Bonds due in annual installments of \$300,000 to \$310,000 through October 2020, interest at 2.00% to 2.50%	1,530,000	-	310,000	-	1,220,000	310,000
8/10/16 \$6,690,000 GO Refunding Bonds Series 2016 due in annual installments of \$5,000 to \$940,000 through September 2028, interest at 2.00% to 4.00%	-	6,690,000	130,000	-	6,560,000	5,000
Total	<u>\$ 35,280,000</u>	<u>\$ 6,690,000</u>	<u>\$ 2,650,000</u>	<u>\$ 6,920,000</u>	<u>\$ 32,400,000</u>	<u>\$ 2,605,000</u>

STATE OF NEW MEXICO  
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

Go Bond indebtedness typically has been liquidated using Deb Service Funds. The annual requirements to amortize all bonded debt outstanding as of June 30, 2017, including interest of \$12,851,288 are shown below:

	<b>Governmental Activities</b>	
	<b>General Obligation</b>	
	<b>Principal</b>	<b>Interest</b>
6/30/2018	\$ 2,605,000	\$ 1,729,830
6/30/2019	2,675,000	1,493,500
6/30/2020	2,745,000	1,273,625
6/30/2021	2,670,000	1,215,400
6/30/2022	2,300,000	1,146,625
2023-2027	11,900,000	5,179,600
2028-2032	7,505,000	812,708
TOTAL	<u>\$ 32,400,000</u>	<u>\$ 12,851,288</u>

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$66,867,241 including \$32,400,000 debt outstanding based on the June 30, 2017 valuation.

Advance Refundings and Defeasances

The District has defeased certain bonds through advance refundings by placing the proceeds of new bonds in irrevocable trust to provide for all future debt service on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not recorded as assets or liabilities in these statements and are not included in the other debt tables in this note.

On August 10, 2016 the District issued \$ 6,690,000 in GO Building Bonds with an interest rate of 2% to 4% to advance refund \$ 6,920,000 outstanding Series 2008 GO Building Bonds with interest rates from 3.85% to 4.5%. The net proceeds of \$ 7,707,850 including bond premium of \$ 1,017,850 were placed into escrow to redeem the 2008 Series Bonds beginning September 1, 2019. The District chose to undertake this advance refunding in order to reduce the interest expense by taking advantage of lower interest rates.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

Summary of savings comparison of prior debt service to refunding debt service:

<u>Date</u>	<u>Prior Debt Service</u>	<u>Date</u>	<u>Refunding Debt Service</u>	<u>Savings</u>	<u>Annual Savings</u>
9/1/2016	\$ 146,390	9/1/2016	\$ 144,225	\$ 2,165	
3/1/2017	146,390	3/1/2017	120,625	25,765	27,930
9/1/2017	146,390	9/1/2017	125,625	20,765	
3/1/2018	146,390	3/1/2018	120,575	25,815	46,580
9/1/2018	146,390	9/1/2018	130,575	15,815	
3/1/2019	146,390	3/1/2019	120,475	25,915	41,730
9/1/2019	711,390	9/1/2019	695,475	15,915	
3/1/2020	135,514	3/1/2020	111,850	23,664	39,579
9/1/2020	720,514	9/1/2020	701,850	18,664	
3/1/2021	123,814	3/1/2021	103,000	20,814	39,478
9/1/2021	738,814	9/1/2021	1,023,000	(284,186)	
3/1/2022	111,514	3/1/2022	89,200	22,314	(261,873)
9/1/2022	751,514	9/1/2022	1,029,200	(277,686)	
3/1/2023	98,394	3/1/2023	70,400	27,994	(249,693)
9/1/2023	768,394	9/1/2023	630,400	137,994	
3/1/2024	84,324	3/1/2024	59,200	25,124	163,118
9/1/2024	784,324	9/1/2024	639,200	145,124	
3/1/2025	69,449	3/1/2025	47,600	21,849	166,973
9/1/2002	799,449	9/1/2002	652,600	146,849	
3/1/2026	53,754	3/1/2026	35,500	18,254	165,103
9/1/2026	818,754	9/1/2026	560,500	258,254	
3/1/2027	36,924	3/1/2027	25,000	11,924	270,178
9/1/2027	841,924	9/1/2027	430,000	411,924	
3/1/2028	19,013	3/1/2028	16,900	2,113	414,036
9/1/2028	864,013	9/1/2028	861,900	2,113	2,113
	<u>\$ 9,410,125</u>		<u>\$ 8,544,875</u>	<u>\$ 865,250</u>	<u>\$ 865,250</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

**Analysis of Savings**

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Total Dollar Principal & Interest Savings	\$	865,250
Present Value Savings as a % of Principal		13%
Present Value of Future Savings	\$	742,523
Plus: Refunding funds on hand		3,875
Net Present Value Savings	\$	<u>746,398</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION

A. 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 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 Tor Claims Act. The claim 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, 2017, there have been no claims that have exceeded insurance coverage.

B. Contingent liabilities

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

C. Pension Plan – Education Retirement Board

General Information about the Pension Plan

Plan description. Substantially all of the Taos Municipal Schools (District) full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is considered a component unit of the State's financial reporting entity. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan which is a pension benefit trust fund of the State of New Mexico. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Funding Policy

Benefits benefit – A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

Summary of Plan Provisions for Retirement Eligibility – For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least sixty-five years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least sixty-seven years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements.

- The member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits
- The member's age is 67, and has earned 5 or more years of service credit.

Forms of Payment – The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Benefit Options – The Plan has three benefit options available.

- Option A – Straight Life Benefit – The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- Option B – Joint 100% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- Option C – Joint 50% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

Disability Benefit – An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

Cost of Living Adjustment (COLA) – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%.

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Refund of Contributions – Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7-1-16 to 6-30-17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7-1-16 to 6-30-17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7-1-15 to 6-30-16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7-1-15 to 6-30-16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, the District paid employee and employer contributions of \$3,163,250 and \$3,235,668. For the related component units those contributions for the fiscal years ended June 30, 2017 and 2016 were as follows: Anansi Charter School - \$217,231 and \$205,269; Taos Charter School - \$245,051 and \$218,204; and Vista Grande Charter School - \$160,048 and \$144,311, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the District reported a liability of \$33,662,038 for its proportionate share of the net pension liability. The reported liability for the component units are: Anansi Charter School – \$2,121,509; Taos Charter School - \$2,253,923; and Vista Grande Charter School - \$1,498,297. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016, the District's proportion was 0.046776%, which was a decrease of 0.01291% from its proportion measured as of June 30, 2015. Anansi Charter School's proportion was 0.02948 which was an increase of 0.00393% from June 30, 2015; Taos Charter School's proportion was 0.03132% which was an increase of 0.00056% from June 30, 2015; and Vista Grande Charter School's proportion was 0.02082% which was a decrease of 0.00031% from June 30, 2015.

For the year ended June 30, 2017, the District's recognized pension expense of \$682,420 and the component units recognized the following pension expense: Anansi Charter School - \$203,440; Taos Charter School - \$145,745; and Vista Grande Charter School - \$21,431. At June 30, 2017, the District and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

<b>Taos Municipal Schools</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 146,039	\$ 320,168
Changes of assumptions	685,224	-
Net difference between projected and actual earnings on pension plan investments	2,009,343	-
Changes in proportion and differences between contributions and proportionate share of contributions	151,328	1,547,502
Employer contributions subsequent to the measurement date	1,814,377	-
<b>Total</b>	<b>\$ 4,806,311</b>	<b>\$ 1,867,670</b>

  

<b>Anansi Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 9,204	\$ 20,178
Changes of assumptions	43,185	-
Net difference between projected and actual earnings on pension plan investments	126,636	-
Changes in proportion and differences between contributions and proportionate share of contributions	297,369	-
Employer contributions subsequent to the measurement date	123,441	-
<b>Total</b>	<b>\$ 599,835</b>	<b>\$ 20,178</b>

  

<b>Taos Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 9,778	\$ 21,438
Changes of assumptions	45,881	-
Net difference between projected and actual earnings on pension plan investments	134,540	-
Changes in proportion and differences between contributions and proportionate share of contributions	97,841	-
Employer contributions subsequent to the measurement date	140,190	-
<b>Total</b>	<b>\$ 428,230</b>	<b>\$ 21,438</b>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

<b>Vista Grande Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 6,500	\$ 14,251
Changes of assumptions	30,499	-
Net difference between projected and actual earnings on pension plan investments	89,436	-
Changes in proportion and differences between contributions and proportionate share of contributions	115,892	76,942
Employer contributions subsequent to the measurement date	90,992	-
<b>Total</b>	<b>\$ 333,319</b>	<b>\$ 91,193</b>

\$1,814,377 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The component units' reported deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date are as follows: Anansi Charter School - \$123,441; Taos Charter School - \$140,190; and Vista Grande Charter School - \$90,992. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Taos Municipal Schools	Anansi Charter School	Taos Charter School	Vista Grande High School
2018	\$(68,669)	\$164,120	\$107,519	\$14,500
2019	(79,618)	149,853	55,246	76,532
2020	782,552	111,362	71,028	38,293
2021	489,998	30,882	32,809	21,810
2022	Unavailable	Unavailable	Unavailable	Unavailable
Thereafter	Unavailable	Unavailable	Unavailable	Unavailable

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Inflation	3.0%
Salary increases	Composed of 3.0% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.
Investment rate of return	7.75% compounded annually, net of expenses. This is made up of a 3.00% inflation rate and a 4.75 real rate of return. The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.
Average of Expected Remaining Service Lives	3.77 years.
Mortality	Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB. Healthy females: Based on GRS Southwest Region Teacher Mortality Table, set back one-year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012. Disabled males: RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB. Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB. Active members: RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Cost-of-living increases	2% per year, compounded annually.
Payroll growth	3.5% per year (with no allowance for membership growth).
Contribution accumulation	5% increase per year for all years prior to the valuation date. (Contributions are credited with 4.0% interest, compounded annually, applicable to the account balance in the past as well as the future).
Disability Incidence	Approved rates applied to eligible members with at least 10 years of service.

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on June 12, 2015 in conjunction with the six-year actuarial experience study period ending June 30, 2014. At that time, the Board adopted several assumption changes, which included a decrease in the annual wage inflation rate from 4.25% to 3.75%, and changes to the mortality rates, disability rates, and retirement rates for members who joined the plan after June 30, 2010. In addition, the board lowered the population growth rate assumption to zero.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	35%	
Fixed Income	28%	
Alternatives	36%	
Cash	1%	
Total	100%	7.75%

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Discount rate. A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.75%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Taos Municipal School's proportionate share of the net pension liability	<u>\$ 44,584,587</u>	<u>\$ 33,662,038</u>	<u>\$ 24,599,407</u>
Anansi Charter School's proportionate share of the net pension liability	<u>\$ 2,809,889</u>	<u>\$ 2,121,509</u>	<u>\$ 1,550,347</u>
Taos Charter School's proportionate share of the net pension liability	<u>\$ 2,985,269</u>	<u>\$ 2,253,923</u>	<u>\$ 1,647,113</u>
Vista Grande High School's proportionate share of the net pension liability	<u>\$ 1,984,460</u>	<u>\$ 1,498,297</u>	<u>\$ 1,094,920</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB'S financial reports. The reports can be found on NMERB's Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Payables to the pension plan – Taos Municipal School District had an outstanding liability of \$540,715 at June 30, 2017 which was paid in July 2017.

Anansi Charter School had an outstanding liability of \$44,240 to the pension plan at June 30, 2017 which was paid in July 2017.

Taos Charter School had an outstanding liability of \$46,945 to the pension plan at June 30, 2017 which was paid in July 2017.

Vista Grande Charter School had an outstanding liability of \$30,602 to the pension plan at June 30, 2017 which was paid in July 2017.

D. 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 post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

D. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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 30,2017, the statutes 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, 2017, that 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 Taos Municipal School District's contributions to the RHCA for the years ended June 30, 2017, 2016 and 2015 were \$261,049, \$267,177 and \$273,127 respectively, which equal the required contributions for each year.

E. Subsequent Accounting Standard Pronouncements

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operation*, Effective Date: The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively. The District is still evaluating how this standard will affect the District.

In February 2015, GASB Statement no. 71, *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement provide guidance for determining a fair value measurement for financial reporting purposes to enhance comparability of financial statements among governments in financial reporting periods beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, *GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68 in financial reporting periods beginning after June 15, 2016 and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

E. Subsequent Accounting Standard Pronouncements (continued)

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for addressing accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement identify-in the context of the current governmental financial reporting environment- the hierarchy of generally accepted accounting principles (GAAP) which supersedes Statement No. 55 and is effective for fiscal years beginning after June 15, 2015 and should be applied retroactively. Early application is permitted. The District is still evaluating how this standard will affect the District.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures* was issued. Effective Date: The provisions of this Statement require governments that enter into tax abatement agreements to disclose relevant information about those agreements and is effective for fiscal years beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

F. Overspent Budgets

At June 30, 2017 the District had no overspent budgets.



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

G. Inter-fund Receivables

Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2017 they consisted of the following:

Due To	
Operational	\$ 1,297,084
Total Due To	<u>\$ 1,297,084</u>

Due From	
Food Services	\$ 135,227
Title I	360,148
IDEA-B Entitlement	242,081
IDEA-B Preschool	4,244
Fresh Fruits & Vegetables	5,819
IDEA-B Results Plan	20,777
English Language Acquisition	11,490
Teacher Principal Training	128,379
Rural & Low Income Schools	13,452
Carl D Perkins Secondary Current	-
Carl D Perkins Secondary Redistribution	2,473
Carl D Perkins HSTW Current	37,760
Dual Credit Instructional Materials	-
2012 GO Bond Student Library Fund	818
NM Reads to Lead K-3	-
Truancy Initiative	66,031
Pre-K initiative	127,831
Indian Education Act	8,507
Kindergarten Three Plus	59,631
After School & Summer Enrichment Program	12,212
STEM Teacher Initiative	34,790
College Counselor Initiative	25,414
Total Due From	<u>\$ 1,297,084</u>

Due To	
Debt Service	\$ 3,875
Total Due To	<u>\$ 3,875</u>

Due From	
ED Tech Debt Service	\$ 3,875
Total Due From	<u>\$ 3,875</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

H. Permanent Transfers

Transfers are used to move revenue from the fund that statute or budget requires them to be collected in, to the fund that statute or budget requires them to be expend in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. At June 30, 2017 permanent transfer consisted of the following:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
SB-9	\$ 1,310,956	\$ -
SB-9 Local	-	1,310,956
Total Transfers	<u>\$ 1,310,956</u>	<u>\$ 1,310,956</u>

I. Restatement of Beginning Net Position for Governmental Funds

	<u>Governmental Activities</u>
Net Position at June 30, 2016	\$ 18,719,684
Prior Period Adjustments	
To record the repayment of 1/2 cash balance to PED in transportation	(1)
Net Position at June 30, 2016 as Restated	<u>\$ 18,719,683</u>

J. Restatements of Beginning Fund Balances

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Transportation	To record repayment of 1/2 cash balance to PED	(1)
	Total restatements to fund balances	<u>\$ (1)</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

K. Fund Balances Classified

Fund Balances	General Fund	SB-9 Local	Debt Service	Non-Major Governmental Funds	Total
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 27,989	\$ 27,989
Total Nonspendable	-	-	-	27,989	27,989
Restricted for:					
Transportation	(64)	-	-	-	(64)
Instructional Materials	134,457	-	-	-	134,457
Special Revenue Funds	-	-	-	451,778	451,778
Capital Projects	-	1,553,846	-	1,290,626	2,844,472
Debt Service	-	-	2,412,362	686,035	3,098,397
Total Restricted	134,393	1,553,846	2,412,362	2,428,439	6,529,040
Unassigned	2,840,484	-	-	-	2,840,484
Total Fund Balances	\$ 2,974,877	\$ 1,553,846	\$ 2,412,362	\$ 2,456,428	\$ 9,397,513

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

V. OTHER INFORMATION (continued)

L. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>
REVENUES	
Budgetary Basis	\$ 18,107,262
Add:	
Current Year Receivables & Other Credits	5,318
Deduct:	
Prior Year Receivables & Other Debits	<u>4,138</u>
REVENUE --GAAP BASIS	<u>\$ 18,108,442</u>
EXPENDITURES	
Budgetary Basis	\$ 18,231,160
Add:	
Current Year Payables & Other Debits	63,464
Deduct:	
Prior Year Payables & Other Credits	<u>13,802</u>
EXPENDITURES --GAAP BASIS	<u>\$ 18,280,822</u>

<u>Transportation</u>	<u>Instructional Materials</u>	<u>Title I</u>	<u>SB-9 Local</u>	<u>Debt Service</u>
\$ 799,313	\$ 144,107	\$ 1,093,176	\$ 2,280,233	\$ 3,086,951
-	-	395,972	59,748	117,444
-	-	416,367	47,624	225,340
<u>\$ 799,313</u>	<u>\$ 144,107</u>	<u>\$ 1,072,781</u>	<u>\$ 2,292,357</u>	<u>\$ 2,979,055</u>
\$ 799,286	\$ 135,465	\$ 1,072,781	\$ 1,998,905	\$ 3,079,082
92	15,737	-	382,581	829,293
-	-	-	332,019	519,093
<u>\$ 799,378</u>	<u>\$ 151,202</u>	<u>\$ 1,072,781</u>	<u>\$ 2,049,467</u>	<u>\$ 3,389,282</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units

A. 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. ASC 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 perspective 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, 2017 and for the year then ended:

1. Revenues

State Equalization Guarantee - ACS received \$1,566,739 in state equalization guarantee distributions during the year ended June 30, 2017.

Instructional Materials - Allocations received by ACS from the State for the year ended June 30, 2017 totaled \$11,529.

Public School Capital Outlay - ACS received \$127,739 in awards for rent assistance during the year ended June 30, 2017.

SB-9 Local State Match - ACS received \$106,963 in state SB-9 Local matching during the year ended June 30, 2017.

2. Cash and Temporary Investments

NM State Statues 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.

Collateral requirements are as follows:

US Bank	Total Deposits	\$	223,903
	Less: FDIC coverage		(223,903)
	Uninsured Public Funds	\$	-
			<hr/>
	Collateral requirement (50% of uninsured public funds)	\$	-
	Pledged collateral held by pledging bank's agent in the District's name		259,934
	Uninsured and un-collateralized	\$	-
			<hr/> <hr/>

Funds are maintained in an interest-bearing checking account.

3. 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, NMSA1978). 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, 2017, none of the Charter's bank balance of \$223,903 was exposed to custodial credit risk.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

A. Anansi Charter School (continued)

4. Receivables

Receivables for ACS as of June 30, 2017 are as follow:

	IDEA-B Entitlement	NM Reads to Lead K-3	SB-9 Local	TOTAL
Due from other governments	\$ 9,481	\$ 20,053	\$ 69,368	\$ 98,902
	<u>\$ 9,481</u>	<u>\$ 20,053</u>	<u>\$ 69,368</u>	<u>\$ 98,902</u>

The above receivables are deemed 100% collectible.

5. Capital Assets

A summary of ACS's capital assets and changes occurring during the year ended June 30, 2017 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Buildings and improvements	333,869	8,487	-	342,356
Equipment	79,819	-	-	79,819
Total Capital Assets being depreciated	413,688	8,487	-	422,175
Less accumulated depreciation for:				
Buildings and improvements	7,519	9,960	-	17,479
Equipment	51,611	7,982	-	59,593
Total accumulated depreciation	59,130	17,942	-	77,072
Total Capital assets, being depreciated, net	354,558	(9,455)	-	345,103
Governmental activities capital assets, net	<u>\$ 354,558</u>	<u>\$ (9,455)</u>	<u>\$ -</u>	<u>\$ 345,103</u>

Depreciation expense was charged to function/programs of ACS as follows:

Instruction	\$ 16,986
Operation and Maintenance of Plant	371
Food Services Operations	585
Total	<u>\$ 17,942</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

A. Anansi Charter School (continued)

6. 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.

7. Other Required Individual Fund Disclosures

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

A. Deficit fund balances of individual funds at June 30, 2017 are as follow:

There were no deficit fund balances at June 30, 2017.

B. Overspent budgets at June 30, 2016 are as follows:

There were not any overspent budgets at June 30, 2017.

C. Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2017 they consisted of the following:

Due To	
Operational	\$ 22,122
Total Due To	<u>\$ 22,122</u>
Due From	
IDEA-B Entitlement	\$ 9,481
NMRoads to Lead K-3	12,641
Total Due From	<u>\$ 22,122</u>

D. Restatement of Beginning Net Position for ACS

There were no restatements to Net Position at June 30, 2017.

E. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2017.

8. Prepaid Lease Expense

In May of 2010, Anansi Charter School Paid \$931,562 to 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, 2017, ACS amortized \$46,584 of the prepaid lease expense.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

A. Anansi Charter School (continued)

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

The School's contributions to Retiree Healthcare for the year ended June 30, 2017, 2016, and 2015 were \$18,429, \$16,931, and \$14,526, respectively, which equal the required contributions for each year.

B. 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.

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.

1. Cash and Temporary Investments

Financial instruments, which subject the Foundation to concentrations of credit risk, consist primarily of investments in short term money market instruments and domestic equity securities. The Foundation maintains cash and cash equivalents and temporary investments in a local branch of a national bank. Funds deposited with the bank are covered up to \$250,000 for each type of account.

	US Bank Operational	US Bank Facility Account	Total
Cash on deposit 6/30/17	\$ 4,868	\$ 67,233	\$ 72,101
FDIC coverage	(4,868)	(67,233)	(72,101)
Cash at risk	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

B. Friends of Anansi Charter School-Component Unit of Anansi Charter School (continued)

2. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2017 follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 587,500	\$ -	\$ -	\$ -	\$ 587,500
Construction in progress	-	-	-	-	-
Total Capital assets, not being depreciated	<u>587,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,500</u>
Capital assets, being depreciated:					
Land improvements	147,878	-	-	-	147,878
Building and building improvements	3,025,240	-	-	-	3,025,240
Fixtures, furniture and equipment	23,624	-	-	-	23,624
Total Capital Assets being depreciated	<u>3,196,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,196,742</u>
Less accumulated depreciation for:					
Land improvements	13,619	8,153	-	-	21,772
Building and building improvements	361,570	82,081	-	-	443,651
Fixtures, furniture and equipment	23,624	-	-	-	23,624
Total accumulated depreciation	<u>398,813</u>	<u>90,234</u>	<u>-</u>	<u>-</u>	<u>489,047</u>
Total Capital assets, being depreciated, net	<u>2,797,929</u>	<u>(90,234)</u>	<u>-</u>	<u>-</u>	<u>2,707,695</u>
Governmental activities capital assets, net	<u>\$ 3,385,429</u>	<u>\$ (90,234)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,295,195</u>

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

B. Friends of Anansi Charter School-Component Unit of Anansi Charter School (continued)

3. Long-Term Debt

The Foundation borrowed \$1,800,000 on January 7, 2009 at 4.375% interest with a term of 40 years 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, 2017 are as follows:

	<b>USDA Loan 1</b>	
	<b>Principal</b>	<b>Interest</b>
6/30/2018	\$ 33,356	\$ 62,980
6/30/2019	34,845	61,491
6/30/2020	36,401	59,935
6/30/2021	38,025	58,310
6/30/2022	39,723	56,613
2023-2027	226,848	254,832
2028-2032	282,205	199,475
2033-2037	351,070	130,610
2038-2042	412,232	45,031
TOTAL	<u>\$ 1,454,705</u>	<u>\$ 929,277</u>

July 2015 after the Foundation closed a second loan with the USDA for \$1,015,000 which has a term of 40 years with monthly payments of \$4,243. The loan carries an interest rate of 4.0%. The annual requirements to retire this loan as of June 30, 2017 are as follows:

	<b>USDA Loan 2</b>	
	<b>Principal</b>	<b>Interest</b>
6/30/2018	\$ 12,571	\$ 38,345
6/30/2019	13,083	37,833
6/30/2020	13,616	37,300
6/30/2021	14,170	36,746
6/30/2022	14,748	36,168
2023-2027	83,257	171,323
2028-2032	101,656	152,924
2033-2037	124,122	130,458
2038-2042	151,553	103,027
2043-2047	185,045	69,535
2048-2052	225,940	28,641
2053	24,593	283
TOTAL	<u>\$ 964,354</u>	<u>\$ 842,583</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

B. Friends of Anansi Charter School-Component Unit of Anansi Charter School (continued)

3. Long-Term Debt

The foundation has been paying additional principal payments since 2010 with the intent of paying off the loan by June 30, 2030 so that 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.

4. 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 lease 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, 2017, the Foundation recognized \$46,584 of the deferred lease income.

5. Pension Plan-Educational Retirement Act

The Foundation does not participate in ERB.

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

The Foundation does not participate in RHCA.

7. Income Taxes

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

8. 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.

9. 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.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

C. Taos Charter School

Taos Charter School (TCS) is a dependent charter school formed under NMSA22-8A 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, 2017 and for the year then ended.

1. Revenues

State Equalization Guarantee - TCS received \$1,400,002 in state equalization guarantee distributions during the year ended June 30, 2016.

Instructional Materials - Allocations received by TCS from the State for the year ended June 30, 2017 totaled \$13,140.

Public School Capital Outlay - TCS received \$142,100 in awards for rent assistance during the year ended June 30, 2017.

SB-9 State Match - TCS received \$146,735 in state SB-9 matching during the year ended June 30, 2017.

2. Cash and Temporary Investments

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.

Collateral requirements are as follows:

Centinel Bank	Total Deposits	\$ 186,855
	Less: FDIC coverage	(186,855)
	Uninsured Public Funds	<u>\$ -</u>
Collateral requirement (50% of uninsured public funds)		\$ -
Pledged collateral held by pledging bank's agent in the District's name		<u>-</u>
Uninsured and un-collateralized		<u>\$ -</u>

Funds are maintained in an interest-bearing checking account.

3. Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, Taos 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, NMSA1978). 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, 2017, none of the Charter's bank balance of \$186,855 was exposed to custodial credit risk.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

C. Taos Charter School (continued)

4. Receivables

Receivables for TCS as of June 30, 2017 are as follow:

	Title I IASA	IDEA-B Entitlement	USDA 2010	NM Reads to Lead K-3	SB-9 Local	TOTAL
Due from other governments	8,824	\$ 15,834	\$ 5,425	\$ 24,750	\$ 92,927	\$ 147,760
	<u>\$ 8,824</u>	<u>\$ 15,834</u>	<u>\$ 5,425</u>	<u>\$ 24,750</u>	<u>\$ 92,927</u>	<u>\$ 147,760</u>

The above receivables are deemed 100% collectible.

5. Capital Assets

A summary of TCS's capital assets and changes occurring during the year ended June 30, 2017 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 250,000	\$ -	\$ -	\$ 250,000
Capital assets, being depreciated:				
Building and improvements	1,905,235	7,840	-	1,913,075
Equipment, vehicles and other	110,124	17,846	-	127,970
Total Capital Assets being depreciated	2,015,359	25,686	-	2,041,045
Less accumulated depreciation for:				
Building and improvements	301,917	54,056	-	355,973
Equipment, vehicles and other	26,853	8,949	-	35,802
Total accumulated depreciation	328,770	63,005	-	391,775
Total Capital assets, being depreciated, net	1,686,589	(37,319)	-	1,649,270
Governmental activities capital assets, net	\$ 1,936,589	\$ (37,319)	\$ -	\$ 1,899,270

Depreciation expense was charged to function/programs of TCS as follows:

Instruction	\$ 57,156
Food Services	5,849
Total	<u>\$ 63,005</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

C. Taos Charter School (continued)

6. 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.

7. Other Required Individual Fund Disclosures

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

A. Deficit fund balances of individual funds at June 30, 2017 are as follow:

<u>Fund Description</u>	<u>Amount</u>
Operational	\$ (74,019)
Food Services	(14,257)
2012 GO Bond	(853)
	<u>\$ (89,129)</u>

B. Overspent budgets at June 30, 2017 are as follows:

<u>Fund</u>	<u>Function</u>	<u>Amount</u>
Food Services	Food Services Operations	<u>\$ 22,234</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

C. Taos Charter School (continued)

7. Other Required Individual Fund Disclosures (continued)

C. Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2017 they consisted of the following:

Due To	
Operational	\$ 60,291
Total Due To	<u>\$ 60,291</u>

Due From	
Food Services	\$ 13,524
Title I	8,379
IDEA - B Entitlement	15,834
USDA 2010	5,425
2012 GO Bond Student Library Fund	853
NM Reads to Lead K-3	16,276
Total Due From	<u>\$ 60,291</u>

Due To	
SB-9 Local	35,689
Total Due To	<u>\$ 35,689</u>

Due From	
Operational	\$ 35,689
Total Due From	<u>\$ 35,689</u>

D. Permanent transfers at June 30, 2017 consisted of the following:

Transferred From:	
SB-9	\$ 145,034
Total Transfers	<u>\$ 145,034</u>

Transferred To:	
SB-9 Local	\$ 145,034
Total Transfers	<u>\$ 145,034</u>



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

C. Taos Charter School (continued)

7. Other Required Individual Fund Disclosures (continued)

E. Restatement of Beginning Net Position for TCS

There were no restatements to Net Position at June 30, 2017.

F. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2017.

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

The School's contributions to Retiree Healthcare for the year ended June 30, 2017, 2016, and 2015 were \$20,086, \$17,767 and \$17,490, respectively, which equal the required contributions for each year.

D. 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 unit of Taos 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 Taos Charter School. The Foundation received funds from renting facilities to the Charter, donations, and fund raising.

The Foundation's financial statements include all entities over which the Board exercises oversight responsibility. Oversight 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 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.

1. Cash and Temporary Investments

Financial instruments, which subject the Foundation to concentrations of credit risk, consist primarily of investments in short term money market instruments and domestic equity securities. The Foundation maintains cash and cash equivalents and temporary investments in a local branch of a national bank. Funds deposited with the bank are covered up to \$250,000 for each type of account.

	Centinel Bank	Total
Cash on deposit 6/30/17	\$ 73,684	\$ 73,684
FDIC coverage	(73,684)	(73,684)
Cash at risk	\$ -	\$ -

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

D. Friends of Taos Charter School-Component Unit of Taos Charter School (continued)

The Foundation has adopted SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair value are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

2. Receivables

At June 30, 2017, the Foundation had no receivables.

3. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2017 follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Building and improvements	734,956	-	-	734,956
Total Capital Assets being depreciated	734,956	-	-	734,956
Less accumulated depreciation for:				
Building and improvements	183,740	18,374	-	202,114
Total accumulated depreciation	183,740	18,374	-	202,114
Total Capital assets, being depreciated, net	551,216	(18,374)	-	532,842
Governmental activities capital assets, net	<u>\$ 551,216</u>	<u>\$ (18,374)</u>	<u>\$ -</u>	<u>\$ 532,842</u>

4. Long-Term Debt

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

5. Pension Plan-Educational Retirement Act

The Foundation does not participate in ERB.

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

The Foundation does not participate in RHCA.

7. Income Taxes

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

D. Friends of Taos Charter School-Component Unit of Taos Charter School (continued)

8. 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.

9. *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.

E. Vista Grande High School

Vista Grande High School (VGHS) is a dependent charter school formed under NMSA22-8A 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 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, 2017 and for the year then ended.

1. Revenues

State Equalization Guarantee - VGHS received \$1,159,417 in state equalization guarantee distributions during the year ended June 30, 2017.

Instructional Materials - Allocations received by VGHS from the State for the year ended June 30, 2017 totaled \$5,454.

Public School Capital Outlay - TCS received \$101,786 in awards for rent assistance during the year ended June 30, 2017.

SB-9 State Match - TCS received \$0 in state SB-9 matching during the year ended June 30, 2017.

2. Cash and Temporary Investments

NM State Statues 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 SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

E. Vista Grande High School (continued)

2. Cash and Temporary Investments (continued)

Collateral requirements are as follows:

Centinel Bank	Total Deposits	\$ 308,078
	Less: FDIC coverage	(250,000)
	Uninsured Public Funds	<u>\$ 58,078</u>
Collateral requirement (50% of uninsured public funds)		\$ 29,039
Pledged collateral held by pledging bank's agent in the District's name		<u>75,000</u>
Uninsured and un-collateralized		<u>\$ -</u>

3. Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, Vista Grande High 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, NMSA1978). 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, 2017, none of the Charter's bank balance of \$308,078 was exposed to custodial credit risk.

4. Receivables

There receivables for VGHS as of June 30, 2017 are as follows:

	<u>Title I</u>	<u>IDEA-B Entitlement</u>	<u>Hard to Staff Initiative</u>	<u>Public School Capital Outlay</u>	<u>TOTAL</u>
Due from other governments	\$ 27,000	\$ 30,671	\$ 6,075	\$ 17,670	\$ 81,416
	<u>\$ 27,000</u>	<u>\$ 30,671</u>	<u>\$ 6,075</u>	<u>\$ 17,670</u>	<u>\$ 81,416</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

E. Vista Grande High School (continued)

5. Capital Assets

A summary of VGHS's capital assets and changes occurring during the year ended June 30, 2017 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Leasehold improvements	131,570	-	-	131,570
Furniture, fixtures and equipment	135,447	-	-	135,447
Total Capital Assets being depreciated	<u>267,017</u>	<u>-</u>	<u>-</u>	<u>267,017</u>
Less accumulated depreciation for:				
Leasehold improvements	15,284	15,673	-	30,957
Furniture, fixtures and equipment	39,951	20,200	-	60,151
Total accumulated depreciation	<u>55,235</u>	<u>35,873</u>	<u>-</u>	<u>91,108</u>
Total Capital assets, being depreciated, net	<u>211,782</u>	<u>(35,873)</u>	<u>-</u>	<u>175,909</u>
Governmental activities capital assets, net	<u>\$ 211,782</u>	<u>\$ (35,873)</u>	<u>\$ -</u>	<u>\$ 175,909</u>

Depreciation expense was charged to function/programs of VGCS as follows:

Instruction	\$ 35,873
Total	<u>\$ 35,873</u>

6. Long-Term Debt

Compensated Absences - The School provides leave which it will pay out on request upon leaving employment. The liability related to that is listed below. During fiscal year ended June 30, 2017, compensated absences increased \$926 from the prior year. Changes to compensated absences occurring during the year ended June 30, 2017 are as follow:

Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Amounts due in One Year
<u>\$ 11,189</u>	<u>\$ 3,827</u>	<u>\$ (2,901)</u>	<u>\$ 12,115</u>	<u>\$ 12,115</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

E. Vista Grande High School (continued)

7. Other Required Individual Fund Disclosures

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

A. Deficit fund balances of individual funds at June 30, 2017 are as follow:

<u>Fund Description</u>	<u>Amount</u>
Food Services	\$ (9,136)
Total	<u>\$ (9,136)</u>

B. Overspent budgets at June 30, 2017 are as follows:

<u>Fund</u>	<u>Function</u>	<u>Amount</u>
Food Services	Food Services Operations	\$ 7,900
	Total	<u>\$ 7,900</u>

C. Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2017 they consisted of the following:

Due To		
Operational		\$ 86,558
Total Due To		<u>\$ 86,558</u>
Due From		
Food Services		\$ 9,136
Title I		25,338
IDEA-B Entitlement		28,464
Hard to Staff Initiative		5,950
Public School Capital Outlay		17,670
Total Due From		<u>\$ 86,558</u>

D. Restatement of Beginning Net Position for VGCS

There were no restatements to Net Position at June 30, 2017.

E. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2017.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. Component Units (continued)

E. Vista Grande High School (continued)

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

The School's contributions to Retiree Healthcare for the year ended June 30, 2017, 2016, and 2015 were \$12,994, \$12,024 and \$12,231, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. COMPONENT UNITS (continued)

F. Reconciliation of Budgetary and GAAP Basis Amounts - Anansi Charter School

	<u>Operational</u>	<u>Instructional Materials</u>
<b>REVENUES</b>		
Budgetary Basis	\$ 1,673,271	\$ 11,529
Add:		
Current Year Receivables & Other Credits	-	-
Deduct:		
Prior Year Receivables & Other Debits	<u>-</u>	<u>-</u>
<b>REVENUE --GAAP BASIS</b>	<u><u>\$ 1,673,271</u></u>	<u><u>\$ 11,529</u></u>
<b>EXPENDITURES</b>		
Budgetary Basis	\$ 1,623,439	\$ 9,949
Add:		
Current Year Payables & Other Debits	91,673	-
Deduct:		
Prior Year Payables & Other Credits	<u>63,049</u>	<u>-</u>
<b>EXPENDITURES --GAAP BASIS</b>	<u><u>\$ 1,652,063</u></u>	<u><u>\$ 9,949</u></u>



Food Services	IDEA-B Entitlement	SEG Federal Stimulus	GO 2012 Student Library Bond Fund	NM Reads to Lead K-3	Private Direct Grants
\$ 43,073	\$ 37,774	\$ -	\$ 1,971	\$ 111,728	\$ -
-	9,481	-	-	20,053	-
-	18,044	-	1,971	50,000	-
<u>\$ 43,073</u>	<u>\$ 29,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,781</u>	<u>\$ -</u>
\$ 40,700	\$ 29,211	\$ -	\$ -	\$ 81,781	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 40,700</u>	<u>\$ 29,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,781</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. COMPONENT UNITS (continued)

G. Reconciliation of Budgetary and GAAP Basis Amounts - Taos Charter School

	Operational	Instructional Materials	Food Services	Title I
<b>REVENUES</b>				
Budgetary Basis	\$ 1,539,122	\$ 13,140	\$ 53,372	\$ 15,860
Add:				
Current Year Receivables & Other Credits	-	-	-	8,824
Deduct:				
Prior Year Receivables & Other Debits	-	-	-	-
<b>REVENUE --GAAP BASIS</b>	<u>\$ 1,539,122</u>	<u>\$ 13,140</u>	<u>\$ 53,372</u>	<u>\$ 24,684</u>
<b>EXPENDITURES</b>				
Budgetary Basis	\$ 1,665,289	\$ 17,223	\$ 80,641	\$ 24,684
Add:				
Current Year Payables & Other Debits	98,621	-	-	-
Deduct:				
Prior Year Payables & Other Credits	27,337	-	11	-
<b>EXPENDITURES --GAAP BASIS</b>	<u>\$ 1,736,573</u>	<u>\$ 17,223</u>	<u>\$ 80,630</u>	<u>\$ 24,684</u>

<u>Idea-B Entitlement</u>	<u>USDA 2010</u>	<u>Title XIX Medicaid</u>	<u>SEG Federal Stimulus</u>	<u>Golden Apple Foundation</u>	<u>GO 2012 Student Library Bond Fund</u>	<u>NM Reads to Lead K-3</u>
\$ 31,336	\$ -	\$ 8,550	\$ -	\$ 3,000	\$ 1,155	\$ 64,706
15,834	5,425	-	-	-	-	24,750
6,499	-	-	-	-	-	-
<u>\$ 40,671</u>	<u>\$ 5,425</u>	<u>\$ 8,550</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 1,155</u>	<u>\$ 89,456</u>
\$ 40,671	\$ 5,425	\$ 1,292	\$ -	\$ 3,000	\$ -	\$ 89,455
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 40,671</u>	<u>\$ 5,425</u>	<u>\$ 1,292</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 89,455</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

VI. COMPONENT UNITS (continued)

H. Reconciliation of Budgetary and GAAP Basis Amounts - Vista Grande High School

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Title I</u>
<b>REVENUES</b>				
Budgetary Basis	\$ 1,176,428	\$ 5,454	\$ 41,207	\$ -
Add:				
Current Year Receivables & Other Credits	-	-	-	27,000
Deduct:				
Prior Year Receivables & Other Debits	-	-	-	-
<b>REVENUE --GAAP BASIS</b>	<u>\$ 1,176,428</u>	<u>\$ 5,454</u>	<u>\$ 41,207</u>	<u>\$ 27,000</u>
<b>EXPENDITURES</b>				
Budgetary Basis	\$ 1,127,075	\$ 11,375	\$ 49,107	\$ 27,000
Add:				
Current Year Payables & Other Debits	-	-	-	-
Deduct:				
Prior Year Payables & Other Credits	-	-	-	-
<b>EXPENDITURES --GAAP BASIS</b>	<u>\$ 1,127,075</u>	<u>\$ 11,375</u>	<u>\$ 49,107</u>	<u>\$ 27,000</u>

<u>IDEA-B Entitlement</u>	<u>USDA Equipment Assistance</u>	<u>Title XIX Medicaid</u>	<u>GO 2012 Student Library Bond Fund</u>	<u>Technology for Education</u>	<u>Teachers Hard to Staff Initiative</u>	<u>Library Material Fund</u>	<u>Private Direct Grants</u>
\$ 30,048	\$ -	\$ 321	\$ -	\$ -	\$ -	\$ -	\$ 1,000
30,671	-	-	-	-	6,075	-	-
<u>30,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 30,048</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,075</u>	<u>\$ -</u>	<u>\$ 1,000</u>
\$ 30,671	\$ -	\$ -	\$ -	\$ -	\$ 6,075	\$ -	\$ 998
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 30,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,075</u>	<u>\$ -</u>	<u>\$ 998</u>

## SUPPLEMENTARY INFORMATION

## GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in any other fund.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A-1

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2017

	Operational	Transportation	Instructional Materials	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,160,512	\$ 28	\$ 150,194	\$ 2,310,734
Accounts Receivable				
Property Taxes Receivable	41,210	-	-	41,210
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	1,297,084	-	-	1,297,084
<b>TOTAL ASSETS</b>	<u>\$ 3,498,806</u>	<u>\$ 28</u>	<u>\$ 150,194</u>	<u>\$ 3,649,028</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ 63,464	\$ 92	\$ 15,737	\$ 79,293
Accrued Payroll Liabilities	558,966	-	-	558,966
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>622,430</u>	<u>92</u>	<u>15,737</u>	<u>638,259</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Unavailable Revenue - Property Taxes	35,892	-	-	35,892
<b>TOTAL DEFERRED INFLOWS</b>	<u>35,892</u>	<u>-</u>	<u>-</u>	<u>35,892</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	(64)	134,457	134,393
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,840,484	-	-	2,840,484
<b>TOTAL FUND BALANCE</b>	<u>2,840,484</u>	<u>(64)</u>	<u>134,457</u>	<u>2,974,877</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 3,498,806</u>	<u>\$ 28</u>	<u>\$ 150,194</u>	<u>\$ 3,649,028</u>

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



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2017

	Operational	Transportation	Instructional Materials	TOTALS
<b>REVENUE</b>				
Federal Programs	\$ 114,559	\$ -	\$ -	\$ 114,559
State Programs	85,367	799,313	144,107	1,028,787
Local Programs	220,042	-	-	220,042
State Equalization	17,307,295	-	-	17,307,295
Service Revenues	173,445	-	-	173,445
Taxes	199,683	-	-	199,683
Interest	2,370	-	-	2,370
Other revenue sources	5,681	-	-	5,681
<b>TOTAL REVENUES</b>	<b>18,108,442</b>	<b>799,313</b>	<b>144,107</b>	<b>19,051,862</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	11,406,474	-	151,202	11,557,676
Support Services	-	-	-	-
Support Services Students	1,781,781	-	-	1,781,781
Support Services Instruction	147,051	-	-	147,051
Support Services General Administration	781,134	-	-	781,134
Support Services School Administration	1,087,107	-	-	1,087,107
Central Services	580,866	-	-	580,866
Operation and Maintenance of Plant	2,445,002	-	-	2,445,002
Student Transportation	51,407	799,378	-	850,785
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,280,822</b>	<b>799,378</b>	<b>151,202</b>	<b>19,231,402</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(172,380)</b>	<b>(65)</b>	<b>(7,095)</b>	<b>(179,540)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(172,380)</b>	<b>(65)</b>	<b>(7,095)</b>	<b>(179,540)</b>
<b>FUND BALANCE</b>				
June 30, 2016	3,012,864	2	141,552	3,154,418
Restatements	-	(1)	-	(1)
June 30, 2016 as restated	3,012,864	1	141,552	3,154,417
<b>FUND BALANCE</b>				
June 30, 2017	<b>\$ 2,840,484</b>	<b>\$ (64)</b>	<b>\$ 134,457</b>	<b>\$ 2,974,877</b>

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

## SPECIAL REVENUE FUNDS

**FOOD SERVICES** – 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 break 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** – 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.

**IDEA-B ENTITLEMENT** – 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 is authorized by Individuals with Disabilities Education Act, Part B, Sec. 611-620, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1420.

**NEW MEXICO AUTISM PROJECT** – To provide funds for research based programs for Autism provided through the New Mexico Public Education Department.

**IDEA- B PRE-SCHOOL** - 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 District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**FRESH FRUIT & VEGETABLES** – To assist States, through cash grants, in providing free fresh fruit and fresh 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** – 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** – Funding for support activities included the Education Plan for Student Success for Ranchos Elementary School and Enos Elementary School.

**ENGLISH LANGUAGE ACQUISITION** – 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.

**ENHANCING EDUCATION THRU TECH (E2T2-F)** – To account for a federal grant designed to strengthen teacher learning in the field of technology.

**TEACHER/PRINCIPAL TRAINING & RECRUITING** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also increase the accessibility of such instruction to all students.

**21<sup>st</sup> CENTURY COMMUNITY LIVING CENTERS** – After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social 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** – 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.

**CARL D PERKINS SPECIAL PROJECTS-JAG** – 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** – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105—332).

CARL D. PERKINS SECONDARY-REDISTRIBUTION – Redistribution for the program as described above in Carl D. Perkins Secondary Current.

CARL D. PERKINS HSTW – To account for federal High Schools That Work funds provided to research, implement and deliver advanced, engaging educational strategies that have proven outcomes for students. Authority is the Carl D. Perkins Career and Technical Education Act of 2006.

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 – 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) Indians 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 – To account for funding of 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 the Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 9a) 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 – 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 – 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)

INDIAN EDUCATION FORMULA GRANT – 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, U.S.C. 2601-2606.

DUAL CREDIT INSTRUCTIONAL MATERIALS – To purchase college textbooks for student who dual enroll in college credited courses while still attending high school.

2012 GO BONDS STUDENT LIBRARY FUND (SB66) - Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

NEW MEXICO READS TO K-3 READING INITIATIVE – The purpose of this grant is to provide funding for reading initiative 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.

TECHNOLOGY FOR EDUCATION PED – 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.

INCENTIVES FOR SCHOOL IMPROVEMENT ACT-PED – 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 to awarded locations and to purchase items to improve those schools.

TRUANCY INITIATIVE – To hire a truancy and dropout prevention coach for Taos Municipal Schools. Funding provided by the New Mexico Public Education Department.

PRE-K INITIATIVE – 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-a NMSA 1978.

INDIAN EDUCATION ACT – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs.

BREAKFAST FOR ELEMENTARY STUDENTS – The 2005 Legislative General Appropriations Act allocate \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

BEGINNING TEACHER MENTORING PROGRAM – 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.

KINDERGARTEN-THREE PLUS – In 2007, Representative Mimi Steward 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.

AFTER SCHOOL AND SUMMER ENRICHMENT PROGRAM – The purpose of this award is to create learning centers that will provide student with a broad range of exceptional, school-linked learning and developmental opportunities, designed to complement the students' regular academic program. Funding for this program is provided through the New Mexico Public Education Department, Special Appropriation Fund.

STEM TEACHER INITIATIVE – To account for funds provided by the New Mexico Public Education Department. These funds are to be used as stipends for highly effective teachers in the areas of Science, Technology, Engineering or Mathematics (grades 7-12).

NM GROWN FRESH FRUITS AND VEGETABLE – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

COLLEGE COUNSELOR INITIATIVE – To account for funds provided by New Mexico Public Education Department to provide counselors solely dedicated to college attendance through education about college admissions and financial aid.

SOCIAL WORKERS FOR MIDDLE SCHOOLS – To account for funds provided by New Mexico Public Education Department to hire social workers for the middle school.

SCHOOL LIBRARY MATERIAL FUND FY 08 – 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.

OFFICE OF CULTURAL AFFAIRS – To fund activities for the New Mexico Arts Program.

GRADS-CHILD CARE – 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 Education Department.

GRADS-INSTRUCTION – 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.

GRADS PLUS – To support a shared case management model between the Taos High School GRADS program and school and community partners. Funding is provided through the New Mexico GRADS System.

PRIVATE DIRECT GRANTS – To account for local grants awarded to provide additional funding for specific projects.

#### **ANANSI CHARTER SCHOOL**

FOOD SERVICES – 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 break 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.

IDEA-B ENTITLEMENT – 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 – 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.

2012 GO BONDS STUDENT LIBRARY FUND (SB66) - 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 – 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.

PRIVATE DIRECT GRANT – To provide students with experiences and career awareness in wildlife, forestry and environmental management operations.

#### **TAOS CHARTER SCHOOL**

FOOD SERVICES – 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 break 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.

TITLE I IASA – 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 – 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.

USDA 2010 – To account for a program funded by a Federal grant to assist the District in promoting the reduction or elimination of childhood hunger and food insecurity. Funding authorized by Individuals with Richard B Russell National School Lunch Act, Section 141 of the Healthy, Hunger-Free Kids Act of 2010, Section 23. Childhood Hunger Research; (b) Demonstration Projects to End Childhood Hunger, Title E, Section 141, Public Law 111-296, 124 Stat. 3206-3210, 42 U.S.C. 1769d.

TITLE XIX MEDICAID 3/21 YEARS – 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)

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

GOLDEN APPLE – To account for funds provided by a local grant. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

2012 GO BONDS STUDENT LIBRARY FUND (SB66) - 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 – 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.

### **VISTA GRANDE HIGH SCHOOL**

FOOD SERVICES – 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 break 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.

TITLE I IASA – 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 – 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.

USDA EQUIPMENT ASSISTANCE PROGRAM – To account for funds to be used to buy equipment for the cafeteria. Authority for the fund is the USDA and the Charter board.

TITLE XIX MEDICAID 3/21 YEARS – 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)

2012 GO BONDS STUDENT LIBRARY FUND (SB66) - Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

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

AFTER SCHOOL SUMMER ENRICHMENT – To account for funds from the New Mexico Public Education Department, Coordinated School Health and Wellness Bureau. These funds are to be used for the implementation of quality after school and summer enrichment programs that address literacy in an effort to close the achievement gap within and between schools.

STEM TEACHER INITIATIVE – To account for funds provided by the New Mexico Public Education Department. These funds are to be used as stipends for highly effective teachers in the areas of Science, Technology, Engineering or Mathematics (grades 7-12).

HARD TO STAFF INITIATIVE – To account for funds provided by the New Mexico Public Education Department. These funds are used to provide stipends for hard-to-staff teaching positions in low performing schools.

SCHOOL LIBRARY MATERIAL FUND FY08 – Funds awarded to the District by the instructional Materials Bureau in accordance with 2008 Senate Bill 471 purchases of library books. Authorized by the School Board and the New Mexico Public Education Department.

PRIVATE DIRECT GRANT – To provide students with experiences and career awareness in wildlife, forestry and environmental management operations.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

June 30, 2017

	Food Services	Athletics	IDEA- B Entitlement	New Mexico Autism Project
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 6,242	\$ -	\$ 998
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	295,955	-
State	-	-	-	-
Inventories	27,989	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 27,989</b>	<b>\$ 6,242</b>	<b>\$ 295,955</b>	<b>\$ 998</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ 5,890	\$ -	\$ 580	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	53,294	-
Due to Other Funds	135,227	-	242,081	-
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>141,117</b>	<b>-</b>	<b>295,955</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Nonspendable	27,989	-	-	-
Restricted	(141,117)	6,242	-	998
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>(113,128)</b>	<b>6,242</b>	<b>-</b>	<b>998</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 27,989</b>	<b>\$ 6,242</b>	<b>\$ 295,955</b>	<b>\$ 998</b>

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



EXHIBIT B-1

IDEA-B Preschool	Fresh Fruits & Vegetables	IDEA-B Risk Pool	IDEA-B RESULTS PLAN	Enhancing Ed Thru Tech E2T2-F	English Language Acquisition
\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ -
-	-	-	-	-	-
4,244	5,819	-	20,777	-	11,490
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,244</u>	<u>\$ 5,819</u>	<u>\$ -</u>	<u>\$ 20,777</u>	<u>\$ 2,409</u>	<u>\$ 11,490</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,244	5,819	-	20,777	-	11,490
-	-	-	-	-	-
<u>4,244</u>	<u>5,819</u>	<u>-</u>	<u>20,777</u>	<u>-</u>	<u>11,490</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,409	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,409	-
<u>\$ 4,244</u>	<u>\$ 5,819</u>	<u>\$ -</u>	<u>\$ 20,777</u>	<u>\$ 2,409</u>	<u>\$ 11,490</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

June 30, 2017

	Teacher Principal Training	21st Century Community Living Centers	Rural & Low Income Schools
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 8,123	\$ -
Accounts Receivable			
Property Taxes Receivable	-	-	-
Federal	128,379	-	15,075
State	-	-	-
Inventories	-	-	-
Due from Other Funds	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 128,379</b>	<b>\$ 8,123</b>	<b>\$ 15,075</b>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-
Due to Charter Schools	-	-	-
Due to Other Funds	128,379	-	13,452
Accrued Interest Payable	-	-	-
<b>TOTAL LIABILITIES</b>	<b>128,379</b>	<b>-</b>	<b>13,452</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	1,623
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>1,623</b>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	-	8,123	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>8,123</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 128,379</b>	<b>\$ 8,123</b>	<b>\$ 15,075</b>

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

EXHIBIT B-1  
CONTINUED

Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Current	Carl D Perkins Secondary Redistribution	Carl D Perkins HSTW Current	IDEA-B Entitlement Stimulus	Impact Aid Special Education
\$ 22,058	\$ -	\$ -	\$ -	\$ 394	\$ 17,861
-	-	-	-	-	-
-	-	2,473	37,760	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ 2,473</u>	<u>\$ 37,760</u>	<u>\$ 394</u>	<u>\$ 17,861</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	2,473	37,760	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,473</u>	<u>37,760</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
22,058	-	-	-	394	17,861
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394</u>	<u>17,861</u>
<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ 2,473</u>	<u>\$ 37,760</u>	<u>\$ 394</u>	<u>\$ 17,861</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

June 30, 2017

	Impact Aid Indian Education	GRADS Child Care CYFD	Medicaid Title XIX	Indian Ed Formula Grant
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,261	\$ 6,556	\$ 385,052	\$ 558
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 17,261</u>	<u>\$ 6,556</u>	<u>\$ 385,052</u>	<u>\$ 558</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	17,261	6,556	385,052	558
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>17,261</u>	<u>6,556</u>	<u>385,052</u>	<u>558</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 17,261</u>	<u>\$ 6,556</u>	<u>\$ 385,052</u>	<u>\$ 558</u>

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

EXHIBIT B-1  
CONTINUED

Dual Credit Instructional Materials	2012 GO Bonds Student Library Fund	NM Reads to Lead K-3	Technology For Education	Obesity Program	Incentives for School Improvement Act
\$ 405	\$ -	\$ -	\$ 26,319	\$ 135	\$ 44,234
-	-	-	-	-	-
-	818	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 405</u>	<u>\$ 818</u>	<u>\$ -</u>	<u>\$ 26,319</u>	<u>\$ 135</u>	<u>\$ 44,234</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	818	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
405	-	-	26,319	135	44,234
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>405</u>	<u>-</u>	<u>-</u>	<u>26,319</u>	<u>135</u>	<u>44,234</u>
<u>\$ 405</u>	<u>\$ 818</u>	<u>\$ -</u>	<u>\$ 26,319</u>	<u>\$ 135</u>	<u>\$ 44,234</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

June 30, 2017

	Truancy Initiative	Pre-K Initiative	Indian Education Act	Beginning Teacher Mentoring
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 9,934
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	66,031	127,831	8,507	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 66,031</u>	<u>\$ 127,831</u>	<u>\$ 8,507</u>	<u>\$ 9,934</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	66,031	127,831	8,507	-
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>66,031</u>	<u>127,831</u>	<u>8,507</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	9,934
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,934</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 66,031</u>	<u>\$ 127,831</u>	<u>\$ 8,507</u>	<u>\$ 9,934</u>

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

EXHIBIT B-1  
CONTINUED

Breakfast for Elementary Students	Kindergarten Three Plus	After School & Summer Enrichment Program	STEM Teacher Initiative	NM Grown Fruits & Vegetables	College Counselor Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	59,631	12,212	34,790	-	25,414
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 59,631</u>	<u>\$ 12,212</u>	<u>\$ 34,790</u>	<u>\$ -</u>	<u>\$ 25,414</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	59,631	12,212	34,790	-	25,414
-	-	-	-	-	-
<u>-</u>	<u>59,631</u>	<u>12,212</u>	<u>34,790</u>	<u>-</u>	<u>25,414</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 59,631</u>	<u>\$ 12,212</u>	<u>\$ 34,790</u>	<u>\$ -</u>	<u>\$ 25,414</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOL

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS

June 30, 2017

	Social Workers for Middle Schools	School Library Material Fund FY08
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 972
Accounts Receivable		
Property Taxes Receivable	-	-
Federal	-	-
State	-	-
Inventories	-	-
Due from Other Funds	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ -</u></u>	<u><u>\$ 972</u></u>
 <b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ -	\$ -
Accrued Payroll Liabilities	-	-
Due to Charter Schools	-	-
Due to Other Funds	-	-
Accrued Interest Payable	-	-
<b>TOTAL LIABILITIES</b>	<u><u>-</u></u>	<u><u>-</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u><u>-</u></u>	<u><u>-</u></u>
 <b>FUND BALANCE</b>		
Nonspendable	-	-
Restricted	-	972
Committed	-	-
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCE</b>	<u><u>-</u></u>	<u><u>972</u></u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ 972</u></u>

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



EXHIBIT B-1  
CONTINUED

Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction	GRADS Plus	Private Direct Grants	Total Non-Major Special Revenue Funds
\$ 5	\$ 35,850	\$ 1,698	\$ -	\$ 5,836	\$ 592,900
-	-	-	-	-	-
-	-	-	-	-	521,972
-	-	-	-	-	335,234
-	-	-	-	-	27,989
-	-	-	-	-	-
<u>\$ 5</u>	<u>\$ 35,850</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 5,836</u>	<u>\$ 1,478,095</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,470
-	-	-	-	-	-
-	-	-	-	-	53,294
-	-	-	-	-	936,936
-	-	-	-	-	-
-	-	-	-	-	996,700
-	-	-	-	-	-
5	-	-	-	-	1,628
<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,628</u>
-	-	-	-	-	27,989
-	35,850	1,698	-	5,836	451,778
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>35,850</u>	<u>1,698</u>	<u>-</u>	<u>5,836</u>	<u>479,767</u>
<u>\$ 5</u>	<u>\$ 35,850</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 5,836</u>	<u>\$ 1,478,095</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

Year Ended June 30, 2017

	Food Services	Athletics	IDEA- B Entitlement	New Mexico Autism Project
<b>REVENUE</b>				
Federal Programs	\$ 1,403,097	\$ -	\$ 591,715	\$ -
State Programs	107,966	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	248,993	61,688	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,760,056</b>	<b>61,688</b>	<b>591,715</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	62,484	321,101	-
Support Services	-	-	-	-
Support Services Students	-	-	83,471	-
Support Services Instruction	-	-	323	-
Support Services General Administration	-	-	72,271	-
Support Services School Administration	-	-	1,652	-
Central Services	-	-	103,373	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	9,524	-
Food Services Operations	1,687,852	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,687,852</b>	<b>62,484</b>	<b>591,715</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>72,204</b>	<b>(796)</b>	<b>-</b>	<b>-</b>
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>72,204</b>	<b>(796)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2016	(185,332)	7,038	-	998
Restatements	-	-	-	-
June 30, 2016 as restated	(185,332)	7,038	-	998
<b>FUND BALANCE</b>	<b>\$ (113,128)</b>	<b>\$ 6,242</b>	<b>\$ -</b>	<b>\$ 998</b>

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

EXHIBIT B-2

<u>IDEA-B Preschool</u>	<u>Fresh Fruits &amp; Vegetables</u>	<u>IDEA-B Risk Pool</u>	<u>IDEA-B RESULTS PLAN</u>	<u>Enhancing Ed Thru Tech E2T2-F</u>	<u>English Language Acqulsition</u>
\$ 14,047	\$ 50,379	\$ -	\$ 55,699	\$ -	\$ 12,430
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,047</u>	<u>50,379</u>	<u>-</u>	<u>55,699</u>	<u>-</u>	<u>12,430</u>
425	-	-	54,004	-	12,186
-	-	-	-	-	-
13,196	-	-	-	-	-
-	-	-	-	-	-
426	-	-	1,695	-	244
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	50,379	-	-	-	-
-	-	-	-	-	-
<u>14,047</u>	<u>50,379</u>	<u>-</u>	<u>55,699</u>	<u>-</u>	<u>12,430</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,409	-
-	-	-	-	-	-
-	-	-	-	<u>2,409</u>	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

Year Ended June 30, 2017

	Teacher Principal Training	21st Century Community Living Centers	Rural & Low Income Schools
<b>REVENUE</b>			
Federal Programs	\$ 192,289	\$ -	\$ 57,885
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Service Revenues	-	-	-
Taxes	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
<b>TOTAL REVENUES</b>	<b>192,289</b>	<b>-</b>	<b>57,885</b>
<b>EXPENDITURES</b>			
Current			
Instruction	171,857	-	55,336
Support Services	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	308
Support Services General Administration	15,985	-	1,757
Support Services School Administration	4,447	-	484
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>192,289</b>	<b>-</b>	<b>57,885</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Financing Sources (Uses)			
Transfer In/Transfers (Out)	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
June 30, 2016	-	8,123	-
Restatements	-	-	-
June 30, 2016 as restated	-	8,123	-
<b>FUND BALANCE</b>	<b>-</b>	<b>8,123</b>	<b>-</b>
June 30, 2017	\$ -	\$ 8,123	\$ -

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

EXHIBIT B-2  
CONTINUED

Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Current	Carl D Perkins Secondary Redistribution	Carl D Perkins HSTW Current	IDEA-B Entitlement Stimulus	Impact Aid Special Education
\$ -	\$ -	\$ 2,473	\$ 105,387	\$ -	\$ 11,395
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,473	105,387	-	11,395
-	-	2,473	102,188	-	15,889
-	-	-	-	-	-
-	-	-	-	-	420
-	-	-	-	-	-
-	-	-	3,199	-	511
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,473	105,387	-	16,820
-	-	-	-	-	(5,425)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(5,425)
22,058	-	-	-	394	23,286
-	-	-	-	-	-
22,058	-	-	-	394	23,286
\$ 22,058	\$ -	\$ -	\$ -	\$ 394	\$ 17,861

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

Year Ended June 30, 2017

	Impact Aid Indian Education	GRADS Child Care CYFD	Medicaid Title XIX	Indian Ed Formula Grant
<b>REVENUE</b>				
Federal Programs	\$ 6,673	\$ -	\$ 473,162	\$ 47,598
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>6,673</b>	<b>-</b>	<b>473,162</b>	<b>47,598</b>
<b>EXPENDITURES</b>				
Current				
Instruction	18	-	126,643	34,585
Support Services	-	-	-	-
Support Services Students	170	-	18,859	11,569
Support Services Instruction	-	-	-	-
Support Services General Administration	6	-	-	1,444
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>194</b>	<b>-</b>	<b>145,502</b>	<b>47,598</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>6,479</b>	<b>-</b>	<b>327,660</b>	<b>-</b>
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>6,479</b>	<b>-</b>	<b>327,660</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2016	10,782	6,556	57,392	558
Restatements	-	-	-	-
June 30, 2016 as restated	10,782	6,556	57,392	558
<b>FUND BALANCE June 30, 2017</b>	<b>\$ 17,261</b>	<b>\$ 6,556</b>	<b>\$ 385,052</b>	<b>\$ 558</b>

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

EXHIBIT B-2  
CONTINUED

Dual Credit Instructional Materials	2012 GO Bonds Student Library Fund	NM Reads to Lead K-3	Technology For Education	Obesity Program	Incentives for School Improvement Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,127	818	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,127</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,127	-	-	-	-	-
-	-	-	-	-	-
-	818	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,127</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
405	-	-	26,319	135	44,234
-	-	-	-	-	-
<u>405</u>	<u>-</u>	<u>-</u>	<u>26,319</u>	<u>135</u>	<u>44,234</u>
\$ 405	\$ -	\$ -	\$ 26,319	\$ 135	\$ 44,234

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

Year Ended June 30, 2017

	Truancy Initiative	Pre-K Initiative	Indian Education Act	Beginning Teacher Mentoring
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	186,854	261,775	10,511	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>186,854</b>	<b>261,775</b>	<b>10,511</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	258,859	10,192	-
Support Services	-	-	-	-
Support Services Students	186,854	290	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	2,626	319	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>186,854</b>	<b>261,775</b>	<b>10,511</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2016	-	-	-	9,934
Restatements	-	-	-	-
June 30, 2016 as restated	-	-	-	9,934
<b>FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,934</b>
June 30, 2017	\$ -	\$ -	\$ -	\$ 9,934

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



EXHIBIT B-2  
CONTINUED

Breakfast for Elementary Students	Kindergarten Three Plus	After School & Summer Enrichment Program	STEM Teacher Initiative	NM Grown Fruits & Vegetables	College Counselor Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,646	204,034	47,799	34,790	3,999	73,047
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,646</u>	<u>204,034</u>	<u>47,799</u>	<u>34,790</u>	<u>3,999</u>	<u>73,047</u>
-	159,970	47,799	34,790	-	-
-	-	-	-	-	-
-	6,071	-	-	-	73,047
-	-	-	-	-	-
-	20,681	-	-	-	-
-	-	-	-	-	-
-	951	-	-	-	-
-	16,361	-	-	-	-
1,646	-	-	-	3,999	-
-	-	-	-	-	-
<u>1,646</u>	<u>204,034</u>	<u>47,799</u>	<u>34,790</u>	<u>3,999</u>	<u>73,047</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS

Year Ended June 30, 2017

	Social Workers for Middle Schools	School Library Material Fund FY08
<b>REVENUE</b>		
Federal Programs	\$ -	\$ -
State Programs	-	-
Local Programs	-	-
State Equalization	-	-
Service Revenues	-	-
Taxes	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current		
Instruction	-	-
Support Services	-	-
Support Services Students	-	-
Support Services Instruction	-	-
Support Services General Administration	-	-
Support Services School Administration	-	-
Central Services	-	-
Operation and Maintenance of Plant	-	-
Student Transportation	-	-
Food Services Operations	-	-
Capital Outlay	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-
Other Financing Sources (Uses)		
Transfer In/Transfers (Out)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-
<b>FUND BALANCE</b>		
June 30, 2016	-	972
Restatements	-	-
June 30, 2016 as restated	<u>-</u>	<u>972</u>
<b>FUND BALANCE</b>		
June 30, 2017	<u>\$ -</u>	<u>\$ 972</u>

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

EXHIBIT B-2  
CONTINUED

Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction	GRADS Plus	Private Direct Grants	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,024,229
-	41,952	4,000	11,238	-	1,003,556
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	310,681
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	15,000	15,000
-	41,952	4,000	11,238	15,000	4,353,466
-	22,970	-	-	14,110	1,521,006
-	-	-	-	-	-
-	5,647	3,950	11,238	-	414,782
-	-	-	-	-	1,449
-	-	-	-	-	100,483
-	-	-	-	-	27,264
-	-	-	-	-	103,373
-	-	-	-	-	951
-	-	-	-	-	25,885
-	-	-	-	-	1,743,876
-	-	-	-	-	-
-	28,617	3,950	11,238	14,110	3,939,069
-	13,335	50	-	890	414,397
-	-	-	-	-	-
-	-	-	-	-	-
-	13,335	50	-	890	414,397
-	22,515	1,648	-	4,946	65,370
-	-	-	-	-	-
-	22,515	1,648	-	4,946	65,370
\$ -	\$ 35,850	\$ 1,698	\$ -	\$ 5,836	\$ 479,767

## CAPITAL PROJECTS FUND

**SPECIAL CAPITAL OUTLAY LOCAL** – The fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

**SB-9 – Capital Projects** - 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).

**EDUCATION TECHNOLOGY EQUIPMENT ACT – Capital Projects - 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**

**BOND BUILDING** – 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 voters of the district.

**PUBLIC SCHOOL CAPITAL OUTLAY** – The fund provides financing from local revenues for the construction and improvements to Charter School buildings and facilities

**SB-9** – 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).

**SB-9 LOCAL**– 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).

### **TAOS CHARTER SCHOOL**

**BOND BUILDING** – 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 voters of the district.

**PUBLIC SCHOOL CAPITAL OUTLAY** – The fund provides financing from local revenues for the construction and improvements to Charter School buildings and facilities

**SB-9** – 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).

**SB-9 LOCAL**– 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).

## **VISTA GRANDE HIGH SCHOOL**

**BOND BUILDING** – 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 voters of the district.

**PUBLIC SCHOOL CAPITAL OUTLAY** – The fund provides financing from local revenues for the construction and improvements to Charter School buildings and facilities

**SB-9** – 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).

**EDUCATION TECHNOLOGY EQUIPMENT ACT – Capital Projects** - 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.

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

JUNE 30, 2017

	Special Capital Outlay - Local	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,000	\$ -	\$ 1,269,626	\$ 1,290,626
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,269,626</u>	<u>\$ 1,290,626</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Unavailable Revenue - Property Taxes	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	21,000	-	1,269,626	1,290,626
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>21,000</u>	<u>-</u>	<u>1,269,626</u>	<u>1,290,626</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,269,626</u>	<u>\$ 1,290,626</u>

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

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE --NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

JUNE 30, 2017

	Special Capital Outlay - Local	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	21,000	-	-	21,000
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	240	240
Other revenue sources	-	-	-	-
TOTAL REVENUES	<u>21,000</u>	<u>-</u>	<u>240</u>	<u>21,240</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	488,348	488,348
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>488,348</u>	<u>488,348</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	21,000	-	(488,108)	(467,108)
Other Financial Sources (Uses)				
Transfer In/Transfers (Out)	-	(1,310,956)	-	(1,310,956)
Total Other Financial Sources	<u>-</u>	<u>(1,310,956)</u>	<u>-</u>	<u>(1,310,956)</u>
NET CHANGE IN FUND BALANCE	21,000	(1,310,956)	(488,108)	(1,778,064)
<b>FUND BALANCE</b>				
June 30, 2016	-	1,310,956	1,757,734	3,068,690
Restatements	-	-	-	-
June 30, 2016 as restated	<u>-</u>	<u>1,310,956</u>	<u>1,757,734</u>	<u>3,068,690</u>
<b>FUND BALANCE</b>				
June 30, 2017	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,269,626</u>	<u>\$ 1,290,626</u>

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

## DEBT SERVICE FUNDS

EDUCATIONAL TECHNOLOGY DEBT SERVICE – To receive revenue for the payment of interest and principal on debt incurred in the expansion of technology in the District.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT D-1

COMBINING BALANCE SHEET -- NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUND

JUNE 30, 2017

	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NON MAJOR SPECIAL REVENUE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 685,766	\$ 685,766	\$ 592,900	\$ 1,290,626	\$ 2,569,292
Accounts Receivable					
Property Taxes	179,271	179,271	-	-	179,271
Federal	-	-	521,972	-	521,972
State	-	-	335,234	-	335,234
Inventories			27,989	-	27,989
Due from Other Funds			-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 865,037</u>	<u>\$ 865,037</u>	<u>\$ 1,478,095</u>	<u>\$ 1,290,626</u>	<u>\$ 3,633,758</u>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ 6,470	\$ -	\$ 6,470
Accrued Payroll Liabilities	-	-	-	-	-
Due to Charter Schools	-	-	53,294	-	53,294
Due to Other Funds	3,875	3,875	936,936	-	940,811
Accrued Interest	11,621	11,621	-	-	11,621
<b>TOTAL LIABILITIES</b>	<u>15,496</u>	<u>15,496</u>	<u>996,700</u>	<u>-</u>	<u>1,012,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	1,628	-	1,628
Unavailable Revenue - Property Taxes	163,506	163,506	-	-	163,506
<b>TOTAL DEFERRED INFLOWS</b>	<u>163,506</u>	<u>163,506</u>	<u>1,628</u>	<u>-</u>	<u>165,134</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	27,989	-	27,989
Restricted	686,035	686,035	451,778	1,290,626	2,428,439
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>686,035</u>	<u>686,035</u>	<u>479,767</u>	<u>1,290,626</u>	<u>2,456,428</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 865,037</u>	<u>\$ 865,037</u>	<u>\$ 1,478,095</u>	<u>\$ 1,290,626</u>	<u>\$ 3,633,758</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT D-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2017

	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NON MAJOR SPECIAL REVENUE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUE</b>					
Federal Programs	\$ -	\$ -	\$ 3,024,229	\$ -	\$ 3,024,229
State Programs	-	-	1,003,556	-	1,003,556
Local Programs	-	-	-	21,000	21,000
State Equalization	-	-	-	-	-
Service Revenues	-	-	310,681	-	310,681
Taxes	576,136	576,136	-	-	576,136
Interest	-	-	-	240	240
Other revenue sources	-	-	15,000	-	15,000
<b>TOTAL REVENUES</b>	<b>576,136</b>	<b>576,136</b>	<b>4,353,466</b>	<b>21,240</b>	<b>4,950,842</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Instruction	-	-	1,521,006	-	1,521,006
Support Services	-	-	-	-	-
Support Services Students	-	-	414,782	-	414,782
Support Services Instruction	-	-	1,449	-	1,449
Support Services General Administration	5,742	5,742	100,483	-	106,225
Support Services School Administration	-	-	27,264	-	27,264
Central Services	-	-	103,373	-	103,373
Operation and Maintenance of Plant	-	-	951	-	951
Student Transportation	-	-	25,885	-	25,885
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	1,743,876	-	1,743,876
Capital Outlay	-	-	-	488,348	488,348
<b>Debt Service</b>					
Principal	530,000	530,000	-	-	530,000
Interest and Fiscal Charge	48,672	48,672	-	-	48,672
<b>TOTAL EXPENDITURES</b>	<b>584,414</b>	<b>584,414</b>	<b>3,939,069</b>	<b>488,348</b>	<b>5,011,831</b>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUE OVER EXPENDITURES</b>	<b>(8,278)</b>	<b>(8,278)</b>	<b>414,397</b>	<b>(467,108)</b>	<b>(60,989)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In/Transfers (Out)	-	-	-	(1,310,956)	(1,310,956)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,310,956)</b>	<b>(1,310,956)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(8,278)</b>	<b>(8,278)</b>	<b>414,397</b>	<b>(1,778,064)</b>	<b>(1,371,945)</b>
<b>FUND BALANCE June 30, 2016</b>	<b>694,313</b>	<b>694,313</b>	<b>65,370</b>	<b>3,068,690</b>	<b>3,828,373</b>
Restatements	-	-	-	-	-
<b>June 30, 2016 as restated</b>	<b>694,313</b>	<b>694,313</b>	<b>65,370</b>	<b>3,068,690</b>	<b>3,828,373</b>
<b>FUND BALANCE June 30, 2017</b>	<b>\$ 686,035</b>	<b>\$ 686,035</b>	<b>\$ 479,767</b>	<b>\$ 1,290,626</b>	<b>\$ 2,456,428</b>

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

OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT E-1

STATEMENT OF REVENUE AND EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--CAPITAL PROJECTS FUND--SB-9 LOCAL

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	2,229,308	2,229,308	2,280,233	50,925
<b>TOTAL REVENUE</b>	<u>2,229,308</u>	<u>2,229,308</u>	<u>\$ 2,280,233</u>	<u>\$ 50,925</u>
<b>BUDGETED CASH BALANCE</b>				
	<u>1,453,663</u>	<u>1,534,635</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 3,682,971</u>	<u>\$ 3,763,943</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	30,000	30,000	22,750	7,250
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	498,716	508,716	507,914	802
Food Services Operations	-	-	-	-
Capital Outlay	3,154,255	3,225,227	1,468,241	1,756,986
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,682,971</u>	<u>\$ 3,763,943</u>	<u>\$ 1,998,905</u>	<u>\$ 1,765,038</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT E-2

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--DEBT SERVICE FUND

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 162,006	\$ 162,006
State Programs	-	-	-	-
Local Programs	2,904,212	2,904,212	2,924,945	20,733
<b>TOTAL REVENUE</b>	<u>2,904,212</u>	<u>2,904,212</u>	<u>\$ 3,086,951</u>	<u>\$ 182,739</u>
<b>BUDGETED CASH BALANCE</b>	<u>2,753,091</u>	<u>2,753,091</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 5,657,303</u>	<u>\$ 5,657,303</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	31,000	31,000	29,241	1,759
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Debt Service	5,626,303	5,626,303	3,049,841	2,576,462
Debt Service - Interest & Fiscal Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,657,303</u>	<u>\$ 5,657,303</u>	<u>\$ 3,079,082</u>	<u>\$ 2,578,221</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT F-1

COMBINING STATEMENT OF NET POSITION--ALL COMPONENT UNITS

JUNE 30, 2017

	Anansi Charter School	Taos Charter School	Vista Grande High School	TOTAL
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 291,408	\$ 227,207	\$ 268,463	\$ 787,078
Investments	-	92,817	-	92,817
Receivables	98,902	147,760	81,416	328,078
Due from other entities	4,565	-	-	4,565
Total current assets	394,875	467,784	349,879	1,212,538
Non-current assets:				
Prepaid lease	605,474	-	-	605,474
Capital assets, net	3,640,298	2,432,112	175,909	6,248,319
Total non-current assets	4,245,772	2,432,112	175,909	6,853,793
Total assets	4,640,647	2,899,896	525,788	8,066,331
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	599,835	428,230	333,319	1,361,384
Total deferred outflows	599,835	428,230	333,319	1,361,384
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	-	14,807	14,807
Due to other entities	4,565	-	-	4,565
Compensated absences	-	-	12,115	12,115
Accrued payroll	94,520	108,273	100,401	303,194
Unearned lease income	46,584	-	-	46,584
Current portion of long term debt	41,979	-	-	41,979
Total current liabilities	187,648	108,273	127,323	423,244
Non-current liabilities:				
Unearned lease income	558,890	-	-	558,890
Non-current portion of long term debt	2,377,080	-	-	2,377,080
Net pension liability	2,121,509	2,253,923	1,498,297	5,873,729
Total non-current liabilities	5,057,479	2,253,923	1,498,297	8,809,699
Total liabilities	5,245,127	2,362,196	1,625,620	9,232,943
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	20,178	21,438	91,193	132,809
Total deferred inflows	20,178	21,438	91,193	132,809
<b>NET POSITION</b>				
Net investment in capital assets	1,221,239	2,432,112	175,909	3,829,260
Restricted:				
Special revenue	1,175	(7,796)	(6,936)	(13,557)
Capital projects	139,329	247,833	29,149	416,311
Unrestricted	(1,386,566)	(1,727,657)	(1,055,828)	(4,170,051)
Total net position	\$ (24,823)	\$ 944,492	\$ (857,706)	\$ 61,963

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT F-2

COMBINING STATEMENT OF ACTIVITIES--ALL COMPONENT UNITS

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
					Primary Governmental Activities
<b>Component Units</b>					
Anansi Charter School	\$ 2,597,081	\$ 307,639	\$ 318,788	\$ 234,702	\$ (1,735,952)
Taos Charter School	2,636,736	162,928	247,546	288,835	(1,937,427)
Vista Grande High School	1,403,947	11,459	110,105	108,104	(1,174,279)
<b>Total component units</b>	<b>\$ 6,637,764</b>	<b>\$ 482,026</b>	<b>\$ 676,439</b>	<b>\$ 631,641</b>	<b>(4,847,658)</b>
<b>General revenues:</b>					
					4,126,158
					13,350
					-
					4,052
					176,101
					<u>4,319,661</u>
					(527,997)
					589,960
					-
					<u>589,960</u>
					<u>\$ 61,963</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-1

STATEMENT OF NET POSITION

JUNE 30, 2017

	Anansi Charter School	Friends of Anansi Charter School	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 219,307	\$ 72,101	\$ 291,408
Receivables	98,902	-	98,902
Due from other entities	-	4,565	4,565
Total current assets	318,209	76,666	394,875
Non-current assets:			
Prepaid lease	605,474	-	605,474
Capital assets, net	345,103	3,295,195	3,640,298
Total non-current assets	950,577	3,295,195	4,245,772
Total assets	1,268,786	3,371,861	4,640,647
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	599,835	-	599,835
Total deferred outflows	599,835	-	599,835
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Due to other entities	4,565	-	4,565
Accrued payroll	94,520	-	94,520
Unearned lease income	-	46,584	46,584
Current portion of long term debt	-	41,979	41,979
Total current liabilities	99,085	88,563	187,648
Non-current liabilities:			
Unearned lease income	-	558,890	558,890
Non-current portion of long term debt	-	2,377,080	2,377,080
Net pension liability	2,121,509	-	2,121,509
Total non-current liabilities	2,121,509	2,935,970	5,057,479
Total liabilities	2,220,594	3,024,533	5,245,127
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	20,178	-	20,178
Total deferred inflows	20,178	-	20,178
<b><u>NET POSITION</u></b>			
Net investment in capital assets	345,103	876,136	1,221,239
Restricted:			
Special revenue	1,175	-	1,175
Capital projects	139,329	-	139,329
Unrestricted	(857,758)	(528,808)	(1,386,566)
Total net position	\$ (372,151)	\$ 347,328	\$ (24,823)

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANASI CHARTER SCHOOL

EXHIBIT G-2

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Anansi Charter School	Component Unit
Primary government:						
Governmental activities:						
Instruction	\$ 1,635,474	\$ -	\$ 91,730	\$ -	\$ (1,543,744)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	86,584	-	29,211	-	(57,373)	-
Support Services Instruction	711	-	-	-	(711)	-
Support Services General Administration	16,425	-	-	-	(16,425)	-
Support Services School Administration	289,574	-	-	-	(289,574)	-
Central Services	2,329	-	-	-	(2,329)	-
Operation and Maintenance of Plant	254,923	-	-	-	(254,923)	-
Student Transportation	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	45,091	18,536	22,164	-	(4,391)	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	53,512	3,953	234,702	292,167	-
Total governmental activities	\$ 2,311,111	\$ 72,048	\$ 147,068	\$ 234,702	(1,857,303)	-
Component Unit:						
Friends of Anansi Charter School	\$ 285,970	\$ 235,591	\$ 171,730	\$ -		121,351
General revenues:						
					1,566,739	-
					13,350	-
					-	-
					-	56
					39,670	-
Total general revenues					1,619,759	56
Change in net position					(237,544)	121,407
Net position - beginning					(134,807)	225,921
Restatements					-	-
Net position - beginning as restated					(134,807)	225,921
Net position - ending					\$ (372,151)	\$ 347,328

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	Operational	Instructional Materials	Food Services	IDEA - B Entitlement
<b>ASSETS</b>				
Cash and cash equivalents	\$ 137,055	\$ 11,116	\$ 480	\$ -
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	22,122	-	-	-
Due from Primary Government	-	-	-	9,481
<b>TOTAL ASSETS</b>	<u>\$ 159,177</u>	<u>\$ 11,116</u>	<u>\$ 480</u>	<u>\$ 9,481</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Entities	4,565	-	-	-
Due to Other Funds	-	-	-	9,481
Accrued Payroll	87,108	-	-	-
<b>TOTAL LIABILITIES</b>	<u>91,673</u>	<u>-</u>	<u>-</u>	<u>9,481</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	11,116	480	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	67,504	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>67,504</u>	<u>11,116</u>	<u>480</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 159,177</u>	<u>\$ 11,116</u>	<u>\$ 480</u>	<u>\$ 9,481</u>

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

EXHIBIT G-3

SEG Federal Stimulus	2012 GO Bond Student Library Fund	NM Reads to Lead K-3	Private Direct Grants	Bond Building
\$ 191	\$ -	\$ -	\$ 504	\$ 1,487
-	-	-	-	-
-	-	20,053	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 20,053</u>	<u>\$ 504</u>	<u>\$ 1,487</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	12,641	-	-
-	-	7,412	-	-
-	-	20,053	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
191	-	-	504	1,487
-	-	-	-	-
-	-	-	-	-
<u>191</u>	<u>-</u>	<u>-</u>	<u>504</u>	<u>1,487</u>
<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 20,053</u>	<u>\$ 504</u>	<u>\$ 1,487</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-3  
 CONTINUED

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	Public School Capital Outlay	SB-9	SB-9 Local	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 68,474	\$ 219,307
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	20,053
Inventories	-	-	-	-
Due from Other Funds	-	-	-	22,122
Due from Primary Government	-	-	69,368	78,849
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,842</b>	<b>\$ 340,331</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Entities	-	-	-	4,565
Due to Other Funds	-	-	-	22,122
Accrued Payroll	-	-	-	94,520
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,207</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	137,842	151,620
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	67,504
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>137,842</b>	<b>219,124</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,842</b>	<b>\$ 340,331</b>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
ANANSI CHARTER SCHOOL

EXHIBIT G-4

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position is different because:

Fund Balances - total governmental funds	\$ 219,124
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	345,103
Deferred outflows related to pensions not reported in the funds	599,835
Net pension liability not reported in the funds	(2,121,509)
Deferred inflows related to pensions not reported in the funds	(20,178)
Prepaid lease	<u>605,474</u>
Net position of governmental activities	<u>\$ (372,151)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	Operational	Instructional Materials	Food Services	IDEA - B Entitlement
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 24,537	\$ 29,211
State Programs	-	11,529	-	-
Local Programs	13,350	-	-	-
State Equalization	1,566,739	-	-	-
Service Revenues	53,512	-	18,536	-
Other revenue sources	39,670	-	-	-
<b>TOTAL REVENUES</b>	<b>1,673,271</b>	<b>11,529</b>	<b>43,073</b>	<b>29,211</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,093,877	9,949	-	-
Support Services Students	57,373	-	-	29,211
Support Services Instruction	711	-	-	-
Support Services General Administration	16,425	-	-	-
Support Services School Administration	269,574	-	-	-
Central Services	2,329	-	-	-
Operation and Maintenance of Plant	207,968	-	-	-
Food Services Operations	3,806	-	40,700	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,652,063</b>	<b>9,949</b>	<b>40,700</b>	<b>29,211</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>21,208</b>	<b>1,580</b>	<b>2,373</b>	<b>-</b>
Other Financing Sources (Uses)				
Transfers In/(Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>21,208</b>	<b>1,580</b>	<b>2,373</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2016	46,296	9,536	(1,893)	-
Restatements	-	-	-	-
June 30, 2016 as restated	46,296	9,536	(1,893)	-
<b>FUND BALANCE</b>	<b>\$ 67,504</b>	<b>\$ 11,116</b>	<b>\$ 480</b>	<b>\$ -</b>

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

EXHIBIT G-5

SEG Federal Stimulus	2012 GO Bond Student Library Fund	NM Reads to Lead K-3	Private Direct Grants	Bond Building
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	81,781	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	81,781	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	53,695
-	-	81,781	-	53,695
-	-	-	-	(53,695)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(53,695)
191	-	-	504	55,182
-	-	-	-	-
191	-	-	504	55,182
\$ 191	\$ -	\$ -	\$ 504	\$ 1,487

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-5  
 CONTINUED

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	Public School Capital Outlay	SB-9	SB-9 Local	Total
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ 53,748
State Programs	127,739	-	106,963	328,012
Local Programs	-	-	-	13,350
State Equalization	-	-	-	1,566,739
Service Revenues	-	-	-	72,048
Other revenue sources	-	-	-	39,670
<b>TOTAL REVENUES</b>	<b>127,739</b>	<b>-</b>	<b>106,963</b>	<b>2,073,567</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	-	-	1,185,607
Support Services Students	-	-	-	86,584
Support Services Instruction	-	-	-	711
Support Services General Administration	-	-	-	16,425
Support Services School Administration	-	-	-	269,574
Central Services	-	-	-	2,329
Operation and Maintenance of Plant	-	-	-	207,968
Food Services Operations	-	-	-	44,506
Capital Outlay	127,739	-	56,494	237,928
<b>TOTAL EXPENDITURES</b>	<b>127,739</b>	<b>-</b>	<b>56,494</b>	<b>2,051,632</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>50,469</b>	<b>21,935</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	-	(87,373)	87,373	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>(87,373)</b>	<b>87,373</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(87,373)</b>	<b>137,842</b>	<b>21,935</b>
<b>FUND BALANCE</b>				
June 30, 2016	-	87,373	-	197,189
Restatements	-	-	-	-
June 30, 2016 as restated	-	87,373	-	197,189
<b>FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,842</b>	<b>\$ 219,124</b>

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



RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds	\$ 21,935
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	
Capital Outlay	8,487
Depreciation	(17,942)
Prepaid expenses used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Decrease in prepaid lease	(46,584)
Pension related expense	(203,440)
Change in Net Position	<u>\$ (237,544)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ 44,725	\$ 44,725	\$ 40,504	\$ (4,221)
Rent and Leases	-	-	13,008	13,008
Interest Income	40	40	19	(21)
Private Donations	350	5,750	5,400	(350)
Refunds Prior Year	-	34,250	34,250	0
State Equalization	1,501,691	1,566,739	1,566,739	(0)
Access Board E-Rate	-	-	13,350	13,350
<b>TOTAL REVENUE</b>	<u>1,546,806</u>	<u>1,651,504</u>	<u>\$ 1,673,271</u>	<u>\$ 21,767</u>
<b>BUDGETED CASH BALANCE</b>	<u>39,048</u>	<u>46,296</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,585,854</u>	<u>\$ 1,697,800</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 1,061,766	\$ 1,095,881	\$ 1,065,254	\$ 30,627
Support Services	-	-	-	-
Support Services Students	59,965	95,649	57,373	38,276
Support Services Instruction	-	6,838	711	6,127
Support Services General Administration	13,247	18,954	16,425	2,529
Support Services School Administration	247,799	274,583	269,574	5,009
Central Services	-	2,402	2,329	73
Operation and Maintenance of Plant	203,077	199,687	207,968	(8,281)
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	3,806	3,806	0
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,585,854</u>	<u>\$ 1,697,800</u>	<u>\$ 1,623,439</u>	<u>\$ 74,361</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-8

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	8,787	8,675	11,529	2,854
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>8,787</u>	<u>8,675</u>	<u>\$ 11,529</u>	<u>\$ 2,854</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>9,536</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 8,787</u>	<u>\$ 18,211</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 8,787	\$ 18,211	\$ 9,949	\$ 8,262
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,787</u>	<u>\$ 18,211</u>	<u>\$ 9,949</u>	<u>\$ 8,262</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--FOOD SERVICES

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 26,198	\$ 26,198
State Programs	-	-	-	-
Local Programs	40,700	40,700	16,875	(23,825)
<b>TOTAL REVENUE</b>	<u>40,700</u>	<u>40,700</u>	<u>\$ 43,073</u>	<u>\$ 2,373</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 40,700</u>	<u>\$ 40,700</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	40,700	40,700	40,700	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 40,700</u>	<u>\$ 40,700</u>	<u>\$ 40,700</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-10

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 29,211	\$ 32,234	\$ 37,774	\$ 5,540
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>29,211</u>	<u>32,234</u>	<u>\$ 37,774</u>	<u>\$ 5,540</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 29,211</u>	<u>\$ 32,234</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	29,211	32,234	29,211	3,023
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 29,211</u>	<u>\$ 32,234</u>	<u>\$ 29,211</u>	<u>\$ 3,023</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-11

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SEG STIMULUS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>-</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ -</u>	 <u>\$ -</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--2012 GO BOND STUDENT LIBRARY FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	1,406	1,406	1,971	565
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>1,406</u>	<u>1,406</u>	<u>\$ 1,971</u>	<u>\$ 565</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,406</u>	<u>\$ 1,406</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,406	1,406	-	1,406
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,406</u>	<u>\$ 1,406</u>	<u>\$ -</u>	<u>\$ 1,406</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-13

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--NM READS TO LEAD K-3

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	83,875	111,728	27,853
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>83,875</u>	<u>\$ 111,728</u>	<u>\$ 27,853</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 83,875</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 83,875	\$ 81,781	\$ 2,094
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 83,875</u>	<u>\$ 81,781</u>	<u>\$ 2,094</u>

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



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-14

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--PRIVATE DIRECT GRANTS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>504</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 504</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 504	\$ -	\$ 504
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ -</u>	<u>\$ 504</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 FRIENDS OF ANANSI CHARTER SCHOOL

EXHIBIT G-15

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities	
Cash received from customers	\$ 206,500
Donations and other income	149,672
Interest	56
Cash payments for supplies and maintenance	(124,973)
Net cash (used) by operating activities	<u>231,255</u>
Cash flows from noncapital financing activities	
Loan principal payments	(136,991)
Loan interest payments	(70,763)
Loan proceeds	-
Net cash provided by noncapital financing activities	<u>(207,754)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	-
Net cash provided by capital and related financing activities	<u>-</u>
Increase (decrease) in cash and cash equivalents	23,501
Cash and cash equivalents - beginning of year	<u>48,600</u>
Cash and cash equivalents - end of year	<u>\$ 72,101</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ 192,170
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	90,234
Changes in assets and liabilities:	
Receivables	(4,565)
Inventories	-
Other assets	-
Accounts payable and accrued liabilities	(46,584)
Pension liabilities	-
Compensated Absences	-
Net cash (used) by operating activities	<u>\$ 231,255</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-1

STATEMENT OF NET POSITION

JUNE 30, 2017

	Taos Charter School	Friends of Taos Charter School	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 153,523	\$ 73,684	\$ 227,207
Investments	-	92,817	92,817
Accounts receivable	147,760	-	147,760
Total current assets	<u>301,283</u>	<u>166,501</u>	<u>467,784</u>
Non-current assets:			
Capital assets, net	1,899,270	532,842	2,432,112
Total non-current assets	<u>1,899,270</u>	<u>532,842</u>	<u>2,432,112</u>
Total assets	<u>2,200,553</u>	<u>699,343</u>	<u>2,899,896</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	428,230	-	428,230
Total deferred outflows	<u>428,230</u>	<u>-</u>	<u>428,230</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	-	-
Compensated absences	-	-	-
Accrued payroll	108,273	-	108,273
Current portion of long term debt	-	-	-
Total current liabilities	<u>108,273</u>	<u>-</u>	<u>108,273</u>
Non-current liabilities:			
Non-current portion of long term debt	-	-	-
Net pension liability	2,253,923	-	2,253,923
Total non-current liabilities	<u>2,253,923</u>	<u>-</u>	<u>2,253,923</u>
Total liabilities	<u>2,362,196</u>	<u>-</u>	<u>2,362,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
Deferred inflows related to pensions	21,438	-	21,438
Total deferred inflows	<u>21,438</u>	<u>-</u>	<u>21,438</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,899,270	532,842	2,432,112
Restricted:			
Special Revenue	(7,796)	-	(7,796)
Capital Projects	247,833	-	247,833
Unrestricted	<u>(1,894,158)</u>	<u>166,501</u>	<u>(1,727,657)</u>
Total net position	<u>\$ 245,149</u>	<u>\$ 699,343</u>	<u>\$ 944,492</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-2

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes In Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taos Charter School	Component Unit
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 1,775,450	\$ -	\$ 131,940	\$ -	\$ (1,643,510)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	91,245	-	40,302	-	(50,943)	-
Support Services Instruction	-	-	-	-	-	-
Support Services General Administration	19,482	-	-	-	(19,482)	-
Support Services School Administration	206,845	-	-	-	(206,845)	-
Central Services	74,286	-	-	-	(74,286)	-
Operation and Maintenance of Plant	202,220	-	-	-	(202,220)	-
Student Transportation	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	87,026	11,587	41,785	-	(33,654)	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	9,241	13,838	288,835	311,914	-
<b>Total governmental activities</b>	<b>\$ 2,455,554</b>	<b>\$ 20,828</b>	<b>\$ 227,865</b>	<b>\$ 288,835</b>	<b>(1,918,026)</b>	<b>\$ -</b>
<b>Component Unit:</b>						
Friends of Taos Charter School	\$ 181,182	\$ 142,100	\$ 19,681	\$ -		(19,401)
<b>General revenues:</b>						
State equalization guarantee					1,400,002	-
Grant & contributions not restricted					-	-
Grants & contributions restricted					-	-
Unrestricted investment earnings					-	3,996
Miscellaneous income					129,879	-
<b>Total general revenues</b>					<b>1,529,881</b>	<b>3,996</b>
<b>Change in net position</b>					<b>(388,145)</b>	<b>(15,405)</b>
<b>Net position - beginning</b>					<b>633,294</b>	<b>714,748</b>
Restatements					-	-
<b>Net position - beginning as restated</b>					<b>633,294</b>	<b>714,748</b>
<b>Net position - ending</b>					<b>\$ 245,149</b>	<b>\$ 699,343</b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	Operational	Instructional Materials	Food Services	Title I
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 26,992	\$ -	\$ -
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	60,291	-	-	-
Due from Primary Government	-	-	-	8,824
<b>TOTAL ASSETS</b>	<u>\$ 60,291</u>	<u>\$ 26,992</u>	<u>\$ -</u>	<u>\$ 8,824</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	35,689	-	13,524	8,379
Accrued Payroll	98,621	-	733	445
<b>TOTAL LIABILITIES</b>	<u>134,310</u>	<u>-</u>	<u>14,257</u>	<u>8,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	26,992	(14,257)	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(74,019)	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>(74,019)</u>	<u>26,992</u>	<u>(14,257)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 60,291</u>	<u>\$ 26,992</u>	<u>\$ -</u>	<u>\$ 8,824</u>

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

EXHIBIT H-3

IDEA - B Entitlement	USDA 2010	Medicaid	SEG Federal Stimulus	Golden Apple	2012 GO Bond Student Library Fund
\$ -	\$ -	\$ 7,258	\$ 56	\$ -	\$ -
2,345	5,425	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,489	-	-	-	-	-
<u>\$ 15,834</u>	<u>\$ 5,425</u>	<u>\$ 7,258</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,834	5,425	-	-	-	853
-	-	-	-	-	-
<u>15,834</u>	<u>5,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>853</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,258	56	-	(853)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,258	56	-	(853)
<u>\$ 15,834</u>	<u>\$ 5,425</u>	<u>\$ 7,258</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	NM Reads to Lead K-3
<b>ASSETS</b>	
Cash and cash equivalents	\$ -
Accounts Receivable	
Federal	24,750
State	-
Inventories	-
Due from Other Funds	-
Due from Primary Government	-
<b>TOTAL ASSETS</b>	<u><u>\$ 24,750</u></u>
<b>LIABILITIES AND OTHER CREDITS</b>	
Accounts Payable	\$ -
Due to Other Funds	16,276
Accrued Payroll	8,474
<b>TOTAL LIABILITIES</b>	<u><u>24,750</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue	-
<b>TOTAL DEFERRED INFLOWS</b>	<u><u>-</u></u>
<b>FUND BALANCE</b>	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	-
<b>TOTAL FUND BALANCE</b>	<u><u>-</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u><u>\$ 24,750</u></u>

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

EXHIBIT H-3  
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	SB-9 Local	Total
\$ 1,241	\$ -	\$ -	\$ 117,976	\$ 153,523
-	-	-	-	32,520
-	-	-	-	-
-	-	-	-	-
-	-	-	35,689	95,980
-	-	-	92,927	115,240
<u>\$ 1,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,592</u>	<u>\$ 397,263</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	95,980
-	-	-	-	108,273
-	-	-	-	204,253
-	-	-	-	\$ -
-	-	-	-	-
-	-	-	-	\$ -
1,241	-	-	246,592	267,029
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(74,019)
<u>1,241</u>	<u>-</u>	<u>-</u>	<u>246,592</u>	<u>193,010</u>
<u>\$ 1,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,592</u>	<u>\$ 397,263</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
TAOS CHARTER SCHOOL

EXHIBIT H-4

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position is different because:

Fund Balances - total governmental funds	\$ 193,010
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,899,270
Deferred outflows related to pensions not reported in the funds	428,230
Net pension liability not reported in the funds	(2,253,923)
Deferred inflows related to pensions not reported in the funds	<u>(21,438)</u>
Net position of governmental activities	<u>\$ 245,149</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	Operational	Instructional Materials	Food Services	Title I
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 41,785	\$ 24,684
State Programs	-	13,140	-	-
State Equalization	1,400,002	-	-	-
Service Revenues	9,241	-	11,587	-
Other revenue sources	129,879	-	-	-
TOTAL REVENUES	<u>1,539,122</u>	<u>13,140</u>	<u>53,372</u>	<u>24,684</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,183,250	17,223	-	24,684
Support Services Students	50,943	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	19,482	-	-	-
Support Services School Administration	205,845	-	-	-
Central Services	74,286	-	-	-
Operation and Maintenance of Plant	202,220	-	-	-
Food Services Operations	547	-	80,630	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>1,736,573</u>	<u>17,223</u>	<u>80,630</u>	<u>24,684</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(197,451)	(4,083)	(27,258)	-
Other Financing Sources (Uses)				
Proceeds from Bonds	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(197,451)	(4,083)	(27,258)	-
<b>FUND BALANCE</b>				
June 30, 2016	123,432	31,075	13,001	-
Restatements	-	-	-	-
June 30, 2016 as restated	<u>123,432</u>	<u>31,075</u>	<u>13,001</u>	<u>-</u>
<b>FUND BALANCE</b>				
June 30, 2017	<u>\$ (74,019)</u>	<u>\$ 26,992</u>	<u>\$ (14,257)</u>	<u>\$ -</u>

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

EXHIBIT H-5

IDEA - B Entitlement	USDA 2010	Medicaid	SEG Federal Stimulus	Golden Apple	2012 GO Bond Student Library Fund
\$ 40,671	\$ 5,425	\$ 8,550	\$ -	\$ 3,000	\$ -
-	-	-	-	-	1,155
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,671</u>	<u>5,425</u>	<u>8,550</u>	<u>-</u>	<u>3,000</u>	<u>1,155</u>
1,661	-	-	-	3,000	-
39,010	-	1,292	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,425	-	-	-	-
<u>40,671</u>	<u>5,425</u>	<u>1,292</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
-	-	7,258	-	-	1,155
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,258	-	-	1,155
-	-	-	56	-	(2,008)
-	-	-	-	-	-
-	-	-	56	-	(2,008)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,258</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ (853)</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	NM Reads to Lead K-3
<b>REVENUE</b>	
Federal Programs	\$ -
State Programs	89,455
State Equalization	-
Service Revenues	-
Other revenue sources	-
<b>TOTAL REVENUES</b>	<u>89,455</u>
<b>EXPENDITURES</b>	
Current	
Instruction	89,455
Support Services Students	-
Support Services Instruction	-
Support Services General Administration	-
Support Services School Administration	-
Central Services	-
Operation and Maintenance of Plant	-
Food Services Operations	-
Capital Outlay	-
<b>TOTAL EXPENDITURES</b>	<u>89,455</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-
Other Financing Sources (Uses)	
Proceeds from Bonds	-
Transfers In (Out)	-
<b>Total Other Financing Sources</b>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-
<b>FUND BALANCE</b>	
June 30, 2016	-
Restatements	-
June 30, 2016 as restated	<u>-</u>
<b>FUND BALANCE</b>	
June 30, 2017	<u>\$ -</u>

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

EXHIBIT H-5  
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	SB-9 Local	Total
\$ -	\$ -	\$ -	\$ -	\$ 124,115
-	142,100	3,444	143,291	392,585
-	-	-	-	1,400,002
-	-	-	-	20,828
-	-	-	-	129,879
-	142,100	3,444	143,291	2,067,409
-	-	-	-	1,319,273
-	-	-	-	91,245
-	-	-	-	-
-	-	-	-	19,482
-	-	-	-	205,845
-	-	-	-	74,286
-	-	-	-	202,220
-	-	-	-	81,177
86,259	142,100	3,445	41,733	278,962
86,259	142,100	3,445	41,733	2,272,490
(86,259)	-	(1)	101,558	(205,081)
-	-	-	-	-
-	-	(145,034)	145,034	-
-	-	(145,034)	145,034	-
(86,259)	-	(145,035)	246,592	(205,081)
87,500	-	145,035	-	398,091
-	-	-	-	-
87,500	-	145,035	-	398,091
\$ 1,241	\$ -	\$ -	\$ 246,592	\$ 193,010

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
TAOS CHARTER SCHOOL

EXHIBIT H-6

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds	\$ (205,081)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	
Capital Outlay	25,686
Depreciation	(63,005)
Pension related expense	<u>(145,745)</u>
Change in Net Position	<u>\$ (388,145)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ 16,544	\$ 16,544	\$ 9,240	\$ (7,304)
Private Donations	61,760	127,160	127,160	-
Refunds Prior Year	-	-	-	-
State Equalization	1,444,936	1,399,408	1,400,002	594
Instructional - categorical	-	-	1,900	1,900
Insurance Recoveries	-	-	819	819
<b>TOTAL REVENUE</b>	<u>1,523,240</u>	<u>1,543,112</u>	<u>\$ 1,539,121</u>	<u>\$ (3,991)</u>
BUDGETED CASH BALANCE	<u>37,861</u>	<u>123,432</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,561,101</u>	<u>\$ 1,666,544</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 1,054,508	\$ 1,111,978	\$ 1,111,965	\$ 13
Support Services	-	-	-	-
Support Services Students	27,418	50,975	50,943	32
Support Services Instruction	-	-	-	-
Support Services General Administration	17,720	19,484	19,482	2
Support Services School Administration	198,985	205,853	205,846	7
Central Services	62,820	74,286	74,286	-
Operation and Maintenance of Plant	199,650	203,421	202,220	1,201
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	547	547	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,561,101</u>	<u>\$ 1,666,544</u>	<u>\$ 1,665,289</u>	<u>\$ 1,255</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-8

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	11,769	9,887	13,140	3,253
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>11,769</u>	<u>9,887</u>	<u>\$ 13,140</u>	<u>\$ 3,253</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>31,075</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 11,769</u>	<u>\$ 40,962</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 11,769	\$ 40,962	\$ 17,223	\$ 23,739
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 11,769</u>	<u>\$ 40,962</u>	<u>\$ 17,223</u>	<u>\$ 23,739</u>

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



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--FOOD SERVICES

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 41,784	\$ 41,784
State Programs	-	-	-	-
Local Programs	45,406	45,406	11,587	(33,819)
<b>TOTAL REVENUE</b>	<u>45,406</u>	<u>45,406</u>	<u>\$ 53,371</u>	<u>\$ 7,965</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>13,001</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 45,406</u>	<u>\$ 58,407</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	45,406	58,407	80,641	(22,234)
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 45,406</u>	<u>\$ 58,407</u>	<u>\$ 80,641</u>	<u>\$ (22,234)</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-10

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I IASA

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 29,250	\$ 29,250	\$ 15,860	\$ (13,390)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>29,250</u>	<u>29,250</u>	<u>\$ 15,860</u>	<u>\$ (13,390)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 29,250</u>	<u>\$ 29,250</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 29,250	\$ 29,250	\$ 24,684	\$ 4,566
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 29,250</u>	<u>\$ 29,250</u>	<u>\$ 24,684</u>	<u>\$ 4,566</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-11

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 42,356	\$ 46,740	\$ 31,336	\$ (15,404)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>42,356</u>	<u>46,740</u>	<u>\$ 31,336</u>	<u>\$ (15,404)</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 42,356</u>	<u>\$ 46,740</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 1,685	\$ 1,661	\$ 24
Support Services	-	-	-	-
Support Services Students	42,356	45,055	39,010	6,045
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 42,356</u>	<u>\$ 46,740</u>	<u>\$ 40,671</u>	<u>\$ 6,069</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--USDA 2010 EQUIPMENT ASSISTANCE

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 5,425	\$ -	\$ (5,425)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>5,425</u>	<u>\$ -</u>	<u>\$ (5,425)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 5,425</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	5,425	5,425	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 5,425</u>	<u>\$ 5,425</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-13

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE XIX MEDICAID

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 1,292	\$ 8,549	\$ 7,257
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,292</u>	<u>\$ 8,549</u>	<u>\$ 7,257</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,292</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	1,292	1,292	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,292</u>	<u>\$ 1,292</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-14

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SEG STIMULUS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-15

STATEMENT OF REVENUE AND EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--GOLDEN APPLE FOUNDATION

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	3,000	3,000	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 3,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 3,000	\$ 3,000	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--2012 GO BOND STUDENT LIBRARY FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	3,574	3,574	1,155	(2,419)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>3,574</u>	<u>3,574</u>	<u>\$ 1,155</u>	<u>\$ (2,419)</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 3,574</u>	<u>\$ 3,574</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	3,574	3,574	-	3,574
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,574</u>	<u>\$ 3,574</u>	<u>\$ -</u>	<u>\$ 3,574</u>

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



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-17

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--NM READS TO LEAD K-3

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	70,000	90,000	64,706	(25,294)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>70,000</u>	<u>90,000</u>	<u>\$ 64,706</u>	<u>\$ (25,294)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 70,000</u>	<u>\$ 90,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 70,000	\$ 90,000	\$ 89,455	\$ 545
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 70,000</u>	<u>\$ 90,000</u>	<u>\$ 89,455</u>	<u>\$ 545</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 FRIENDS OF TAOS CHARTER SCHOOL

EXHIBIT H-18

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities	
Cash received from customers	\$ 142,100
Donations and other income	19,681
Interest	3,996
Cash payments for supplies and maintenance	(162,438)
Net cash (used) by operating activities	<u>3,339</u>
Cash flows from financing activities	
Loan principal payments	-
Loan interest payments	-
Loan proceeds	-
Net cash provided by noncapital financing activities	<u>-</u>
Cash flows from investing activities	
Investments in marketable securities	(3,624)
Earnings from investments	(371)
Net cash provided by capital and related financing activities	<u>(3,995)</u>
Increase (decrease) in cash and cash equivalents	(656)
Cash and cash equivalents - beginning of year	<u>74,340</u>
Cash and cash equivalents - end of year	<u>\$ 73,684</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ (15,405)
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	18,374
Changes in assets and liabilities:	
Receivables	-
Other assets	370
Net cash (used) by operating activities	<u>\$ 3,339</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-1

STATEMENT OF NET POSITION

JUNE 30, 2017

	<u>Vista Grande Charter School</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 268,463
Receivables	81,416
Total current assets	<u>349,879</u>
Non-current assets:	
Capital assets, net	175,909
Total non-current assets	<u>175,909</u>
Total assets	<u>525,788</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflows related to pensions	<u>333,319</u>
Total deferred outflows	<u>333,319</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	14,807
Compensated absences	12,115
Accrued payroll	100,401
Current portion of long term debt	-
Total current liabilities	<u>127,323</u>
Non-current liabilities:	
Non-current portion of long term debt	-
Net pension liability	1,498,297
Total non-current liabilities	<u>1,498,297</u>
Total liabilities	<u>1,625,620</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Unavailable revenue	-
Deferred inflows related to pensions	<u>91,193</u>
Total deferred inflows	<u>91,193</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	175,909
Restricted:	
Special revenue	(6,936)
Capital projects	29,149
Unrestricted	<u>(1,055,828)</u>
Total net position	<u>\$ (857,706)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-2

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 834,123	\$ -	\$ 68,577	\$ -	\$ (765,546)
Support Services	-	-	-	-	-
Support Services Students	114,867	-	-	-	(114,867)
Support Services Instruction	3,294	-	-	-	(3,294)
Support Services General Administration	8,451	-	-	-	(8,451)
Support Services School Administration	123,398	-	-	-	(123,398)
Central Services	193,586	-	-	-	(193,586)
Operation and Maintenance of Plant	76,820	-	-	-	(76,820)
Student Transportation	301	-	-	-	(301)
Other Support Services	-	-	-	-	-
Food Services Operations	49,107	-	41,207	-	(7,900)
Unallocated	-	11,459	321	108,104	119,884
<b>Total governmental activities</b>	<b>\$ 1,403,947</b>	<b>\$ 11,459</b>	<b>\$ 110,105</b>	<b>\$ 108,104</b>	<b>(1,174,279)</b>
General revenues:					
					1,159,417
					-
					-
					-
					6,552
					<u>1,165,969</u>
					(8,310)
					<u>(849,396)</u>
					<u>\$ (857,706)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	Operational	Instructional Materials	Food Services
<b>ASSETS</b>			
Cash and cash equivalents	\$ 231,081	\$ 6,033	\$ -
Accounts Receivable			
Federal	-	-	-
State	-	-	-
Inventories	-	-	-
Due from Other Funds	86,558	-	-
<b>TOTAL ASSETS</b>	<u>\$ 317,639</u>	<u>\$ 6,033</u>	<u>\$ -</u>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ 14,682	\$ -	\$ -
Due to Other Funds	-	-	9,136
Accrued Payroll	96,532	-	-
<b>TOTAL LIABILITIES</b>	<u>111,214</u>	<u>-</u>	<u>9,136</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	-	6,033	(9,136)
Committed	-	-	-
Assigned	-	-	-
Unassigned	206,425	-	-
<b>TOTAL FUND BALANCE</b>	<u>206,425</u>	<u>6,033</u>	<u>(9,136)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 317,639</u>	<u>\$ 6,033</u>	<u>\$ -</u>

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

EXHIBIT I-3

<u>Title I</u>	<u>IDEA- B Entitlement</u>	<u>USDA Equipment Assistance Program</u>	<u>Title XIX Medicaid 3/21 Years</u>	<u>2012 GO Bond Student Library Fund</u>	<u>Technology for Education</u>
\$ -	\$ -	\$ -	\$ 321	\$ -	\$ 1,529
27,000	30,671	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 27,000</u>	<u>\$ 30,671</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ 1,529</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,338	28,464	-	-	-	-
1,662	2,207	-	-	-	-
<u>27,000</u>	<u>30,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	321	-	1,529
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	321	-	1,529
<u>\$ 27,000</u>	<u>\$ 30,671</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ 1,529</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2017

	Teachers Hard to Staff Initiative	School Library Material Fund FY08	Private Direct Grants
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 304	\$ 46
Accounts Receivable			
Federal	6,075	-	-
State	-	-	-
Inventories	-	-	-
Due from Other Funds	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 6,075</u>	<u>\$ 304</u>	<u>\$ 46</u>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ 125	\$ -	\$ -
Due to Other Funds	5,950	-	-
Accrued Payroll	-	-	-
<b>TOTAL LIABILITIES</b>	<u>6,075</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue			
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	-	304	46
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>304</u>	<u>46</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 6,075</u>	<u>\$ 304</u>	<u>\$ 46</u>

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

EXHIBIT I-3  
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ -	\$ -	\$ -	\$ 29,149	\$ 268,463
-	17,670	-	-	81,416
-	-	-	-	-
-	-	-	-	-
-	-	-	-	86,558
<u>\$ -</u>	<u>\$ 17,670</u>	<u>\$ -</u>	<u>29,149</u>	<u>\$ 436,437</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,807
-	17,670	-	-	86,558
-	-	-	-	100,401
<u>-</u>	<u>17,670</u>	<u>-</u>	<u>-</u>	<u>201,766</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	29,149	28,246
-	-	-	-	-
-	-	-	-	-
-	-	-	-	206,425
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,149</u>	<u>234,671</u>
<u>\$ -</u>	<u>\$ 17,670</u>	<u>\$ -</u>	<u>29,149</u>	<u>\$ 436,437</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
VISTA GRANDE HIGH SCHOOL

EXHIBIT I-4

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position is different because:

Fund Balances - total governmental funds	\$ 234,671
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	175,909
Deferred outflows related to pensions not reported in the funds	333,319
Net pension liability not reported in the funds	(1,498,297)
Deferred inflows related to pensions not reported in the funds	(91,193)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Compensated Absences	(12,115)
	<hr/>
Net position of governmental activities	<u>\$ (857,706)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	Operational	Instructional Materials	Food Services
<b>REVENUE</b>			
Federal Programs	\$ -	\$ -	\$ 41,207
State Programs	-	5,454	-
State Equalization	1,159,417	-	-
Service Revenues	11,459	-	-
Other revenue sources	5,552	-	-
<b>TOTAL REVENUES</b>	<u>1,176,428</u>	<u>5,454</u>	<u>41,207</u>
<b>EXPENDITURES</b>			
Current			
Instruction	607,284	11,375	-
Support Services Students	114,867	-	-
Support Services Instruction	3,294	-	-
Support Services General Administration	7,525	-	-
Support Services School Administration	123,398	-	-
Central Services	193,586	-	-
Operation and Maintenance of Plant	76,820	-	-
Student Transportation	301	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	49,107
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,127,075</u>	<u>11,375</u>	<u>49,107</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	49,353	(5,921)	(7,900)
Other Financing Sources (Uses)			
Proceeds from Bonds	-	-	-
Transfers In (Out)	(34,762)	-	-
<b>Total Other Financing Sources</b>	<u>(34,762)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	14,591	(5,921)	(7,900)
<b>FUND BALANCE</b>			
June 30, 2016	<u>191,834</u>	<u>11,954</u>	<u>(1,236)</u>
<b>FUND BALANCE</b>			
June 30, 2017	<u>\$ 206,425</u>	<u>\$ 6,033</u>	<u>\$ (9,136)</u>

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

EXHIBIT I-5

<u>Title I</u>	<u>IDEA- B Entitlement</u>	<u>USDA Equipment Assistance Program</u>	<u>Title XIX Medicaid 3/21 Years</u>	<u>2012 GO Bond Student Library Fund</u>	<u>Technology for Education</u>
\$ 27,000	\$ 30,048	\$ -	\$ -	\$ -	\$ -
-	-	-	321	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>27,000</u>	<u>30,048</u>	<u>-</u>	<u>321</u>	<u>-</u>	<u>-</u>
27,000	30,671	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>27,000</u>	<u>30,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(623)	-	321	-	-
-	-	-	-	-	-
-	623	-	-	2,021	-
<u>-</u>	<u>623</u>	<u>-</u>	<u>-</u>	<u>2,021</u>	<u>-</u>
-	-	-	321	2,021	-
-	-	-	-	(2,021)	1,529
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ 1,529</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE--GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	Teachers Hard to Staff Initiative	School Library Material Fund FY08	Private Direct Grants
<b>REVENUE</b>			
Federal Programs	\$ -	\$ -	\$ -
State Programs	6,075	-	-
State Equalization	-	-	-
Service Revenues	-	-	-
Other revenue sources	-	-	1,000
<b>TOTAL REVENUES</b>	<u>6,075</u>	<u>-</u>	<u>1,000</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	6,075	-	998
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>6,075</u>	<u>-</u>	<u>998</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-	2
<b>Other Financing Sources (Uses)</b>			
Proceeds from Bonds	-	-	-
Transfers In (Out)	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	2
<b>FUND BALANCE</b>			
June 30, 2016	-	304	44
<b>FUND BALANCE</b>			
June 30, 2017	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 46</u>

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

EXHIBIT I-5  
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ -	\$ -	\$ -	\$ -	\$ 98,255
6,318	101,786	-	-	119,954
-	-	-	-	1,159,417
-	-	-	-	11,459
-	-	-	-	6,552
<u>6,318</u>	<u>101,786</u>	<u>-</u>	<u>-</u>	<u>1,395,637</u>
-	-	-	-	683,403
-	-	-	-	114,867
-	-	-	-	3,294
-	-	-	-	7,525
-	-	-	-	123,398
-	-	-	-	193,586
-	-	-	-	76,820
-	-	-	-	301
-	-	-	-	-
-	-	-	-	49,107
-	70,680	-	22,736	93,416
<u>-</u>	<u>70,680</u>	<u>-</u>	<u>22,736</u>	<u>1,345,717</u>
6,318	31,106	-	(22,736)	49,920
-	-	-	-	-
19,077	2,337	10,704	-	-
<u>19,077</u>	<u>2,337</u>	<u>10,704</u>	<u>-</u>	<u>-</u>
25,395	33,443	10,704	(22,736)	49,920
<u>(25,395)</u>	<u>(33,443)</u>	<u>(10,704)</u>	<u>51,885</u>	<u>184,751</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,149</u>	<u>\$ 234,671</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
VISTA GRANDE HIGH SCHOOL

EXHIBIT I-6

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds \$ 49,920

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year

Capital Outlay	-
Depreciation	(35,873)

Expenses in Statement of Activities which do not require use of current financial resources	i.e. Compensated Absences	(926)
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Pension related expense	(21,431)
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Change in Net Position	<u>\$ (8,310)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT 1-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ -	\$ -	\$ 11,459	\$ 11,459
Interest Income	-	-	-	-
Private Donations	-	-	2,398	2,398
Refunds Prior Year	-	-	3,154	3,154
State Equalization	1,079,599	1,063,403	1,159,417	96,014
<b>TOTAL REVENUE</b>	<u>1,079,599</u>	<u>1,063,403</u>	<u>\$ 1,176,428</u>	<u>\$ 113,025</u>
BUDGETED CASH BALANCE	<u>121,488</u>	<u>191,834</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,201,087</u>	<u>\$ 1,255,237</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 651,729	\$ 651,729	\$ 607,284	\$ 44,445
Support Services	-	-	-	-
Support Services Students	109,725	138,288	114,867	23,421
Support Services Instruction	3,000	4,653	3,294	1,359
Support Services General Administration	12,140	12,470	7,525	4,945
Support Services School Administration	193,905	149,293	123,398	25,895
Central Services	146,189	167,810	193,586	(25,776)
Operation and Maintenance of Plant	84,399	130,612	76,820	53,792
Student Transportation	-	382	301	81
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,201,087</u>	<u>\$ 1,255,237</u>	<u>\$ 1,127,075</u>	<u>\$ 128,162</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-8

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	5,250	4,104	5,454	1,350
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>5,250</u>	<u>4,104</u>	<u>\$ 5,454</u>	<u>\$ 1,350</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>11,954</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 5,250</u>	<u>\$ 16,058</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 5,250	\$ 16,058	\$ 11,375	\$ 4,683
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,250</u>	<u>\$ 16,058</u>	<u>\$ 11,375</u>	<u>\$ 4,683</u>

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



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--FOOD SERVICES

Year Ended June 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 41,207	\$ 41,207	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>41,207</u>	<u>\$ 41,207</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 41,207</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	41,207	49,107	(7,900)
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 41,207</u>	<u>\$ 49,107</u>	<u>\$ (7,900)</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-10

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 27,000	\$ 27,000	\$ -	\$ (27,000)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>27,000</u>	<u>27,000</u>	<u>\$ -</u>	<u>\$ (27,000)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 27,000</u>	<u>\$ 27,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-11

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 30,671	\$ 33,846	\$ 30,048	\$ (3,798)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>30,671</u>	<u>33,846</u>	<u>\$ 30,048</u>	<u>\$ (3,798)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 30,671</u>	<u>\$ 33,846</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 30,671	\$ 33,846	\$ 30,671	\$ 3,175
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 30,671</u>	<u>\$ 33,846</u>	<u>\$ 30,671</u>	<u>\$ 3,175</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--USDA EQUIPMENT ASSISTANCE

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-13

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE XIX MEDICAID

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	321	321
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 321</u>	<u>\$ 321</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-14

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--2012 GO BOND STUDENT LIBRARY FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	3,226	3,226	-	(3,226)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>3,226</u>	<u>3,226</u>	<u>\$ -</u>	<u>\$ (3,226)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 3,226</u>	<u>\$ 3,226</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	3,226	3,226	-	3,226
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,226</u>	<u>\$ 3,226</u>	<u>\$ -</u>	<u>\$ 3,226</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-15

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHERS HARD TO STAFF STIPEND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	6,075	-	(6,075)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>6,075</u>	<u>\$ -</u>	<u>\$ (6,075)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 6,075</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 6,075	\$ 6,075	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 6,075</u>	<u>\$ 6,075</u>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-17

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY BOOK FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-18

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--PRIVATE DIRECT GRANTS

Year Ended June 30, 2017

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	1,000	1,000	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>				
	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 1,000	\$ 998	\$ 2
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 998</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
VISTA GRANDE HIGH SCHOOL

EXHIBIT I-19

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash on Deposit	\$ 2,471
<b>TOTAL ASSETS</b>	<u>\$ 2,471</u>
<b>LIABILITIES</b>	
Due To Student Groups	\$ 2,471
<b>TOTAL LIABILITIES</b>	<u>\$ 2,471</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-20

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

Year Ended June 30, 2017

	Balance 6/30/2016	ADDITIONS	DEDUCTIONS	Balance 6/30/2017
GENERAL	\$ 2,818	\$ 2,078	\$ 2,425	\$ 2,471
	<u>\$ 2,818</u>	<u>\$ 2,078</u>	<u>\$ 2,425</u>	<u>\$ 2,471</u>

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

## AGENCY FUNDS

AGENCY FUND--To 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.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

EXHIBIT J-1

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

Year Ended June 30, 2017

	Balance 6/30/2016	ADDITIONS	DEDUCTIONS	Balance 6/30/2017
Administration	\$ 46,324	\$ 42,234	\$ 29,024	\$ 59,534
Taos High School	244,864	443,160	381,824	306,200
Taos Middle School	52,724	71,327	69,433	54,618
Enos Elementary	33,829	67,774	61,433	40,170
Ranchos Elementary	35,587	49,154	52,310	32,431
Arroyos Del Norte Elementary	6,932	6,468	7,113	6,287
Total	<u>\$ 420,260</u>	<u>\$ 680,117</u>	<u>\$ 601,137</u>	<u>\$ 499,240</u>

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

## OTHER SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION



SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

	June 30		
	2017 2016	2016 2015	2015 2014
Taos Municipal Schools proportion of the net pension liability (asset)	0.46776%	0.48067%	0.51109%
Taos Municipal Schools proportionate share of the net pension liability (asset)	\$ 33,662,038	\$ 31,134,276	\$ 29,161,411
Taos Municipal Schools covered-employee payroll	\$ 13,359,318	\$ 13,123,831	\$ 14,087,453
Taos Municipal Schools proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.97%	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be present; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years the information is available. Complete information for Taos Municipal Schools is not available prior to fiscal year 2015, the year the statement's requirements became effective.

SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

	June 30		
	2017 2016	2016 2015	2015 2014
Anansi Charter Schools proportion of the net pension liability (asset)	0.02948%	0.02555%	0.02245%
Anansi Charter Schools proportionate share of the net pension liability (asset)	\$ 2,121,509	\$ 1,654,942	\$ 1,280,929
Anansi Schools covered-employee payroll	\$ 841,949	\$ 697,597	\$ 618,784
Anansi Schools proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.98%	237.23%	207.01%
Plan fiduciary net position as a percentage of total pension liability	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be present; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years the information is available. Complete information for Anansi Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

	June 30		
	2017 2016	2016 2015	2015 2014
Taos Charter Schools proportion of the net pension liability (asset)	0.03132%	0.03076%	0.03034%
Taos Charter Schools proportionate share of the net pension liability (asset)	\$ 2,253,923	\$ 1,992,407	\$ 1,731,110
Taos Charter Schools covered-employee payroll	\$ 894,581	\$ 839,847	\$ 861,285
Taos Charter Schools proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.95%	237.23%	200.99%
Plan fiduciary net position as a percentage of total pension liability	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be present; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years the information is available. Complete information for Taos Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 EDUCATIONAL RETIREMENT BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

	June 30		
	2017 2016	2016 2015	2015 2014
Vista Grande High Schools proportion of the net pension liability (asset)	0.02082%	0.02113%	0.01738%
Vista Grande High Schools proportionate share of the net pension liability (asset)	\$ 1,498,297	\$ 1,368,646	\$ 991,648
Vista Grande High Schools covered-employee payroll	\$ 586,130	\$ 576,917	\$ 479,125
Vista Grande High Schools proportionate share of the net pension liability as a percentage of its covered-employee payroll	255.63%	237.23%	206.97%
Plan fiduciary net position as a percentage of total pension liability	61.58%	63.97%	66.54%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be present; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years the information is available. Complete information for Vista Grande High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 2

SCHEDULE OF CONTRIBUTIONS EDUCATIONAL RETIREMENT  
 BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 1,814,377	\$ 1,856,944	\$ 1,899,093
Contributions in relation to the statutorily required contributions	1,814,377	1,856,944	1,899,093
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented, however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information of Taos Municipal Schools is not available prior to fiscal year 2015, the year the statement's requirements became effective.

SCHEDULE OF CONTRIBUTIONS EDUCATIONAL RETIREMENT  
 BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

Anansi Charter School:	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 123,441	\$ 117,031	\$ 100,944
Contributions in relation to the statutorily required contributions	123,441	117,031	100,944
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented, however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information of Anansi Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

SCHEDULE 2  
 CONTINUED

SCHEDULE OF CONTRIBUTIONS EDUCATIONAL RETIREMENT  
 BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

Taos Charter School:	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 140,190	\$ 124,347	\$ 121,548
Contributions in relation to the statutorily required contributions	140,190	124,347	121,548
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented, however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information of Taos Charter Schools is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

SCHEDULE 2  
 CONTINUED

SCHEDULE OF CONTRIBUTIONS EDUCATIONAL RETIREMENT  
 BOARD (ERB) PENSION PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2017

Vista Grande High School:	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 90,992	\$ 75,804	\$ 83,419
Contributions in relation to the statutorily required contributions	90,992	75,804	83,419
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented, however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information of Vista Grande High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

Changes of benefit terms and assumptions - There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
ANANSI CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

Changes of benefit terms and assumptions - There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
TAOS CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

Changes of benefit terms and assumptions - There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
VISTA GRANDE HIGH SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

Changes of benefit terms and assumptions - There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

## OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 3

BANK SUMMARY

JUNE 30, 2017

Taos Municipal Schools:

Bank	ACGT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund *	\$ 8,096,480	\$ (241,594)	\$ 7,854,886
	Checking	Activities *	522,105	(22,865)	499,240
Total Centinel Bank			<u>8,618,585</u>	<u>(264,459)</u>	<u>8,354,126</u>
US Bank	Checking	Operational & Ed Tech Equipment Act	2,494,118	(722,483)	1,771,635
Total US Bank			<u>2,494,118</u>	<u>(722,483)</u>	<u>1,771,635</u>
Total all Accounts			<u>\$ 11,112,703</u>	<u>\$ (986,942)</u>	<u>\$ 10,125,761</u>

\* Interest Bearing

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 3  
 CONTINUED

BANK SUMMARY

JUNE 30, 2017

Anansi Charter School:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
US Bank	Checking	Multi Fund	\$ 223,903	\$ (4,596)	\$ 219,307
Total all Accounts			\$ 223,903	\$ (4,596)	\$ 219,307

\* Interest Bearing

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 3  
 CONTINUED

BANK SUMMARY

JUNE 30, 2017

Taos Charter School:

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
US Bank	Checking	Multi Fund	*	\$ 186,855	\$ (33,332)	\$ 153,523
Total all Accounts				<u>\$ 186,855</u>	<u>\$ (33,332)</u>	<u>\$ 153,523</u>

\* Interest Bearing



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 3  
 CONTINUED

BANK SUMMARY

JUNE 30, 2017

Vista Grande High School:

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund	*	\$ 305,607	\$ (37,144)	\$ 268,463
	Checking	Activities	*	2,471	-	2,471
Total all Accounts				<u>\$ 308,078</u>	<u>\$ (37,144)</u>	<u>\$ 270,934</u>
				*	Interest Bearing	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 4

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2017

Taos Municipal Schools:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Cintinel Bank	\$ 8,618,585	\$ 250,000	\$ 8,368,585	\$ 4,184,293	\$ 4,943,260	\$ 3,425,325
US Bank	2,494,118	250,000	2,244,118	1,122,059	2,500,000	(255,882)
Total	<u>\$11,112,703</u>	<u>\$ 500,000</u>	<u>\$10,612,703</u>	<u>\$ 5,306,352</u>	<u>\$ 7,443,260</u>	<u>\$ 3,169,443</u>

Collateral	CUSIP #.	Amount	Matures
FHLB	313376C94	\$ 2,063,260	12/10/2021
Clovis NM Muni Sch Dist	1894141MS1	500,000	8/1/2023
Belen NM Consoi Sch Dis	077581QK5	250,000	8/1/2024
Los Lunas NM Sch Dist	545562TA8	500,000	7/15/2021
Estancia Sch Dist	297326FW5	240,000	5/15/2026
Taos Sch Ed Tech	87601UBE2	125,000	10/1/2020
Alamogordo SD	011464GW8	250,000	8/1/2021
Lea County SCH	521513AW1	1,015,000	6/15/2020
Total Collateral at Cintinel Bank		<u>4,943,260</u>	
FHLB	LOC# 520014	2,500,000	12/1/2018
Total Collateral at US Bank		2,500,000	
Total Collateral all Accounts		<u>\$ 7,443,260</u>	

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 4  
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2017

Anansi Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 223,903	\$ 223,903	\$ -	\$ -	\$ 259,934	\$ -
Total	\$ 223,903	\$ 223,903	\$ -	\$ -	\$ 259,934	\$ -

Collateral	CUSIP #.	Amount	Matures
FHLMC FHARM 1B4844	3128JQHW1	\$ 228,569	7/1/2040
FHLMC GOLD POOL E97552	3128H5L95	31,365	7/1/2018
Total Collateral at US Bank		\$ 259,934	

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 4  
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2017

Taos Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 186,855	\$ 186,855	\$ -	\$ -	\$ -	\$ -
Total	\$ 186,855	\$ 186,855	\$ -	\$ -	\$ -	\$ -

Collateral	CUSIP #.	Amount	Matures
Total Collateral at US Bank		\$ -	

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 4  
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2017

Vista Grande High School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Centinel Bank	\$ 308,078	\$ 250,000	\$ 58,078	\$ 29,039	\$ 75,000	\$ -
Total	\$ 308,078	\$ 250,000	\$ 58,078	\$ 29,039	\$ 75,000	\$ -

  

Collateral	CUSIP #.	Amount	Matures
Ruidoso NM Muni Sch Dist	7 74837KAD1	\$ 75,000	8/1/2024
Total Collateral at US Bank		\$ 75,000	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2017

Taos Municipal Schools:

	<u>OPERATIONAL</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>
Audited Net Cash				
June 30, 2016	\$ 2,577,432	\$ 2	\$ 141,552	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2016	2,577,432	2	141,552	-
Add: Prior year void checks	-	-	-	-
2016-2017 Revenue	18,107,262	799,313	144,108	1,658,643
Transfers In & Adjustments	1,682,675	-	-	135,227
<b>TOTAL AVAILABLE CASH</b>	<b>22,367,369</b>	<b>799,315</b>	<b>285,660</b>	<b>1,793,870</b>
Less: 2016-2017 Expenditures	18,231,160	799,286	135,465	1,592,619
Returned Checks	-	-	-	-
Transfers Out & Adjustments	1,975,697	1	1	201,251
	20,206,857	799,287	135,466	1,793,870
<b>NET CASH, JUNE 30, 2017</b>	<b>2,160,512</b>	<b>28</b>	<b>150,194</b>	<b>-</b>
<b>TOTAL CASH, JUNE 30, 2017</b>	<b>\$ 2,160,512</b>	<b>\$ 28</b>	<b>\$ 150,194</b>	<b>\$ -</b>

SCHEDULE 5

ATHLETICS	FEDERAL PROJECTS	LOCAL/STATE ACCOUNT	SCO LOCAL	SB-9	SB-9 LOCAL
\$ 7,038	\$ 132,050	\$ 110,703	\$ -	\$ 1,534,635	-
-	-	-	-	-	-
7,038	132,050	110,703	-	1,534,635	-
-	-	-	-	-	-
61,688	2,492,586	807,515	21,000	60,715	2,280,233
-	891,545	335,236	-	-	1,595,350
68,726	3,516,181	1,253,454	21,000	1,595,350	3,875,583
62,484	2,364,204	896,315	-	-	1,998,905
-	-	-	-	-	-
-	690,707	231,751	-	1,595,350	2,300
62,484	3,054,911	1,128,066	-	1,595,350	2,001,205
6,242	461,270	125,388	21,000	-	1,874,378
<u>\$ 6,242</u>	<u>\$ 461,270</u>	<u>\$ 125,388</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,874,378</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
Continued

BANK RECONCILIATION

JUNE 30, 2017

Taos Municipal Schools (continued)

	ED TECH EQUIPMENT ACT	DEBT SERVICE	ED TECH DEBT SERVICE	ACTIVITY
Audited Net Cash				
June 30, 2016	\$ 1,757,734	\$ 2,864,247	\$ 694,564	\$ 420,260
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2016	1,757,734	2,864,247	694,564	420,260
Add: Prior year void checks	-	-	-	-
2016-2017 Revenue	240	3,086,951	578,087	680,117
Transfers In & Adjustments	-	1	-	-
<b>TOTAL AVAILABLE CASH</b>	<b>1,757,974</b>	<b>5,951,199</b>	<b>1,272,651</b>	<b>1,100,377</b>
Less: 2016-2017 Expenditures	488,348	3,079,082	586,885	601,137
Returned Checks	-	-	-	-
Transfers Out & Adjustments	-	-	-	-
	488,348	3,079,082	586,885	601,137
<b>NET CASH, JUNE 30, 2017</b>	<b>1,269,626</b>	<b>2,872,117</b>	<b>685,766</b>	<b>499,240</b>
<b>TOTAL CASH, JUNE 30, 2017</b>	<b>\$ 1,269,626</b>	<b>\$ 2,872,117</b>	<b>\$ 685,766</b>	<b>\$ 499,240</b>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2017

Anansi Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2016	\$ 22,662	\$ 9,536	\$ 316	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2016	22,662	9,536	316	-
Add: Prior year void checks	-	-	-	-
2016-2017 Revenue	1,673,271	11,529	43,073	37,774
Transfers In & Adjustments	104,220	-	1,661	9,481
 TOTAL AVAILABLE CASH	 1,800,153	 21,065	 45,050	 47,255
Less: 2016-2017 Expenditures	1,623,439	9,949	40,700	29,211
Returned Checks	-	-	-	-
Transfers Out & Adjustments	39,659	-	3,870	18,044
	<u>1,663,098</u>	<u>9,949</u>	<u>44,570</u>	<u>47,255</u>
 NET CASH, JUNE 30, 2017	 137,055	 11,116	 480	 -
Cash On hand	-	-	-	-
 TOTAL CASH, JUNE 30, 2017	 <u>\$ 137,055</u>	 <u>\$ 11,116</u>	 <u>\$ 480</u>	 <u>\$ -</u>

SCHEDULE 5  
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 191	\$ -	\$ 504	\$ 55,182	\$ -	\$ 25,717	-
-	-	-	-	-	-	-
191	-	504	55,182	-	25,717	-
-	-	-	-	-	-	-
-	113,699	-	-	153,508	-	101,126
-	20,053	-	-	-	-	25,717
191	133,752	504	55,182	153,508	25,717	126,843
-	81,781	-	53,695	127,739	-	56,494
-	-	-	-	-	-	-
-	51,971	-	-	25,769	25,717	1,875
-	133,752	-	53,695	153,508	25,717	58,369
191	-	504	1,487	-	-	68,474
-	-	-	-	-	-	-
<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ 1,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,474</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2017

Taos Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2016	\$ 149,998	\$ 31,075	\$ 13,001	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2016	149,998	31,075	13,001	-
Add: Prior year void checks	-	-	-	-
2016-2017 Revenue	1,539,121	13,140	53,371	55,745
Transfers In & Adjustments	44,035	-	14,269	30,084
 TOTAL AVAILABLE CASH	 1,733,154	 44,215	 80,641	 85,829
Less: 2016-2017 Expenditures	1,665,289	17,223	80,641	72,072
Returned Checks	-	-	-	-
Transfers Out & Adjustments	67,865	-	-	6,499
	<u>1,733,154</u>	<u>17,223</u>	<u>80,641</u>	<u>78,571</u>
 NET CASH, JUNE 30, 2016	 -	 26,992	 -	 7,258
Cash On hand	-	-	-	-
 TOTAL CASH, JUNE 30, 2017	 <u>\$ -</u>	 <u>\$ 26,992</u>	 <u>\$ -</u>	 <u>\$ 7,258</u>

SCHEDULE 5  
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 56	\$ -	\$ -	\$ 87,500	\$ -	\$ 48,378	\$ -
-	-	-	-	-	-	-
56	-	-	87,500	-	48,378	-
-	-	-	-	-	-	-
3,000	3,000	65,861	-	177,625	3,444	147,021
-	-	25,602	-	-	-	48,378
3,056	3,000	91,463	87,500	177,625	51,822	195,399
3,000	3,000	89,455	86,259	142,100	3,444	41,733
-	-	-	-	-	-	-
-	-	2,008	-	35,525	48,378	35,690
3,000	3,000	91,463	86,259	177,625	51,822	77,423
56	-	-	1,241	-	-	117,976
-	-	-	-	-	-	-
<u>\$ 56</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,976</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
Continued

BANK RECONCILIATION

JUNE 30, 2017

Vista Grande High School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2016	\$ 17,484	\$ 11,954	\$ -	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2016	17,484	11,954	-	-
Add: Prior year void checks	-	-	-	-
2016-2017 Revenue	1,176,428	5,454	41,207	30,048
Transfers In & Adjustments	204,376	-	9,136	121,240
 TOTAL AVAILABLE CASH	 1,398,288	 17,408	 50,343	 151,288
Less: 2016-2017 Expenditures	1,050,623	11,375	49,107	57,671
Returned Checks	-	-	-	-
Transfers Out & Adjustments	116,584	-	1,236	93,617
	<u>1,167,207</u>	<u>11,375</u>	<u>50,343</u>	<u>151,288</u>
 NET CASH, JUNE 30, 2017	 231,081	 6,033	 -	 -
Cash On hand	-	-	-	-
 TOTAL CASH, JUNE 30, 2017	 <u>\$ 231,081</u>	 <u>\$ 6,033</u>	 <u>\$ -</u>	 <u>\$ -</u>

SCHEDULE 5  
Continued

STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	ED. TECH EQUIPMENT ACT	ACTIVITY
\$ 1,833	\$ 44	\$ -	-	\$ -	\$ 51,885	\$ 2,818
-	-	-	-	-	-	-
1,833	44	-	-	-	51,885	2,818
-	-	-	-	-	-	-
321	1,000	6,317	84,116	-	-	2,078
67,052	-	19,078	20,008	20,378	-	-
69,206	1,044	25,395	104,124	20,378	51,885	4,896
-	-	-	-	-	-	-
6,075	998	-	70,680	-	22,736	2,425
-	-	-	-	-	-	-
60,977	-	25,395	33,444	20,378	-	-
67,052	998	25,395	104,124	20,378	22,736	2,425
-	-	-	-	-	-	-
2,154	46	-	-	-	29,149	2,471
-	-	-	-	-	-	-
<u>\$ 2,154</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,149</u>	<u>\$ 2,471</u>

SCHEDULE OF JOINT POWERS AGREEMENTS

JUNE 30, 2017

Title: Joint use and development of 23.8+ acre Salazar property and sports facilities

Participants: Town of Taos and Taos Municipal Schools

Responsible Party: The Town of Taos agreed to construct athletic facilities on land owned by Taos Municipal Schools 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: Agree ment 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 Schools.

Fiscal Agent: Town of Taos and Taos Municipal Schools.

# COMPLIANCE SECTION



# Woodard, Cowen & Co.

Certified Public Accountants

## 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

Wayne A. Johnson  
New Mexico State Auditor  
The Board of Education of  
Taos Municipal School District  
Taos, New Mexico

We have audited, 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, 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 and major special revenue, of the Taos Municipal School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Taos Municipal School District's basic financial statements, and the combining and individual funds, and related budgetary comparisons of the major capital projects and debt service funds of Taos Municipal School District, and each discretely presented component unit presented as supplemental information, and have issued our report thereon dated November 13, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Taos Municipal School 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 Taos Municipal School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Taos Municipal School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies identified as 2010-009, 2014-006, 2014-0015, 2014-029 TCS and 2014-045 VGHS.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Taos Municipal School 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 Standard* and which are described in the accompanying Schedule of 12-6-5 NMSA 1978 Findings as items 2014-001, 2017-001, 2017-001 ACS, 2015-001 TCS, 2012-001 VGHS and 2013-005 VGHS.

#### Taos Municipal School District's Responses to Findings

The Taos Municipal School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Taos Municipal School 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 result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Woodard, Cowen & Co*

Clovis, New Mexico  
November 13, 2017

# FEDERAL FINANCIAL ASSISTANCE

# Woodard Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Wayne A. Johnson  
New Mexico State Auditor  
The Board of Education of  
Taos Municipal School District  
Taos, New Mexico

### Report on Compliance for Each Major Federal Program

We have audited Taos Municipal School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Taos Municipal School District's major federal programs for the year ended June 30, 2017. Taos Municipal School 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Taos Municipal School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Taos Municipal School 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 on Taos Municipal School District's compliance.

### Opinion on Each Major Federal Program

In our opinion, Taos Municipal School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### Report on Internal Control Over Compliance

The management of Taos Municipal School 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 Taos Municipal School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Taos Municipal School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Woodard, Cowen & Co*

Clovis, New Mexico  
November 13, 2017

SINGLE AUDIT SECTION

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2017

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements		Unmodified
Significant Deficiencies on GAGAS		2010-009, 2014-006, 2014-015, 2014-029 TCS and 2014-045 VGHS
Material Noncompliance		None
Questioned Cost		None
Type A & Type B dollar threshold		\$750,000
Entity Risk		High Risk
Major Federal Programs	TITLE I National School Lunch Program	CFDA #84.010 CFDA #10.555
Reportable Conditions on Internal Control over Major Programs		None
Material Weaknesses		None
Report on Compliance with Major Programs		Unmodified
Findings reportable under the Uniform Guidance 2 CFR 200.516(a)		None

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS (continued)

2010-009 Capital Assets (significant deficiency)

Condition: The District is still not currently using a capital asset management system which enables it to provide capital asset detail or depreciation detail by asset. The District has been keeping an old listing on spreadsheets, but it has not been tied to what is reported in the audit report since the inception of GASB 34. The District did not take an annual inventory of its assets and submit this to the board for certification. The District has not made much progress on the prior year corrective action plan since the last fiscal audit.

Criteria: Per 2.20.2.8 NMAC 1978 states that 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. Statutes also state that an annual inventory of capital assets should be made under the control of the governing authority.

Cause: The District has not made this a priority to be completed since the inception of GASB 34. The business manager has had limited time and resources to get the capital asset information gathered and imputed into the Visions system.

Effect: Violation of state statutes and accounting standards has occurred when the capital asset listing is not verified and updated at least annually by the District.

Recommendation: The District needs to make an actual commitment to spend the necessary time to get the capital assets listing on its Visions system so it can easily be updated throughout the year as assets are added or disposed of by the District. There should be specific staff involved in seeing this process is completed and maintained, then a review by management and the governing board should certify the annual inventory.

Response: The District plans on using insurance appraisals along with County Assessor's records to construct a fixed asset list for land, buildings and land improvements. An inventory of other fixed assets such as vehicles, busses, heavy equipment, etc will be taken and included with the list mentioned above to initiate a "General Fixed Asset Listing" for the District. Once this is accomplished the District will maintain a continuous listing and current depreciation schedule for fixed assets and submit current inventories to the Board of Education for annual approval.

The process of gathering insurance appraisals and meeting with the County Assessor for capital Asset market values was initiated late in the spring of 2017. Due to time constraints and work schedules, the project has not been completed to date. The District has chosen not to contract this work out because of budget concerns.

This process is primarily the responsibility of the Director of Finance and the timeline to complete the work involved is estimated to be sometime in the late spring or early summer of 2018 at the earliest.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS (continued)

2014-006 HR Documentation (significant deficiency)

Condition: During the tests of payroll files we noted that 3 of 40 (8%) of the files had no I-9 form in the files. Management's prior year corrective action plan either has not been fully implemented or the design has not solved the problem of ensuring the files are complete and accurate.

Criteria: NMAC 6.20.2.18 1978 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.

Cause: The District employees have disregarded the board policies and procedures and the state and federal statutes regarding employee file documentation.

Effect: Violation of Federal and State statutes and District policies and procedures.

Recommendation: The District needs to fully implement the corrective action plan it outlined in the prior year audit.

Response: The District is currently examining what procedures can be changed and implemented to ensure 100% compliance. The Director of Human Resources has determined that henceforth all part-time on-call non-contracted employees who are processed through payroll will be required to submit an employment application to Human Resources rather than individual departments submitting names through the recommendation process to the Superintendent for approval. Also, since payroll and Human Resources are not in the same department, the Director of Human Resources has requested payroll lists so that the HR Department can begin the process to track more closely. The prior year corrective action plan was fully implemented for all contracted and substitute employees; however, the tracking on part-time on-call non-contracted employees as described above was not. This change in procedure should remedy the finding in the future. The HR Director will be responsible for compliance.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS (continued)

2014-015 Background Checks (significant deficiency)

Condition: During the testing of payroll files it was noted that 1 of 40 (3%) of the files did not have a background check of the employee located in the file. The District has implemented its corrective action plan, however one instance still occurred.

Criteria: 22-10A-5 NMSA 1978 states that 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.

Cause: This was an oversight by District staff, which was not caught in a review of the files.

Effect: Besides being a violation of state statute, the lack of a background check can put the District at higher risk of liability should an incident occur regarding employees with no background checks on file.

Recommendation: The District should re-evaluate their procedures regarding employee files and the review process to determine if additional procedures are needed to ensure the completeness of data required. Additional training may be necessary for those who are completing the personnel files.

Response: During the 2014-2015 fiscal year the District purchased the equipment to perform its own background checks. This process has ensured that all background checks meet state requirements. The one exception noted above was the result of any employee who had been fingerprinted and a background check was completed; however, with the system you must choose one of two options. 1) For Licensure 2) School Employment. The District has limited time to request the actual background from Public Education Department when we choose option 1. We had proof of a receipt that the background was done; however, the District did not request the actual documentation in time and therefore did not have the support in the file. We have already completed another check on the individual and have an actual background report in the file. The District intends to continue the current process in place to ensure 100% compliance. The District has a procedure in place now which should avoid this finding in the future.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS – Taos Charter School

2014-029 TCS Purchase Orders (significant deficiency)

- Condition: The Charter School had purchase orders prepared after the date of the invoice. Of 74 invoices tested, 4 or 5% were dated prior to the purchase order. This amounted to \$350 of \$190,770 or less than 1% of the amounts tested. Management has worked to implement the corrective action plan as outlined in the prior year audit finding, procedures implemented are not reducing the number of instances of occurrence.
- 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.
- Cause: The Charter School's policies and procedures were ignored, circumvented or erroneously missed with respect to the disbursements.
- Effect: Not properly using purchase orders creates a situation where expenditures could exceed budgets at the function level, thus violating budgetary control and state statute.
- Recommendation: The Charter School should consider additional training of employees regarding the procedures for purchasing and the purpose and need for purchase orders and readdress procedures to determine if additional review may be needed.
- Response: In January 2017 the school transitioned from its previous contracted business manager to The Vigil Group. With this transition has come additional training of school employees, school access to the financial accounting system, and a change in the processing of requisitions, purchase orders and invoices. These actions should result in the elimination of this finding with the FY18 audit. Training school employees, providing the school with limited access on the financial accounting system through the use of software permissions, and process updates were completed by the school with the assistance from the contracted business manager in March 2017. The Director, Fiscal Specialist and Business Manager are responsible for the implementation of all corrective actions.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS – Vista Grande High School

2014-045 VGHS Purchase Orders (significant deficiency)

- Condition: The Charter School had purchase orders prepared after the date of the invoice. Of 76 invoices tested, 6 or 8% were dated prior to the purchase order. This amounted to \$ 2,119 of \$ 175,199 or 1% of the amounts tested. Also, there were 3 of 76 invoices that the purchase order did not reflect the change order to increase it for taxes or shipping. The amounts overspent on the purchase orders were not material. Management has worked been implementing the corrective action plan as outlined in the prior year audit finding, however, the procedures don't appear to be as effective as expected.
- 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.
- Cause: The Charter School's policies and procedures were ignored, circumvented or erroneously missed with respect to the disbursements.
- Effect: Not properly using purchase orders creates a situation where expenditures could exceed budgets at the function level, thus violating budgetary control and state statute.
- Recommendation: The Charter School should consider additional training of employees regarding the procedures for purchasing and the purpose and need for purchase orders and re-evaluate the corrective action plan implemented to determine what other procedures may be needed to correct the process.
- Response: The Administrator and Business Manager noticed that the previous plan was not working as expected and implemented a different strategy for FY2018. The Business Manager is now taking a direct role in implementing training with school personnel in regard to purchasing.

III. FEDERAL AWARD FINDINGS

None

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2017

IV. PRIOR YEAR FINDINGS

PRIMARY GOVERNMENT

FS 2010-009 Capital Assets	Revised and Repeated
FS 2014-001 Purchase Orders	Revised and Repeated
FS 2014-006 HR Documentation	Revised and Repeated
FS 2014-007 Improper Withholding of Employee Contributions and Improper Payment of Wages	Resolved
FS 2014-008 Timeliness of Activity Deposits	Resolved
FS 2014-015 Background Checks and Licensure	Revised and Repeated
FS 2016-002 Food Inventory	Resolved
FS 2016-003 Administrative Support of Charter Schools 2%	Resolved
FS 2016-004 Late Audit Report	Resolved

COMPONENT UNIT ANASI CHARTER SCHOOL

FS 2015-002 ACS Segregation of Duties	Resolved
FS 2016-001 ACS Cash Reconciliation and Review	Resolved
FS 2016-002 ACS Overspent Budgets	Resolved

COMPONENT UNIT FRIENDS OF ANANSI CHARTER SCHOOL

FS 2016-001 FACS Amortization of Long Term Debt	Resolved
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COMPONENT UNIT TAOS CHARTER SCHOOL

FS 2014-029 TCS Purchase Orders	Revised and Repeated
FS 2014-032 TCS Background check and Licensing	Resolved
FS 2015-001 TCS Overspent Budgets	Revised and Repeated
FS 2016-001 TCS Cash Reconciliation and Review	Resolved
FS 2016-002 TCS Approval of Board Minutes	Resolved
FS 2016-003 TCS Timeliness of Deposits	Resolved

COMPONENT UNIT FRIENDS OF TAOS CHARTER SCHOOL

FS 2016-001 FTCS Board Minutes	Resolved
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COMPONENT UNIT VISTA GRANDE HIGH SCHOOL

FS 2012-001 VGHS Inactive Funds	Revised and Repeated
FS 2013-005 VGHS Overspent Budgets	Revised and Repeated
FS 2014-042 VGHS Verification of Journal Entries	Resolved
FS 2014-045 VGHS Purchase Orders	Revised and Repeated
FS 2016-001 VGHS Capital Assets	Resolved

FEDERAL AWARDS FINDINGS

FA 2016-001 Program Verifications for National School Lunch Program	Resolved
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STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS

JUNE 30, 2017

OTHER FINDINGS

2014-001 Purchase Orders (other matter)

- Condition: The District had a number purchase orders prepared after the date of the invoice or goods/services were received. Of 184 items tested, 27 or 15% the purchase order was prepared after the invoice or the good/services were received. This amounted to \$119,122 of \$6,733,297 or 2% of the amounts tested. The District has implemented the corrective action plan from the prior years, however, it does need to be evaluated to see if additional procedures would help eliminate this issue from future audits.
- 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.
- Cause: District policies and procedures are not ensuring that all purchases have a valid purchase order in place as required by statute.
- Effect: Not properly using purchase orders creates a situation where expenditures could exceed budgets at the function level, thus violating budgetary control and state statute.
- Recommendation: The District should reevaluate the control systems in place to develop alternate controls. Any occurrences of purchase orders after the purchase are an override of those controls by staff and the District should consider additional training of employees regarding the procedures for purchasing and the purpose and need of purchase orders.
- Response: The District has implemented policies and procedures and continues to monitor processes to prevent after the fact purchase orders. We continue to reinforce and make staff aware of the requirement to obtain prior approval through the purchase requisition process before placing an order for goods or services. Such ongoing awareness is communicated via staff trainings, e-mail notices, and direct one on one conversations. Staff is usually asked to provide a written explanation anytime the procurement process has not been followed according to policy. There are times when prior purchase orders do not make sense. One case in point is for athletic event referees. Many times we are not certain what referees will be calling a game until the start of the event. Therefore, purchase requisitions and purchase orders for athletic officials will always occur after the service has been performed.
- Corrective action and procedures have been put into place to remedy this finding or at least keep violations at a minimum. Monitoring and constant communication with staff about procurement procedures is the responsibility of the Director of Finance. Site monitoring and controls over purchasing at the requisition level in order to prevent future findings of this nature are the combined responsibility of all Directors, Principals and staff.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS

JUNE 30, 2017

OTHER FINDINGS

2017-001 Minutes of the Board of Education (other matter)

- Condition: The minutes for the Board of Education were not maintained properly. There were 11 of 22 (50%) board meetings in which the minutes were not signed timely. Of the 11 not signed, 3 of those could not even be located when first requested. Those 3 meetings were only known about due to mention of approval of the meetings in subsequent minutes. Once they were finally located it was noted they needed to be signed. The minutes were not being kept in the normal bound book as used in previous years by the board.
- Criteria: Per the New Mexico Open Meetings Act NMSA 1978, Section 10-15-1-G. the board, commission or other policymaking body shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the policymaking body.
- Cause: The Board is ultimately responsible for the minutes of their board meetings, however, they placed this responsibility with the Superintendents secretary who did not maintain them as was expected. There was lack of care about the importance of maintaining the minutes properly.
- Effect: Loss of documentation and proof of board actions can occur if the minutes are not maintained properly. Approval is not final until the board minutes are signed by the governing authority.
- Recommendation: The Board should ensure that an original final copy of the minutes are presented for Board approval, once voted as approved they should be immediately signed by a governing official and then placed in the Board Minutes Book. The Board should periodically request the Board Minutes Book for review or the Board Secretary should review the completeness of the Board Minutes Book during each fiscal year.
- Response: The board will ensure that an original final copy of the minutes will be presented for approval, once voted as approved. They will be immediately signed by a governing official and then placed in the Board Minutes Book. The board will periodically request the Board Minutes Book for review to ensure the board meeting minutes are signed at the very next board meeting and are included in the Board Minutes Book and kept up-to-date.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS (continued)

JUNE 30, 2017

OTHER FINDINGS – Anansi Charter School

2017-001 ACS New Mexico Retiree Health Care (other matter)

- Condition: Gross wages reported to the New Mexico Retiree Health Care (NMRHC) exceeded the amounts reported to the Employee Retirement Board (ERB) by \$33,362 from July 1, 2016 through January 31, 2017. Based on this the employer and employee contributions were likely overpaid by \$667 and \$334, respectively. This would result in a total overpayment of \$1001.
- Criteria: The gross wages for calculating the NMRHC contributions should be the same as those for the ERB contribution calculations.
- Cause: The contract business manager for the period July 1, 2016 through January 31, 2016 made an error in the calculations for these benefits.
- Effect: Possible overpayments of the amounts actually due by the Charter School for the benefits in question.
- Recommendation: The new contract business manager should go back and review the reports filed for both NMRHC and ERB for the months in question and file corrected reports as needed.
- Response: Response from Mpower (contracted business manager during the time in question) - the difference between the gross wages reported to NMRHCA (\$388,941.32) and the gross wages reported to ERB (\$356,154.19) results from the NMRHCA reports being based on the biweekly pay period ending dates versus the ERB reporting being based on paycheck issue dates. For example, the December NMRHCA report included the total gross wages through the pay period ending December 30, 2016, however, the December ERB report did not include the pay period ending December 30, 2016 because the pay date was on January 6, 2017. Management response – In January 2017, the school contracted with The Vigil Group to provide business management services as the previous business manager was retiring. The new business manager's ERB and RHC contribution's processing is done in the same way which results in gross wages reported to both entities to be the same amount. From January 1, 2017 through June 30, 2017 contributions for both ERB and RHC were calculated by using the same gross wages amount. The current business manager has a call in to its contacts at both entities to determine if there is any overpayment that can be recouped by the school. The business manager's intent is to have this issue of overpayment recoupment resolved no later than January 2018. The Business Manager is responsible for the implementation of the corrective action.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS (continued)

JUNE 30, 2017

OTHER FINDINGS – Taos Charter School (continued)

2015-001 TCS Overspent Budgets (other matter)

Condition: The following budgets were over spent for the year ended June 30, 2017:

<u>FUND</u>	<u>FUNCTION</u>	<u>AMOUNT</u>
21000	3100	\$ 2,234

Management has failed to implement the corrective action plan as outlined in the prior year audit finding.

Criteria: 22-8-11(B) NMSA 1978, states “No school board officer or employees of a school district shall make any expenditure or incur any 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”.

Cause: The Charter School is not monitoring the budgetary process on a regular basis. Reports are available in the accounting software to monitor this on a monthly basis; however, those reports are not being used to make the necessary BAR requests to prevent overspent budgets.

Effect: Violation of statutes regarding budgets and expenditures could affect future funding from the state.

Recommendation: It is imperative that the Charter School start a monitoring process on a monthly basis to ensure that the budgets are not in violation of the law. Management should implement the corrective action plan that it outlined in the prior year audit.

Response: After the transition from one contracted business manager to the current contracted business manager was completed, it was noted during analysis of expenditure trends that the food service fund 21000 would likely not receive enough revenues to cover what was to be expended. At that time, it was too late in the year to make any major changes to the budget and/or expenditures to cover this anticipated shortfall. It was determined that FY18 would be the time the school would examine the food service fund further to ensure that it would not exceed its budget authority.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS (continued)

JUNE 30, 2017

OTHER FINDINGS – Vista Grande High School

2012-001 VGHS Inactive Funds (other matter)

Condition: During our review of the Vista Grande’s trial balance, we noted several funds which are continue to carry balances forward from year-to-year, but are no longer active funds of the School:

<u>Fund</u>	<u>Amount</u>
Technology for Education (27145)	1,529
School Library Material Fund FY08 (27549)	304
Private Direct Grants (29102)	<u>44</u>
Total	<u>\$ 1,877</u>

Management has made the permanent cash transfer to clear out the fund with a cash overdraft but has yet to get budget authority to move the funds with cash to the operational fund or return to the New Mexico Public Education Department.

Criteria: Good accounting policy dictates that funds that are no longer being used should be adjusted to a zero balance, closed out, and no longer reported or recorded in the general ledger or financial reports.

Cause: The Charter School has funds on its books which are no longer active funds, but these inactive funds have never been closed out. The Charter School has not taken the time to request from the Public Education Department the authority to transfer cash from three of the funds to close them out.

Effect: The Charter Schools have cash held in funds that it cannot use for the benefit of the students until it is moved to the operational fund.

Recommendation: The Charter School should implement the corrective action plan that it outlined in the prior year audit.

Response: Vista Grande High School did ask for the permanent cash transfer to clear funds with overdrafts but had not returned the money for the inactive funds. During FY18 the business manager will make sure the school requests a transfer for those funds to the operational fund or will send the funds back to the New Mexico Public Education Department.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS (continued)

JUNE 30, 2017

OTHER FINDINGS – Vista Grande High School (continued)

2013-005 VGHS Overspent Budgets (other matter)

Condition: The following budgets were over spent for the year ended June 30, 2017:

<u>FUND</u>	<u>FUNCTION</u>	<u>AMOUNT</u>
21000	3100	\$ 7,900

Management has failed to implement the corrective action plan as outlined in the prior year audit finding.

Criteria: 22-8-11(B) NMSA 1978, states "No school board officer or employees of a school district shall make any expenditure or incur any 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".

Cause: The Charter School is not monitoring the budgetary process on a regular basis. Reports are available in the accounting software to monitor this on a monthly basis; however, those reports are not being used to make the necessary BAR requests to prevent overspent budgets.

Effect: Violation of statutes regarding budgets and expenditures could affect future funding from the state.

Recommendation: It is imperative that the Charter School start a monitoring process on a monthly basis to ensure that the budgets are not in violation of the law. Management should implement the corrective that it outlined in the prior year audit.

Response: Fund 21000 is not providing enough revenue to be solvent and the school was over budget authority. The finance committee will discuss how to move forward in covering the additional costs of the lunch program so that we stay within the approved budget of the school. A plan will be implemented during the current fiscal year.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Federal Expenditures(\$)
U.S. Department of Education			
Passthrough NM Public Education Department			
Special Education Cluster (IDEA-B)			
Entitlement	84.027	NM PED,24106	\$ 590,722
Results Plan	84.027	NM PED,24132	55,699
Preschool	84.173	NM PED,24109	14,047
Total Special Education Cluster (IDEA-B)			<u>660,468</u>
Other Programs			
<1>Title I Grants to Local Educational Agencies	84.010	NM PED,24101	1,072,781
Carl Perkins Secondary Redistribution	84.048	NM PED,24176	2,473
Carl Perkins Secondary HSTW	84.048	NM PED,24180	105,387
Rural Education	84.358	NM PED,24160	57,886
English Language Acquisition State Grants	84.365	NM PED,24153	12,430
Improving Teacher Quality State Grants	84.367	NM PED,24154	192,289
Indirect costs		11000-44107	2,400
Indirect costs		11000-44205	83,729
Total Other Programs			<u>1,509,375</u>
Total Passthrough NM Public Education Department			<u>2,169,843</u>
Direct Grants			
Impact Aid	84.041		45,286
Indian Education_ Grants to Local Educational Agencies	84.060		47,598
Total Direct Grants			<u>92,884</u>
Total Department of Education			<u>2,262,727</u>
United States Department of Agriculture			
<1>National School Lunch Program	10.555		1,301,683
Commodity Supplemental Food Program	10.565		101,414
Fresh Fruit and Vegetable Program	10.582		50,379
Schools and Roads - Grants to States	10.665		20,596
Total United States Department of Agriculture			<u>1,474,072</u>
Total Expenditures of Federal Awards			<u>\$ 3,736,799</u>

<1> Major Program

Note 1 The accompanying schedule of expenditures of Federal awards include the Federal awards activity, under programs of the federal government for the year ended June 30, 2017 in accordance with the requirements of Title 2 U.S. code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the district, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

Note 2 The District has elected to not use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3 Non-Monetary assistance of \$101,414 is reported in the schedule at the fair market value of the commodities received from the Department of Agriculture.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT

OTHER DISCLOSURES

Year Ended June 30, 2017

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined, provided by and approved by management. These services are allowable under SAS 115.

EXIT CONFERENCE

An Exit Conference was held on November 13, 2017 at Taos Municipal Schools. Present were:

Taos Municipal School District

Dr. Lillian Torrez  
James Sanborn  
Bobby Spinelli  
Evangeline S. Romero  
Monica Martinez

Superintendent  
Board, President  
Director of Finance  
Audit Committee Community Member  
Financial Specialist

Anansi Charter School

Michele Hunt  
Roxanne Rane  
Mike Vigil II (via teleconference)

Director  
Governing Council, Treasurer  
Business Manager

Friends of Anansi Charter School Foundation

Amanda Allalonis

Treasurer – Friends of Anansi Charter School Foundation

Taos Charter School

Jeremy Jones  
Sanya Struck  
Mike Vigil II (via teleconference)

Director  
Governing Council, President  
Business Manager

Friends of Taos Charter School Foundation

Roberta Lerman

President - Friends of Taos Charter School Foundation

Woodard Cowen & Co.

D. Brent Woodard

CPA

An Exit Conference was held on November 13, 2017 at Vista Grande High School. Present were:

Vista Grande High School

Elizabeth Roth  
Isabelle St. Onge  
Yvette Aguilar  
Deanna Gomez (via teleconference)

Governing Council, President  
Director  
Assistant Business Manager  
Business Manager

Woodard Cowen & Co.

D. Brent Woodard

CPA