

**STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2018**

*Woodard, Cowen & Co.*

Certified Public Accountants

# INTRODUCTORY SECTION

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

TABLE OF CONTENTS

JUNE 30, 2018

	<u>Exhibit</u>	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents .....		i-v
Official Roster .....		vi
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report .....		1-3
Basic Financial Statements:		
Statement of Net Position .....	A	4
Statement of Activities .....	B	5
Balance Sheet – Governmental Funds .....	C	6
Reconciliation of the Balance Sheet		
All Governmental Funds to the		
Statement of Net Position .....	D	7
Statement of Revenue, Expenditures and		
Changes in Fund Balance – All Governmental Funds .....	E	8
Reconciliation of the Statement of Revenues,		
Expenditures, and Changes in Fund Balance- All		
Governmental Funds to the Statement of Activities .....	F	9
Combined Statement of Revenue and Expenditures – Budget		
(Non-GAAP) and Actual – General Fund .....	G	10
Statement of Fiduciary Assets and Liabilities .....	H	11
Notes to Financial Statements .....		12-77
<b>SUPPLEMENTARY INFORMATION</b>		
Non-Major Governmental Funds:		
General Fund Descriptions .....		78
Combining Balance Sheet—General Fund .....	A-1	79
Combining Statement of Revenue, Expenditures and		
Changes in Fund Balance—General Fund .....	A-2	80
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--General Fund – Operational .....	A-3	81
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--General Fund – Transportation .....	A-4	82
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--General Fund – Instructional Materials .....	A-5	83
Special Revenue Fund Descriptions .....		84-89
Combining Balance Sheet		
Non-Major Governmental Funds		
--Special Revenue Funds .....	B-1	90-99
Combining Statement of Revenues, Expenses and Changes		
In Fund Balance – Non-major Governmental Funds		
--Special Revenue Funds .....	B-2	100-109

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

TABLE OF CONTENTS, continued

JUNE 30, 2018

Capital Project Fund Descriptions.....		110-111
Combining Balance Sheet—Non-major Governmental Funds		
--Capital Project Funds .....	C-1 .....	112
Combining Statement of Revenue, Expenditures and Changes in Fund Balance— Non-major Governmental Funds		
--Capital Project Funds .....	C-2 .....	113
Debt Service Fund Description .....		114
Combining Balance Sheet—Non-major Governmental Funds		
--Debt Service Funds .....	D-1 .....	115
Combining Statement of Revenue, Expenditures and Changes in Fund Balance— Non-major Governmental Funds		
--Debt Service Funds .....	D-2 .....	116
Other Major Fund Information .....		117
Statement of Revenue and Expenditures Budget (Non-GAAP) and Actual		
-- Capital Projects Fund – SB-9 LOCAL.....	E-1 .....	118
-- Debt Service Fund.....	E-2 .....	119
Combining Statement-Component Units		
-- Combining Statement of New Position-All Component Units.....	F-1 .....	120
-- Combining Statement of Activities-All Component Units .....	F-2 .....	121
Anansi Charter School		
Statement of Net Position .....	G-1 .....	122
Statement of Activities .....	G-2 .....	123
Combining Balance Sheet-Governmental Funds .....	G-3 .....	124-126
Reconciliation of the Balance Sheet all Governmental Funds to the Statement of Net Position .....	G-4 .....	127
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds .....	G-5 .....	128-130
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances all Governmental Funds to the Statement of Activities.....	G-6 .....	131
Statement of Revenues & Expenditures, Budget and Actual General Fund – Operational.....	G-7 .....	132
Statement of Revenues & Expenditures, Budget and Actual General Fund – Instructional Materials .....	G-8 .....	133
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Food Services.....	G-9 .....	134
Statement of Revenues & Expenditures, Budget and Actual Capital Projects Fund – Title I.....	G-10 .....	135
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Idea-B Entitlement .....	G-11 .....	136
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Title XIX Medicaid.....	G-12 .....	137
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – SEG Stimulus .....	G-13 .....	138
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – 2012 GO Bond.....	G-14 .....	139
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – NM Reads to Lead K-3 .....	G-15 .....	140

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOL DISTRICT

TABLE OF CONTENTS, continued

JUNE 30, 2018

Statement of Revenues & Expenditures, Budget and Actual		
Special Revenue Fund – Private Direct Grants.....	G-16	141
Statement of Cash Flows-Friends of Anansi Charter School.....	G-17	142
 Taos Charter School		
Statement of Net Position .....	H-1	143
Statement of Activates .....	H-2	144
Combining Balance Sheet-Governmental Funds .....	H-3	145-148
Reconciliation of the Balance Sheet all Governmental Funds to the Statement of Net Position .....	H-4	149
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds .....	H-5	150-153
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances all Governmental Funds to the Statement of Activities.....	H-6	154
Statement of Revenues & Expenditures, Budget and Actual General Fund – Operational.....	H-7	155
Statement of Revenues & Expenditures, Budget and Actual General Fund – Instructional Materials .....	H-8	156
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Food Services .....	H-9	157
Statement of Revenues & Expenditures, Budget and Actual Capital Projects Fund – Title I.....	H-10	158
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Idea-B Entitlement .....	H-11	159
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Idea-B Risk Pool .....	H-12	160
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – USDA 2010.....	H-13	161
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Title XIX Medicaid.....	H-14	162
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – SEG Stimulus .....	H-15	163
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – 2012 GO Bond.....	H-16	164
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – NM Reads to Lead K-3 .....	H-17	165
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Truancy Initiative.....	H-18	166
Statement of Cash Flows-Friends of Anansi Charter School .....	H-19	167
 Vista Grande High School		
Statement of Net Position .....	I-1	168
Statement of Activates .....	I-2	169
Combining Balance Sheet-Governmental Funds .....	I-3	170-173
Reconciliation of the Balance Sheet all Governmental Funds to the Statement of Net Position .....	I-4	174
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds .....	I-5	175-178
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances all Governmental Funds to the Statement of Activities.....	I-6	179
Statement of Revenues & Expenditures, Budget and Actual General Fund – Operational.....	I-7	180

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOL DISTRICT

TABLE OF CONTENTS, continued

JUNE 30, 2018

Statement of Revenues & Expenditures, Budget and Actual General Fund – Instructional Materials .....	I-8 .....	181
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Food Services .....	I-9 .....	182
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Title I .....	I-10 .....	183
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Idea-B Entitlement .....	I-11 .....	184
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – USDA Equipment Assistance .....	I-12 .....	185
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Title XIX Medicaid .....	I-13 .....	186
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Truancy Initiative .....	I-14 .....	187
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Technology for Education .....	I-15 .....	188
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Teachers Hard to Staff .....	I-16 .....	189
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – State Directed .....	I-17 .....	190
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Schools Library Material Fund FY08 .....	I-18 .....	191
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – Private Direct Grants .....	I-19 .....	192
Statement of Revenues & Expenditures, Budget and Actual Special Revenue Fund – McCune Charitable Foundation .....	I-20 .....	193
Statement of Fiduciary Net Position-CU .....	I-21 .....	194
Statement of Changes in Assets and Liabilities-Agency Funds-CU .....	I-22 .....	195
Agency Fund Description .....		196
Schedule of Changes in Assets and Liabilities –Agency Funds .....	J-1 .....	197

**OTHER SUPPLEMENTARY INFORMATION**

	<u>Schedules</u>	
Required Supplementary Information .....		198
Schedule of the Proportionate share of Net Pension Liability Educational Retirement Board (ERB) Pension Plan – Last 10 Fiscal Years .....	1 .....	199-202
Schedule of Contributions Educational Retirement Board (ERB) Pension Plan – Last 10 Fiscal Years .....	2 .....	203-206
Notes to Required Supplementary Information .....		207-210
Schedule of the Proportionate share of OPEB Liability New Mexico Retiree Health Care Association – Last 10 Fiscal Years .....	3 .....	211-214
Schedule of Contributions New Mexico Retiree Health Care Association – Last 10 Fiscal Years .....	4 .....	215-218
Other Supplementary Information .....		219
Bank Summary .....	5 .....	220-223
Schedule of Pledged Collateral .....	6 .....	224-227
Bank Reconciliation .....	7 .....	228-236
Schedule of Joint Powers Agreements .....	8 .....	237

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT

TABLE OF CONTENTS, continued

JUNE 30, 2018

**COMPLIANCE SECTION**

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 .....238-239

**FEDERAL FINANCIAL ASSISTANCE**

Independent Auditors Report on Compliance for Each Major  
Program and on Internal Control Over Compliance  
Required by the Uniform Guidance .....240-241

Single Audit Section .....242

Schedule of Findings and Questioned Costs .....243-246

Schedule of 12-6-5 NMSA 1978 Findings .....247-249

Schedule of Expenditures of Federal Awards .....250

Other Disclosures .....251

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2018

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, 2018, 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, 2018 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, 2018, 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, 2018, 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 199, the *Schedule of Contributions to ERB* on page 203, with the notes to the required supplementary information on page 207, the *Schedule of Proportionate Share of the Net OPEB Liability* on page 211, and the *Schedule of Contributions to New Mexico Retiree Health Care* on page 215, 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 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 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 14, 2018 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 14, 2018

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities	Component Units
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,819,317	\$ 974,460
Investments	-	91,532
Property taxes receivable	1,270,522	-
Due from other governments	1,241,326	181,413
Due from other entities	-	206,027
Inventories	26,341	-
Total current assets	<u>12,357,506</u>	<u>1,453,432</u>
Non-current assets:		
Prepaid lease	-	558,890
Capital assets, net	72,959,019	6,081,836
Total non-current assets	<u>72,959,019</u>	<u>6,640,726</u>
Total assets	<u>85,316,525</u>	<u>8,094,158</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	16,727,078	3,893,438
Deferred outflows related to OPEB	253,912	50,153
Deferred outflows related to bond refunding	348,762	-
Total deferred outflows	<u>17,329,752</u>	<u>3,943,591</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accrued payroll liabilities	648,002	286,285
Accrued interest payable	440,924	-
Due to other governments	- 373,015	-
Current portion of unearned lease income	-	46,584
Current portion of long term debt	2,675,000	25,434
Total current liabilities	<u>4,136,941</u>	<u>358,303</u>
Non-current liabilities:		
Non-current portion of long term debt	27,120,000	2,310,291
Non-current portion of unearned lease income	-	512,306
Net pension liability	50,941,916	9,946,554
Net OPEB liability	13,958,912	2,508,280
Bond premium, net	1,697,191	-
Total non-current liabilities	<u>93,718,019</u>	<u>15,277,431</u>
Total liabilities	<u>97,854,960</u>	<u>15,635,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	1,623	-
Deferred inflows related to pensions	2,083,771	163,921
Deferred inflows related to OPEB	3,177,016	570,880
Total deferred inflows	<u>5,262,410</u>	<u>734,801</u>
<b>NET POSITION</b>		
Net investment in capital assets	43,164,019	3,746,111
Restricted:		
Debt Service	3,164,852	-
Special Revenue	521,795	21,808
Capital Projects	1,983,473	442,589
Unrestricted	(49,305,232)	(8,543,294)
Total net position	<u>\$ (471,093)</u>	<u>\$ (4,332,786)</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, 2018

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
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 21,113,761	\$ 56,512	\$ 1,824,292	\$ -	\$ (19,232,967)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	2,449,794	-	720,754	-	(1,729,040)	-
Support Services Instruction	183,768	-	13,095	-	(170,673)	-
Support Services General Administration	1,144,320	-	237,290	-	(907,030)	-
Support Services School Administration	1,048,381	-	30,490	-	(1,017,891)	-
Central Services	816,509	-	192,833	-	(625,676)	-
Operation and Maintenance of Plant	2,374,234	-	1,875	-	(2,372,359)	-
Student Transportation	960,178	-	937,523	-	(22,655)	-
Other Support Services	518,400	-	-	-	(518,400)	-
Food Services Operations	1,732,969	228,032	1,464,834	-	(40,103)	-
Bond Interest Paid and Bond Issuance Cost	1,333,703	-	-	-	(1,333,703)	-
Amortization - Unallocated	(162,573)	200,819	703,488	161,699	1,228,559	-
<b>Total governmental activities</b>	<b>\$ 33,515,444</b>	<b>\$ 485,363</b>	<b>\$ 6,126,454</b>	<b>\$ 161,699</b>	<b>(26,741,928)</b>	<b>-</b>
<b>Component Units</b>						
Anansi Charter School	\$ 2,957,300	\$ 295,869	\$ 444,501	\$ 288,689		(1,948,241)
Taos Charter School	2,951,782	159,836	305,744	288,024		(2,198,178)
Vista Grande High School	1,688,240	2,370	178,536	73,203		(1,434,131)
<b>Total Component Units</b>	<b>\$ 7,597,322</b>	<b>\$ 458,075</b>	<b>\$ 928,781</b>	<b>\$ 629,916</b>		<b>(5,560,550)</b>
<b>General revenues:</b>						
<b>Property Taxes:</b>						
					200,110	-
					3,380,665	-
					2,310,934	-
					17,784,011	4,044,464
					588,111	-
					4,140	4,165
					42,287	92,177
					<b>24,310,258</b>	<b>4,140,806</b>
					(2,431,670)	(1,439,744)
					18,541,558	61,963
					(16,580,981)	(2,955,005)
					1,960,577	(2,893,042)
					<b>\$ (471,093)</b>	<b>\$ (4,332,786)</b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT C

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2018

	GENERAL	SB-9 LOCAL	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,394,338	\$ 1,584,198	\$ 2,856,433	\$ 1,984,348	\$ 9,819,317
Accounts Receivable					
Property Taxes Receivable	37,690	504,065	555,460	173,307	1,270,522
Federal	-	-	-	815,681	815,681
State	-	-	-	425,645	425,645
Others	-	-	-	-	-
Inventories	-	-	-	26,341	26,341
Due from Other Funds	1,315,368	-	3,875	-	1,319,243
<b>TOTAL ASSETS</b>	<b>\$ 4,747,396</b>	<b>\$ 2,088,263</b>	<b>\$ 3,415,768</b>	<b>\$ 3,425,322</b>	<b>\$ 13,676,749</b>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	648,002	-	-	-	648,002
Due to Charter Schools	-	267,157	-	105,858	373,015
Due to Other Funds	12	-	-	1,319,231	1,319,243
Accrued Interest Payable	-	-	432,196	8,728	440,924
<b>TOTAL LIABILITIES</b>	<b>648,014</b>	<b>267,157</b>	<b>432,196</b>	<b>1,433,817</b>	<b>2,781,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	1,623	1,623
Unavailable Revenue - Property Taxes	32,946	450,249	488,502	159,348	1,131,045
<b>TOTAL DEFERRED INFLOWS</b>	<b>32,946</b>	<b>450,249</b>	<b>488,502</b>	<b>160,971</b>	<b>1,132,668</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	26,341	26,341
Restricted	102,718	1,370,857	2,495,070	1,804,193	5,772,838
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,963,718	-	-	-	3,963,718
<b>TOTAL FUND BALANCE</b>	<b>4,066,436</b>	<b>1,370,857</b>	<b>2,495,070</b>	<b>1,830,534</b>	<b>9,762,897</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 4,747,396</b>	<b>\$ 2,088,263</b>	<b>\$ 3,415,768</b>	<b>\$ 3,425,322</b>	<b>\$ 13,676,749</b>

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

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, 2018

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

Fund Balances - total governmental funds	\$ 9,762,897
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	72,959,019
Deferred outflows related to pensions not reported in the funds	16,727,078
Deferred outflows related to OPEB not reported in the funds	253,912
Deferred outflows related to bond refunding	348,762
Net pension liability not reported in the funds	(50,941,916)
Net OPEB liability not reported in the funds	(13,958,912)
Deferred inflows related to pensions not reported in the funds	(2,083,771)
Deferred inflows related to OPEB not reported in the funds	(3,177,016)
Delinquent property taxes	1,131,045
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	(29,795,000)
Bond Premium, net	(1,697,191)
Net position of governmental activities	<u>\$ (471,093)</u>

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT E

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

Year Ended June 30, 2018

	GENERAL	SB-9 LOCAL	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
<b>REVENUE</b>					
Federal Programs	\$ 278,710	\$ -	\$ 588,111	\$ 3,632,074	\$ 4,498,895
State Programs	1,071,938	-	-	1,041,741	2,113,679
Local Programs	233,011	-	-	30,679	263,690
State Equalization	17,784,011	-	-	-	17,784,011
Service Revenues	189,924	-	-	295,439	485,363
Taxes	203,057	2,313,502	2,863,608	587,219	5,967,386
Interest	2,434	766	845	95	4,140
Other revenue sources	34,063	8,224	-	-	42,287
<b>TOTAL REVENUES</b>	<b>19,797,148</b>	<b>2,322,492</b>	<b>3,452,564</b>	<b>5,587,247</b>	<b>31,159,451</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Instruction	11,071,344	-	-	1,821,179	12,892,523
Support Services	-	-	-	-	-
Support Services Students	1,732,011	-	-	717,783	2,449,794
Support Services Instruction	154,635	-	-	13,095	167,730
Support Services General Administration	843,303	23,194	28,735	243,742	1,138,974
Support Services School Administration	1,017,891	-	-	30,490	1,048,381
Central Services	620,330	-	-	192,833	813,163
Operation and Maintenance of Plant	2,348,434	-	-	1,875	2,350,309
Student Transportation	916,112	-	-	21,789	937,901
Other Support Services	1,515	516,885	-	-	518,400
Food Services Operations	-	-	-	1,732,969	1,732,969
Capital Outlay	-	1,965,402	-	839,804	2,805,206
Debt Service	-	-	-	-	-
Principal	-	-	2,045,000	560,000	2,605,000
Bond issuance Cost	-	-	-	-	-
Interest and Fiscal Charge	-	-	1,296,121	37,582	1,333,703
<b>TOTAL EXPENDITURES</b>	<b>18,705,575</b>	<b>2,505,481</b>	<b>3,369,856</b>	<b>6,213,141</b>	<b>30,794,053</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>1,091,573</b>	<b>(182,989)</b>	<b>82,708</b>	<b>(625,894)</b>	<b>365,398</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In/ Transfers (Out)	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,091,573</b>	<b>(182,989)</b>	<b>82,708</b>	<b>(625,894)</b>	<b>365,398</b>
<b>FUND BALANCE</b>					
June 30, 2017	2,974,877	1,553,846	2,412,362	2,456,428	9,397,513
Restatements	(14)	-	-	-	(14)
June 30, 2017 as restated	2,974,863	1,553,846	2,412,362	2,456,428	9,397,499
<b>FUND BALANCE June 30, 2018</b>	<b>\$ 4,066,436</b>	<b>\$ 1,370,857</b>	<b>\$ 2,495,070</b>	<b>\$ 1,830,534</b>	<b>\$ 9,762,897</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, 2018

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

Net change in fund balance - total governmental funds	\$ 365,398
<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	567,161
Depreciation	(179,864)
<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>	
	-
<p>Expenses in Statement of Activities which do not require use of current financial resources</p>	
Amortization of bond premium	162,573
Pension related expense	(5,575,212)
OPEB related expense	(301,049)
Change in delinquent property taxes	(75,677)
Bond Principal	2,605,000
Change in Net Position	<u>\$ (2,431,670)</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 64,500	\$ 64,500	\$ 278,710	\$ 214,210
State Programs	18,733,483	18,873,762	18,855,949	(17,813)
Local Programs	443,483	443,483	663,064	219,581
<b>TOTAL REVENUE</b>	<u>19,241,466</u>	<u>19,381,745</u>	<u>\$ 19,797,723</u>	<u>\$ 415,978</u>
<b>BUDGETED CASH BALANCE</b>	<u>1,412,726</u>	<u>1,412,740</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 20,654,192</u>	<u>\$ 20,794,485</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 11,953,507	\$ 11,966,986	\$ 11,089,197	\$ 877,789
Support Services	-	-	-	-
Support Services Students	1,848,600	1,900,600	1,732,011	168,589
Support Services Instruction	159,000	179,000	154,635	24,365
Support Services General Administration	899,325	931,125	850,895	80,230
Support Services School Administration	1,085,150	1,100,650	1,017,891	82,759
Central Services	607,201	657,501	620,848	36,653
Operation and Maintenance of Plant	2,573,700	2,570,750	2,401,672	169,078
Student Transportation	1,015,842	973,006	916,204	56,802
Other Support Services	511,867	514,867	1,515	513,352
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 20,654,192</u>	<u>\$ 20,794,485</u>	<u>\$ 18,784,868</u>	<u>\$ 2,009,617</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT H

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 511,991
TOTAL ASSETS	<u>\$ 511,991</u>
LIABILITIES	
Due To Student Groups	\$ 511,991
TOTAL LIABILITIES	<u>\$ 511,991</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, 2018

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.

During the year ended June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net OPEB 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, 2018

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, 2018

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, 2018

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.

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



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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)

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 bond 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.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 and OPEB

The government-wide financial statements report pension and OPEB 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.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 and OPEB Liabilities

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.

The District records its proportionate share of the difference between the value of total OPEB liabilities and plan assets for the State of New Mexico's Retiree Health Care Association OPEB 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, 2018

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 \$5,670,120 is comprised of Special Revenue \$521,795 Capital Projects \$1,983,473 and Debt Service Funds \$3,164,852.

**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, 2018

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 \$17,784,011 in state equalization guarantee distributions during the year ended June 30, 2018.

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 2018 fiscal year was \$1,159,825,472. 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, 2018 were \$5,967,386. Amounts collected from oil and gas taxes were \$0.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 \$915,842 in transportation distributions during the year ended June 30, 2018.

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, 2018 totaled \$70,706.

The District received \$57,699 in state SB-9 funding during the year ended June 30, 2018.

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, 2018, the District received \$104,000 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, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

18. Postemployment Benefits Other Than Pensions (OPEB).

OPEB: For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$ (29,795,000) difference is as follows:

Bonds Payable	\$ (28,225,000)
Ed Tech Equipment Note	( 1,570,000)
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (29,795,000)</u>

Other liabilities that are not reported in the funds are the net pension and net OPEB liabilities and the related deferred inflows and outflows. The details of the \$ (53,180,625) difference is as follows:

Net pension Liability	\$ (50,941,916)
Deferred outflows	16,727,078
Deferred inflows	(2,083,771)
Net OPEB Liability	(13,958,912)
Deferred outflows	253,912
Deferred inflows	<u>(3,177,016)</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position- governmental activities	<u>\$ (53,180,625)</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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.

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 \$388,397 difference is as follows:

Capital Outlay	\$ 567,161
Depreciation expense	<u>(178,864)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ 388,397</u>

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 \$2,605,000 difference is as follows:

Principal repayments:	
General obligation debt	\$ <u>2,605,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,605,000</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.



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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.
- 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.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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, 2018 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	\$ 20,654,192	\$ 20,794,485
Special Revenue Funds	4,763,179	5,992,840
Capital Projects Funds	5,110,751	5,273,093
Debt Service Funds	7,041,043	6,999,547
	<u>\$ 37,569,165</u>	<u>\$ 39,059,965</u>

B. Deficit Fund Equity

At June 30, 2018 deficit fund balances consisted of

<u>Fund</u>	<u>Amount</u>
Food Services	\$ (153,231)

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, 2018.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

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.

At June 30, 2018, the carrying amount of the District's deposits was \$10,331,308 and the bank balance was \$11,332,345 Of this balance \$500,000 was covered by federal depository insurance and \$7,728,834 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	\$	8,877,661
US Bank	Total Deposits		2,454,684
	Less: FDIC coverage		(500,000)
	Uninsured Public Funds		<u>10,832,345</u>
Pledged collateral held by pledging bank's agent in the District's name			<u>7,728,834</u>
Uninsured and un-collateralized		\$	<u><u>3,103,511</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 6 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.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

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.

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, 2018, the government bank balance was 65% collateralized. As of June 30, 2018, \$3,103,511 of the government's bank balance of \$11,332,345 was exposed to custodial credit risk.

Uninsured and un-collateralized \$ 3,103,511

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	SB-9 Local	Debt Service	Non Major Governmental	TOTAL
Taxes:					
Property	\$ 37,690	\$ 504,065	\$ 555,460	\$ 173,307	\$ 1,270,522
Intergovernmental					
Grants:					
Federal	\$ -	\$ -	\$ -	\$ 815,681	\$ 815,681
State	-	-	-	425,645	425,645
Others	-	-	-	-	-
	<u>\$ 37,690</u>	<u>\$ 504,065</u>	<u>\$ 555,460</u>	<u>\$ 1,414,633</u>	<u>\$ 2,511,848</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$1,131,045 and governmental revenues in the amount of \$1,623 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	\$ 1,131,045
Grant draw downs prior to meeting all eligibility requirements	<u>1,623</u>
Total deferred/unearned revenue for government funds	<u>\$ 1,132,668</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,528,625	\$ -	\$ -	\$ 3,528,625
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	<u>3,528,625</u>	<u>-</u>	<u>-</u>	<u>3,528,625</u>
Capital assets, being depreciated:				
Land Improvements	7,997,179	-	4,393	7,992,786
Buildings & Building Improvements	77,753,276	337,871	192,020	77,899,127
Furniture, Fixtures, Equipment & Vehicles	4,356,052	229,290	1,072,987	3,512,355
Total Capital Assets being depreciated	<u>90,106,507</u>	<u>567,161</u>	<u>1,269,400</u>	<u>89,404,268</u>
Less accumulated depreciation for:				
Land Improvements	679,167	15,986	4,393	690,760
Buildings & Building Improvements	16,760,596	156,853	192,020	16,725,429
Furniture, Fixtures, Equipment & Vehicles	3,623,647	7,025	1,072,987	2,557,685
Total accumulated depreciation	<u>21,063,410</u>	<u>179,864</u>	<u>1,269,400</u>	<u>19,973,874</u>
Total Capital assets, being depreciated, net	<u>69,043,097</u>	<u>387,297</u>	<u>-</u>	<u>69,430,394</u>
Governmental activities capital assets, net	<u>\$ 72,571,722</u>	<u>\$ 387,297</u>	<u>\$ -</u>	<u>\$ 72,959,019</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2018 was charged to function/programs of the School District as follows:

Instruction	\$ 106,932
Support Services	-
Support Services Students	-
Support Services Instruction	16,038
Support Services General Administration	5,346
Support Services School Administration	-
Central Services	5,346
Operation and Maintenance of Plant	23,925
Student Transportation	22,277
Other Support Services	-
Food Services Operations	-
Total	<u>\$ 179,864</u>

Bond premiums are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond Premium	\$ 2,185,848	\$ -	\$ -	\$ 2,185,848
Less accumulated amortization	<u>326,084</u>	<u>162,573</u>	<u>-</u>	<u>488,657</u>
Bond premium, net	<u>\$ 1,859,764</u>	<u>\$ (162,573)</u>	<u>\$ -</u>	<u>\$ 1,697,191</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2017</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2018</u>	<u>Amounts due within One Year</u>
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%	\$ 1,060,000	\$ -	\$ 520,000	\$ 540,000	\$ 540,000
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%	11,180,000	-	455,000	10,725,000	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	-
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%	10,370,000	-	1,065,000	9,305,000	1,100,000
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%	910,000	-	250,000	660,000	260,000
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%	1,220,000	-	310,000	910,000	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%	6,560,000	-	5,000	6,555,000	10,000
<b>Total</b>	<u>\$ 32,400,000</u>	<u>\$ -</u>	<u>\$ 2,605,000</u>	<u>\$ 29,795,000</u>	<u>\$ 2,675,000</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

Go Bond indebtedness typically has been liquidated using Debt Service Funds. The annual requirements to amortize all bonded debt outstanding as of June 30, 2018, including interest of \$10,975,068 are shown below:

	<b>Governmental Activities</b>	
	<b>General Obligation</b>	
	<b>Principal</b>	<b>Interest</b>
6/30/2019	\$ 2,675,000	\$ 1,347,110
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
6/30/2023	2,340,000	1,090,625
2024-2028	12,030,000	4,677,713
2029-2031	5,035,000	224,070
<b>TOTAL</b>	<b>\$ 29,795,000</b>	<b>\$ 10,975,068</b>

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 \$69,589,528 including \$29,795,000 debt outstanding based on the June 30, 2018 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, 2018

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, 2018

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

**Analysis of Savings**

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>

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

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 a pension trust fund of the State of New Mexico. 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. 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.

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

Pension 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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

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.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

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.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Contributions – For the fiscal year ended June 30, 2018 and 2017 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
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$20K or less	7.90%	13.90%	21.80%	0.00%
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%

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, 2018 and 2017, the District paid employee and employer contributions of \$3,073,569 and \$3,163,250. For the related component units those contributions for the fiscal years ended June 30, 2018 and 2017 were as follows: Anansi Charter School - \$217,810 and \$217,231; Taos Charter School - \$238,309 and \$245,051; and Vista Grande High School - \$156,168 and \$160,048, 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, 2018, the District reported a liability of \$50,941,916 for its proportionate share of the net pension liability. The reported liability for the component units are: Anansi Charter School – \$3,457,400; Taos Charter School - \$3,934,168; and Vista Grande High School - \$2,554,986. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 2, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2017. Therefore, the employer's portion was established as of the measurement date of June 30, 2017. 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, 2017, the District's proportion was 0.45838%, which was a decrease of 0.00938% from its proportion measured as of June 30, 2016. Anansi Charter School's proportion was 0.03111% which was an increase of 0.00163% from June 30, 2016; Taos Charter School's proportion was 0.03540% which was an increase of 0.00408% from June 30, 2016; and Vista Grande High School's proportion was 0.02299% which was an increase of 0.00217% from June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$5,575,212 and the component units recognized the following pension expense: Anansi Charter School - \$586,697; Taos Charter School - \$636,651; and Vista Grande High School - \$348,535. At June 30, 2018, 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, 2018

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	\$ 91,446	\$ 784,808
Changes of assumptions	14,870,946	-
Net difference between projected and actual earnings on pension plan investments	-	6,988
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,291,975
Employer contributions subsequent to the measurement date	1,764,686	-
Total	<u>\$ 16,727,078</u>	<u>\$ 2,083,771</u>

<b>Anansi Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 6,206	\$ 53,265
Changes of assumptions	1,009,283	-
Net difference between projected and actual earnings on pension plan investments	-	474
Changes in proportion and differences between contributions and proportionate share of contributions	242,854	-
Employer contributions subsequent to the measurement date	124,247	-
Total	<u>\$ 1,382,590</u>	<u>\$ 53,739</u>

<b>Taos Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 7,062	\$ 60,610
Changes of assumptions	1,148,461	-
Net difference between projected and actual earnings on pension plan investments	-	540
Changes in proportion and differences between contributions and proportionate share of contributions	220,270	-
Employer contributions subsequent to the measurement date	135,743	-
Total	<u>\$ 1,511,536</u>	<u>\$ 61,150</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

<b>Vista Grande High School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 4,586	\$ 39,362
Changes of assumptions	745,851	-
Net difference between projected and actual earnings on pension plan investments	-	350
Changes in proportion and differences between contributions and proportionate share of contributions	160,409	9,320
Employer contributions subsequent to the measurement date	88,466	-
<b>Total</b>	<b>\$ 999,312</b>	<b>\$ 49,032</b>

\$1,764,686 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 - \$124,247; Taos Charter School - \$135,743; and Vista Grande High School - \$88,466. 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	\$4,547,306	\$508,084	\$506,271	\$360,082
2019	5,402,232	470,853	525,203	323,522
2020	3,348,551	254,137	315,564	199,248
2021	(430,275)	(28,469)	(32,395)	(21,038)
2022	Unavailable	Unavailable	Unavailable	Unavailable
Thereafter	Unavailable	Unavailable	Unavailable	Unavailable

Actuarial assumptions. The total pension liability in the June 30, 2017 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, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Inflation	2.50%
Salary increases	3.25% composed of 2.50% 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	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.

Average of Expected Remaining Service Lives	Fiscal Year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Service life in years	3.35	3.77	3.92	3.88

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, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Cost-of-living increases	1.90% per year, compounded annually.
Payroll growth	3.00% per year (with no allowance for membership growth).
Contribution accumulation	The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances 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 April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted several economic assumption changes, which included a decrease in the inflation assumption from 3.00% to 2.50%. the 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)

Application of key economic projections (inflation, real growth, dividends, etc.)

Structural themes (supply and demand (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Equities	33%	
Fixed Income	26%	
Alternatives	40%	
Cash	1%	
Total	100%	7.75%

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Discount rate. A single discount rate of 5.90% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.56%, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were sufficient to finance the benefit payment through the year 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

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 5.90 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 1-percentage-point lower (4.90 percent) or 1-percentage-point higher (6.90 percent) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
Taos Municipal School's proportionate share of the net pension liability	\$ 66,313,706	\$ 50,941,916	\$ 38,376,728
Anansi Charter School's proportionate share of the net pension liability	\$ 4,500,675	\$ 3,457,400	\$ 2,604,608
Taos Charter School's proportionate share of the net pension liability	\$ 5,121,308	\$ 3,934,168	\$ 2,963,777
Vista Grande High School's proportionate share of the net pension liability	\$ 3,325,957	\$ 2,554,986	\$ 1,924,781

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, 2018

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 \$541,009 at June 30, 2018 which was paid in July 2018.

Anansi Charter School had an outstanding liability of \$39,531 to the pension plan at June 30, 2018 which was paid in July 2018.

Taos Charter School had an outstanding liability of \$40,995 to the pension plan at June 30, 2018 which was paid in July 2018.

Vista Grande High School had an outstanding liability of \$33,523 to the pension plan at June 30, 2018 which was paid in July 2018.

D. OPEB – State Retiree Health Care Plan

General Information about the OPEB

Plan description - Employees of Taos Municipal Schools (District) are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits provided - The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

Employees covered by benefit terms – At June 30, 2017, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<u>97,349</u>

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the District were \$253,912 for the year ended June 30, 2018. For the related component units those contributions for the year ended June 30, 2018 were as follows: Anansi Charter School - \$17,877; Taos Charter School - \$19,535; and Vista Grande High School - \$12,741.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2018, the District reported a liability of \$13,958,912 for its proportionate share of the net OPEB liability. The reported liability for the component units are: Anansi Charter School - \$938,056; Taos Charter School - \$884,129; and Vista Grande High School - \$686,095. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the District's proportion was 0.30803%. The proportion of the net OPEB liability for the component units are: Anansi Charter school – 0.02070%; Taos Charter School – 0.01951%; and Vista Grande High School – 0.01514%.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$301,049 and the component units recognized the following OPEB expense: Anansi Charter School - \$19,417; Taos Charter School - \$15,619; and Vista Grande High School - \$14,532. At June 30, 2018 the District and it's component units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Taos Municipal Schools</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 535,669
Changes of assumptions	-	2,440,538
Differences between projected and actual earnings on OPEB plan investments	-	200,809
Employer contributions subsequent to the measurement date	253,912	-
<b>Total</b>	<b>\$ 253,912</b>	<b>\$ 3,177,016</b>

<b>Anansi Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 35,998
Changes of assumptions	-	164,007
Differences between projected and actual earnings on OPEB plan investments	-	13,495
Employer contributions subsequent to the measurement date	17,877	-
<b>Total</b>	<b>\$ 17,877</b>	<b>\$ 213,500</b>

<b>Taos Charter School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 33,928
Changes of assumptions	-	154,579
Differences between projected and actual earnings on OPEB plan investments	-	12,719
Employer contributions subsequent to the measurement date	19,535	-
<b>Total</b>	<b>\$ 19,535</b>	<b>\$ 201,226</b>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

<b>Vista Grande High School</b>		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 26,329
Changes of assumptions	-	119,955
Differences between projected and actual earnings on OPEB plan investments	-	9,870
Employer contributions subsequent to the measurement date	12,741	-
<b>Total</b>	<b>\$ 12,741</b>	<b>\$ 156,154</b>

Deferred outflows of resources totaling \$253,912 represents the District's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. The component units' deferred outflows of resources related to OPEB from contributions made subsequent to the measurement date are as follows: Anansi Charter School - \$17,877; Taos Charter School - \$19,535; and Vista Grande High School - \$12,741. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	<b>Taos Municipal Schools</b>	<b>Anansi Charter School</b>	<b>Toas Charter School</b>	<b>Vista Grande High School</b>
2019	\$ (675,456)	\$ (45,391)	\$ (42,782)	\$ (33,199)
2020	(675,456)	(45,391)	(42,782)	(33,199)
2021	(675,456)	(45,391)	(42,782)	(33,199)
2022	(675,456)	(45,391)	(42,782)	(33,199)
2023	(475,192)	(31,936)	(30,098)	(23,358)
<b>Total</b>	<b>\$ (3,177,016)</b>	<b>\$ (213,500)</b>	<b>\$ (201,226)</b>	<b>\$ (156,154)</b>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

Actuarial assumptions - The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	4.1%
U.S. equity-large cap	9.1%
Non U.S. - emerging markets	12.2%
Non U.S. - developed equities	9.8%
Private equity	13.8%
Credit and structured finance	7.3%
Real estate	6.9%
Absolute return	6.1%
U.S. equity - small/mid cap	91.0%



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

Discount Rate - The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend Rates - The following presents the net OPEB liability of the District and its component units, as well as what the District's and its component units' net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

	1% Decrease (2.81%)	Current Discount (3.81%)	1% Increase (4.81%)
Taos Municipal Schools	\$ 16,931,943	\$ 13,958,912	\$ 11,626,302
Anansi Charter School	\$ 1,137,848	\$ 938,056	\$ 781,302
Taos Charter School	\$ 1,072,435	\$ 884,129	\$ 736,387
Vista Grande High School	\$ 832,223	\$ 686,095	\$ 571,445

The following presents the net OPEB liability of the District and its component units as well as what the District's and its component units' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Taos Municipal Schools	\$ 11,873,016	\$ 13,958,912	\$ 15,585,396
Anansi Charter School	\$ 797,881	\$ 938,056	\$ 1,047,358
Taos Charter School	\$ 752,013	\$ 884,129	\$ 987,148
Vista Grande High School	\$ 583,571	\$ 686,095	\$ 766,039

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

D. OPEB – State Retiree Health Care Plan (continued)

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability – Taos Municipal School District had an outstanding liability of \$67,031 at June 30, 2018 which was paid in July 2018.

Anansi Charter School had an outstanding liability of \$4,863 at June 30, 2018 which was paid in July 2018.

Taos Charter School had an outstanding liability of \$5,028 at June 30, 2018 which was paid in July 2018.

Vista Grande High School had an outstanding liability of \$4,097 at June 30, 2018 which was paid in July 2018.

E. Overspent Budgets

Overspent Budgets at June 30, 2018 are as follows:

<u>Fund</u>	<u>Function</u>	<u>Amount</u>
SB-9 Local	2300-SS General Administration	\$ (194)
	2900-Other Support Services	76
	2000's-Net Overspent	<u>\$ (118)</u>

F. Tax Abatements

As of June 30, 2018 there were no tax abatements in Taos County that effected Taos Municipal School District.

G. Subsequent Events

The date to which events occurring after June 30, 2018, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements and disclosures is November 14, 2018 which is the date on which the financial statements were available for release.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

H. 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, 2018 they consisted of the following:

Due To	
Operational	\$ 1,315,368
Total Due To	<u>\$ 1,315,368</u>
Due From	
Transportation	\$ 12
Food Services	180,701
Title I	240,052
IDEA-B Entitlement	265,728
IDEA-B Preschool	2,220
Fresh Fruits & Vegetables	24,131
IDEA-B Results Plan	24,148
English Language Acquisition	12,695
Teacher Principal Training	58,509
Rural & Low Income Schools	33,153
Carl D Perkins HSTW Current	36,050
Student Support & Academic Enrichment	12,326
2012 GO Bond Student Library Fund	12,840
Recruitment Support Fund	2,004
Truancy Initiative	51,293
Pre-K initiative	75,625
Indian Education Act	6,469
Breakfast for Elementary Students	170
Kindergarten Three Plus	87,193
After School & Summer Enrichment Program	8,216
College Counselor Initiative	9,308
Teachers Hard to Staff Stipend	6,075
Office of Cultural Affairs	4,753
Special Capital Outlay State	104,000
SB-9	57,699
Total Due From	<u>\$ 1,315,368</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, 2018

V. OTHER INFORMATION (continued)

I. 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 expended in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. At June 30, 2018 there were no permanent transfers.

J. Restatement of Beginning Net Position for Governmental Funds

	Governmental Activities
Net Position at June 30, 2017	\$ 18,541,558
Prior Period Adjustments	
To record the repayment of 1/2 cash balance to PED in transportation	(14)
To record deferred outflows related to OPEB liability per GASB 75	264,469
To record OPEB liability per GASB 75	(16,845,436)
Net Position at June 30, 2017 as Restated	<u>\$ 1,960,577</u>

K. Restatements of Beginning Fund Balances

Fund	Description	Amount
Transportation	To record repayment of 1/2 cash balance to PED	(14)
	Total restatements to fund balances	<u>\$ (14)</u>

L. Fund Balances Classified

Fund Balances	General Fund	SB-9 Local	Debt Service	Non-Major Governmental Funds	Total
<b>Nonspendable:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 26,341	\$ 26,341
<b>Total Nonspendable</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,341</u>	<u>26,341</u>
<b>Restricted for:</b>					
Transportation	30	-	-	-	30
Instructional Materials	102,688	-	-	-	102,688
Special Revenue Funds	-	-	-	521,795	521,795
Capital Projects	-	1,370,857	-	612,616	1,983,473
Debt Service	-	-	2,495,070	669,782	3,164,852
<b>Total Restricted</b>	<u>102,718</u>	<u>1,370,857</u>	<u>2,495,070</u>	<u>1,804,193</u>	<u>5,772,838</u>
<b>Unassigned</b>	<u>3,963,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,963,718</u>
<b>Total Fund Balances</b>	<u>\$ 4,066,436</u>	<u>\$ 1,370,857</u>	<u>\$ 2,495,070</u>	<u>\$ 1,830,534</u>	<u>\$ 9,762,897</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

V. OTHER INFORMATION (continued)

M. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>
REVENUES	
Budgetary Basis	\$ 18,811,175
Add:	
Current Year Receivables & Other Credits	4,744
Deduct:	
Prior Year Receivables & Other Debits	<u>5,319</u>
REVENUE --GAAP BASIS	<u>\$ 18,810,600</u>
EXPENDITURES	
Budgetary Basis	\$ 17,750,830
Add:	
Current Year Payables & Other Debits	-
Deduct:	
Prior Year Payables & Other Credits	<u>63,464</u>
EXPENDITURES --GAAP BASIS	<u>\$ 17,687,366</u>

<u>Transportation</u>	<u>Instructional Materials</u>	<u>SB-9 Local</u>	<u>Debt Service</u>
\$ 915,842	\$ 70,706	\$ 2,328,424	\$ 2,874,335
-	-	53,816	655,069
-	-	59,748	76,840
<u>\$ 915,842</u>	<u>\$ 70,706</u>	<u>\$ 2,322,492</u>	<u>\$ 3,452,564</u>
\$ 915,826	\$ 118,212	\$ 2,620,904	\$ 2,890,019
-	-	267,157	1,020,307
92	15,737	382,580	540,470
<u>\$ 915,734</u>	<u>\$ 102,475</u>	<u>\$ 2,505,481</u>	<u>\$ 3,369,856</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 and for the year then ended:

1. Revenues

State Equalization Guarantee - ACS received \$1,481,379 in state equalization guarantee distributions during the year ended June 30, 2018.

Instructional Materials - Allocations received by ACS from the State for the year ended June 30, 2018 totaled \$6,140.

Public School Capital Outlay - ACS received \$134,734 in awards for rent assistance during the year ended June 30, 2018.

SB-9 - ACS received \$6,272 in state SB-9 funding during the year ended June 30, 2018.

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	\$ 242,201
	Less: FDIC coverage	(242,201)
	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>170,366</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, 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, 2018, none of the Charter's bank balance of \$242,201 was exposed to custodial credit risk.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

A. Anansi Charter School (continued)

4. Receivables

Receivables for ACS as of June 30, 2018 are as follow:

	Title I	IDEA-B Entitlement	NM Reads to Lead K-3	SB-9 Local	TOTAL
Due from other governments	4,387	\$ 15,720	\$ 15,276	\$ 65,991	\$ 101,374
	<u>\$ 4,387</u>	<u>\$ 15,720</u>	<u>\$ 15,276</u>	<u>\$ 65,991</u>	<u>\$ 101,374</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, 2018 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Buildings and improvements	342,356	-	-	342,356
Equipment	79,819	-	-	79,819
Total Capital Assets being depreciated	422,175	-	-	422,175
Less accumulated depreciation for:				
Buildings and improvements	17,479	10,012	-	27,491
Equipment	59,593	4,587	-	64,180
Total accumulated depreciation	77,072	14,599	-	91,671
Total Capital assets, being depreciated, net	345,103	(14,599)	-	330,504
Governmental activities capital assets, net	\$ 345,103	\$ (14,599)	\$ -	\$ 330,504

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

Instruction	\$ 13,590
Operation and Maintenance of Plant	424
Food Services Operations	585
Total	<u>\$ 14,599</u>



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 are as follow:

There were no deficit fund balances at June 30, 2018.

B. Overspent budgets at June 30, 2018 are as follows:

There were not any overspent budgets at June 30, 2018.

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	\$ 27,362
Total Due To	<u>\$ 27,362</u>
Due From	
Title I	\$ 4,241
IDEA-B Entitlement	15,720
NM Reads to Lead K-3	7,401
Total Due From	<u>\$ 27,362</u>

D. Restatement of Beginning Net Position for ACS

	Governmental Activities
Net Position at June 30, 2017	\$ (372,151)
Prior Period Adjustments	
To record deferred outflows related to OPEB liability per GASB 75	17,772
To record OPEB liability per GASB 75	(1,132,034)
Net Position at June 30, 2017 as Restated	<u>\$ (1,486,413)</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

A. Anansi Charter School (continued)

E. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2018.

F. Permanent transfers at June 30, 2018 consisted of the following:

Fund	Transfers Out	Transfers In
Operational	\$ -	\$ 191
SEG Federal Stimulus	191	-
Total Transfers	<u>\$ 191</u>	<u>\$ 191</u>

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, 2018, ACS amortized \$46,584 of the prepaid lease expense.

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

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

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 6/30/18	\$ 193,791	\$ 19,939	\$ 213,730
FDIC coverage	(193,791)	(19,939)	(213,730)
Cash at risk	\$ -	\$ -	\$ -

2. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2018 follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 587,500	\$ -	\$ -	\$ -	\$ 587,500
Construction in progress	-	-	-	-	-
Total Capital assets, not being depreciated	587,500	-	-	-	587,500
Capital assets, being depreciated:					
Land improvements	147,878	-	-	-	147,878
Building and building improvements	3,025,240	16,880	-	-	3,042,120
Fixtures, furniture and equipment	23,624	-	-	-	23,624
Total Capital Assets being depreciated	3,196,742	16,880	-	-	3,213,622
Less accumulated depreciation for:					
Land improvements	21,772	8,152	-	-	29,924
Building and building improvements	443,651	83,699	-	-	527,350
Fixtures, furniture and equipment	23,624	-	-	-	23,624
Total accumulated depreciation	489,047	91,851	-	-	580,898
Total Capital assets, being depreciated, net	2,707,695	(74,971)	-	-	2,632,724
Governmental activities capital assets, net	\$ 3,295,195	\$ (74,971)	\$ -	\$ -	\$ 3,220,224

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, 2018

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, 2018 are as follows:

	<u>USDA Loan 1</u>	
	<u>Principal</u>	<u>Interest</u>
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
6/30/2023	41,496	54,840
2024-2028	236,974	244,706
2029-2033	294,802	186,878
2034-2038	366,741	114,939
2039-2042	332,342	28,585
TOTAL	<u>\$ 1,421,349</u>	<u>\$ 866,297</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, 2018 are as follows:

	<u>USDA Loan 2</u>	
	<u>Principal</u>	<u>Interest</u>
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
6/30/2023	15,349	35,567
2024-2028	86,649	167,931
2029-2033	105,797	148,783
2034-2038	129,179	125,401
2039-2043	157,728	96,852
2044-2048	192,584	61,997
2049-2053	208,880	19,660
TOTAL	<u>\$ 951,783</u>	<u>\$ 804,238</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018

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, 2018 and for the year then ended.

1. Revenues

State Equalization Guarantee - TCS received \$1,517,155 in state equalization guarantee distributions during the year ended June 30, 2018.

Instructional Materials - Allocations received by TCS from the State for the year ended June 30, 2018 totaled \$6,710.

Public School Capital Outlay - TCS received \$142,100 in awards for rent assistance during the year ended June 30, 2018.

SB-9 - TCS received \$392 in state SB-9 funding during the year ended June 30, 2018.

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	\$	229,045
	Less: FDIC coverage		229,045
	Uninsured Public Funds	\$	<u>458,090</u>
	Collateral requirement (50% of uninsured public funds)	\$	229,045
	Pledged collateral held by pledging bank's agent in the District's name		-
	Uninsured and un-collateralized	\$	<u>(229,045)</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, 2018, none of the Charter's bank balance of \$229,045 was exposed to custodial credit risk.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

C. Taos Charter School (continued)

4. Receivables

Receivables for TCS as of June 30, 2018 are as follow:

	Title I IASA	IDEA-B Entitlement	IDEA-B Risk Pool	2012 GO Bond	NM Reads to Lead K-3	Truancy Initiative	SB-9 SB-9	SB-9 Local	TOTAL
Due from other governments	\$ 16,520	\$ 12,912	\$ 15,281	\$ 3,574	\$ 15,485	\$ 5,738	\$ 392	\$ 75,216	\$145,118
	<u>\$ 16,520</u>	<u>\$ 12,912</u>	<u>\$ 15,281</u>	<u>\$ 3,574</u>	<u>\$ 15,485</u>	<u>\$ 5,738</u>	<u>\$ 392</u>	<u>\$ 75,216</u>	<u>\$145,118</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, 2018 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	1,913,075	-	-	1,913,075
Equipment, vehicles and other	127,970	5,000	-	132,970
Total Capital Assets being depreciated	2,041,045	5,000	-	2,046,045
Less accumulated depreciation for:				
Building and improvements	355,973	53,056	-	409,029
Equipment, vehicles and other	35,802	12,717	-	48,519
Total accumulated depreciation	391,775	65,773	-	457,548
Total Capital assets, being depreciated, net	1,588,497	(60,773)	-	1,588,497
Governmental activities capital assets, net	<u>\$ 1,838,497</u>	<u>\$ (60,773)</u>	<u>\$ -</u>	<u>\$ 1,838,497</u>

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

Instruction	\$ 61,171
Student Transportation	3,433
Food Services	1,169
Total	<u>\$ 65,773</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 are as follow:

<u>Fund Description</u>	<u>Amount</u>
Food Services	\$ (15,893)
2012 GO Bond	(853)
	<u>\$ (16,746)</u>

B. Overspent budgets at June 30, 2018 are as follows:

There were not any overspent budgets at June 30, 2018.



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 they consisted of the following:

Due To		
Operational		\$ 75,736
Total Due To		<u>\$ 75,736</u>
Due From		
Food Services	\$	15,893
Title I		15,343
IDEA - B Entitlement		12,912
IDEA - B Risk Pool		15,281
2012 GO Bond Student Library Fund		4,427
NM Reads to Lead K-3		7,856
Truancy Initiative		3,632
SB-9		392
Total Due From	\$	<u>75,736</u>

- D. Permanent transfers at June 30, 2018 consisted of the following:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
Operational	\$ -	\$ 56
IDEA-B Entitlement	-	2,345
Medicaid	2,345	-
SEG Stimulus	56	-
Total Transfers	<u>\$ 2,401</u>	<u>\$ 2,401</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

C. Taos Charter School (continued)

7. Other Required Individual Fund Disclosures (continued)

E. Restatement of Beginning Net Position for TCS

	Governmental Activities
Net Position at June 30, 2017	\$ 245,149
Prior Period Adjustments	
To reverse a receivable not approved by PED in IDEA-B Entitlement	(2,345)
To record deferred outflows related to OPEB liability per GASB 75	16,755
To record OPEB liability per GASB 75	(1,066,956)
Net Position at June 30, 2017 as Restated	<u>\$ (807,397)</u>

F. Restatements of Beginning Fund Balances

Fund	Description	Amount
IDEA-B Entitlement	To reverse a receivable not approved by PED	(2,345)
	Total restatements to fund balances	<u>\$ (2,345)</u>

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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

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

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	\$ 115,874	\$ 115,874
FDIC coverage	(115,874)	(115,874)
Cash at risk	\$ -	\$ -

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, 2018, 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:

	Beginning Balance	Increases	Decreases	Ending Balance
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	202,114	20,073	-	222,187
Total accumulated depreciation	202,114	20,073	-	222,187
Total Capital assets, being depreciated, net	532,842	(20,073)	-	512,769
Governmental activities capital assets, net	\$ 532,842	\$ (20,073)	\$ -	\$ 512,769

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

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

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.

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, 2018 and for the year then ended.

1. Revenues

State Equalization Guarantee - VGHS received \$1,045,930 in state equalization guarantee distributions during the year ended June 30, 2018.

Instructional Materials - Allocations received by VGHS from the State for the year ended June 30, 2018 totaled \$2,849.

Public School Capital Outlay - VGHS received \$68,839 in awards for rent assistance during the year ended June 30, 2018.

SB-9 - VGHS received \$4,364 in state SB-9 funding during the year ended June 30, 2018.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

E. Vista Grande High School (continued)

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	\$ 218,295
	Less: FDIC coverage	(250,000)
	Uninsured Public Funds	<u>\$ (31,705)</u>
Collateral requirement (50% of uninsured public funds)		\$ (15,853)
Pledged collateral held by pledging bank's agent in the District's name		75,000
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, 2018, 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, 2018 are as follows:

	<u>Title I</u>	<u>IDEA-B Entitlement</u>	<u>Truancy Initiative</u>	<u>Hard to Staff Initiative</u>	<u>Public School Capital Outlay</u>	<u>SB-9</u>	<u>TOTAL</u>
Due from other governments	\$ 26,461	\$ 13,785	\$ 15,131	\$ 12,368	\$ 68,839	\$ 4,364	\$140,948
	<u>\$ 26,461</u>	<u>\$ 13,785</u>	<u>\$ 15,131</u>	<u>\$ 12,368</u>	<u>\$ 68,839</u>	<u>\$ 4,364</u>	<u>\$140,948</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 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	-	15,136	116,434
Furniture, fixtures and equipment	135,447	7,345	-	142,792
Total Capital Assets being depreciated	<u>267,017</u>	<u>7,345</u>	<u>15,136</u>	<u>259,226</u>
Less accumulated depreciation for:				
Leasehold improvements	30,857	8,716	15,136	24,537
Furniture, fixtures and equipment	60,151	9,673	-	69,824
Total accumulated depreciation	<u>91,108</u>	<u>18,389</u>	<u>15,136</u>	<u>94,361</u>
Total Capital assets, being depreciated, net	<u>175,909</u>	<u>(11,044)</u>	<u>-</u>	<u>164,865</u>
Governmental activities capital assets, net	<u>\$ 175,909</u>	<u>\$ (11,044)</u>	<u>\$ -</u>	<u>\$ 164,865</u>

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

Instruction	\$ 18,389
Total	<u>\$ 18,389</u>

6. Long-Term Debt

Compensated Absences – During the fiscal year June 30, 2018 the board changed the leave policy, therefore the charter no longer accrues a liability for compensated absences.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018 are as follow:

There were no deficit fund balances at June 30, 2018.

B. Overspent budgets at June 30, 2018 are as follows:

There were not any overspent budgets at June 30, 2018.

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, 2018 they consisted of the following:

Due To	
Operational	\$ 135,140
Total Due To	<u>\$ 135,140</u>
Due From	
Title I	\$ 23,478
IDEA-B Entitlement	12,451
Truancy Initiative	13,765
Hard to Staff Initiative	12,243
Public School Capital Outlay	68,839
SB-9	4,364
Total Due From	<u>\$ 135,140</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. Component Units (continued)

E. Vista Grande High School (continued)

7. Other Required Individual Fund Disclosures (continued)

D. Restatement of Beginning Net Position for VGCS

	Governmental Activities
Net Position at June 30, 2017	\$ (857,706)
Prior Period Adjustments	
To record funds reverted back to PED in Tech for Ed	(1,529)
To record funds reverted back to PED in Library Material Fund FY08	(304)
To record deferred outflows related to OPEB liability per GASB 75	12,997
To record OPEB liability per GASB 75	(827,971)
To correct compensated absences due to board policy change	12,115
Net Position at June 30, 2017 as Restated	<u>\$ (1,662,398)</u>

E. Restatements of Beginning Fund Balances

Fund Description	Amount
Technolog for Education	\$ (1,529)
School Library Material Fund FY08	(304)
Total	<u>\$ (1,833)</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. COMPONENT UNITS (continued)

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

	Operational	Instructional Materials	Food Services	Title I
<b>REVENUES</b>				
Budgetary Basis	\$ 1,531,362	\$ 6,140	\$ 44,889	\$ 9,902
Add:				
Current Year Receivables & Other Credits	-	-	-	4,387
Deduct:				
Prior Year Receivables & Other Debits	-	-	-	-
<b>REVENUE --GAAP BASIS</b>	<u>\$ 1,531,362</u>	<u>\$ 6,140</u>	<u>\$ 44,889</u>	<u>\$ 14,289</u>
<b>EXPENDITURES</b>				
Budgetary Basis	\$ 1,419,412	\$ 14,750	\$ 40,700	\$ 14,144
Add:				
Current Year Payables & Other Debits	93,525	-	-	145
Deduct:				
Prior Year Payables & Other Credits	-	-	-	-
<b>EXPENDITURES --GAAP BASIS</b>	<u>\$ 1,512,937</u>	<u>\$ 14,750</u>	<u>\$ 40,700</u>	<u>\$ 14,289</u>

IDEA-B Entitlement	Title XIX Medicaid	SEG Federal Stimulus	GO 2012 Student Library Bond Fund	NM Reads to Lead K-3	Private Direct Grants
\$ 39,412	\$ 2,483	\$ -	\$ 1,353	\$ 94,086	\$ -
15,720	-	-	-	15,276	-
9,481	-	-	-	20,053	-
<u>\$ 45,651</u>	<u>\$ 2,483</u>	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 99,309</u>	<u>\$ -</u>
\$ 45,651	\$ -	\$ -	\$ 1,353	\$ 81,434	\$ -
-	-	-	-	7,875	-
-	-	-	-	-	-
<u>\$ 45,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 89,309</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

VI. COMPONENT UNITS (continued)

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

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Title I</u>	<u>IDEA-B Entitlement</u>
<b>REVENUES</b>					
Budgetary Basis	\$ 1,597,191	\$ 6,710	\$ 43,770	\$ 23,758	\$ 39,676
Add:					
Current Year Receivables & Other Credits	-	-	-	16,521	12,912
Deduct:					
Prior Year Receivables & Other Debits	-	-	-	8,824	13,489
<b>REVENUE --GAAP BASIS</b>	<b><u>\$ 1,597,191</u></b>	<b><u>\$ 6,710</u></b>	<b><u>\$ 43,770</u></b>	<b><u>\$ 31,455</u></b>	<b><u>\$ 39,099</u></b>
<b>EXPENDITURES</b>					
Budgetary Basis	\$ 1,436,546	\$ 31,315	\$ 45,406	\$ 30,277	\$ 39,099
Add:					
Current Year Payables & Other Debits	81,972	-	-	1,178	-
Deduct:					
Prior Year Payables & Other Credits	-	-	-	-	-
<b>EXPENDITURES --GAAP BASIS</b>	<b><u>\$ 1,518,518</u></b>	<b><u>\$ 31,315</u></b>	<b><u>\$ 45,406</u></b>	<b><u>\$ 31,455</u></b>	<b><u>\$ 39,099</u></b>

IDEA-B Risk Pool	USDA 2010	Title XIX Medicaid	SEG Federal Stimulus	GO 2012 Student Library Bond Fund	NM Reads to Lead K-3	Truancy Initiative
\$ -	\$ 5,425	\$ 22,240	\$ -	\$ -	\$ 117,872	\$ 21,377
15,281	-	-	-	3,574	15,485	5,738
-	5,425	-	-	-	24,748	-
<u>\$ 15,281</u>	<u>\$ -</u>	<u>\$ 22,240</u>	<u>\$ -</u>	<u>\$ 3,574</u>	<u>\$ 108,609</u>	<u>\$ 27,115</u>
\$ 15,281	\$ -	\$ 23,175	\$ -	\$ 3,574	\$ 100,980	\$ 25,008
-	-	-	-	-	7,629	2,107
-	-	-	-	-	-	-
<u>\$ 15,281</u>	<u>\$ -</u>	<u>\$ 23,175</u>	<u>\$ -</u>	<u>\$ 3,574</u>	<u>\$ 108,609</u>	<u>\$ 27,115</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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>	<u>IDEA-B Entitlement</u>
<b>REVENUES</b>					
Budgetary Basis	\$ 1,050,650	\$ 2,848	\$ 39,002	\$ 27,000	\$ 30,671
Add:					
Current Year Receivables & Other Credits	-	-	-	26,461	13,785
Deduct:					
Prior Year Receivables & Other Debits	-	-	-	27,000	30,671
<b>REVENUE --GAAP BASIS</b>	<u>\$ 1,050,650</u>	<u>\$ 2,848</u>	<u>\$ 39,002</u>	<u>\$ 26,461</u>	<u>\$ 13,785</u>
<b>EXPENDITURES</b>					
Budgetary Basis	\$ 1,088,053	\$ 3,039	\$ 29,867	\$ 23,478	\$ 12,451
Add:					
Current Year Payables & Other Debits	62,661	-	-	2,983	1,334
Deduct:					
Prior Year Payables & Other Credits	77,109	-	-	-	-
<b>EXPENDITURES --GAAP BASIS</b>	<u>\$ 1,073,605</u>	<u>\$ 3,039</u>	<u>\$ 29,867</u>	<u>\$ 26,461</u>	<u>\$ 13,785</u>

USDA Equipment Assistance	Title XIX Medicaid	Truancy Initiative	Technology for Education	Teachers Hard to Staff Initiative	State Directed Activities	Library Material Fund	Private Direct Grants	McCune Charitable Foundation
\$ -	\$ 1,039	\$ 12,902	\$ -	\$ 6,075	\$ 55,000	\$ -	\$ -	\$ 22,000
-	-	15,131	-	12,368	-	-	-	-
-	1	-	-	6,075	-	-	-	-
<u>\$ -</u>	<u>\$ 1,038</u>	<u>\$ 28,033</u>	<u>\$ -</u>	<u>\$ 12,368</u>	<u>\$ 55,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
\$ -	\$ -	\$ 26,668	\$ -	\$ 12,244	\$ 49,484	\$ -	\$ -	\$ 2,000
-	-	1,365	-	125	-	-	-	-
-	-	-	-	1	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,033</u>	<u>\$ -</u>	<u>\$ 12,368</u>	<u>\$ 49,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</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, 2018

	Operational	Transportation	Instructional Materials	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,291,608	\$ 42	\$ 102,688	\$ 3,394,338
Accounts Receivable				
Property Taxes Receivable	37,690	-	-	37,690
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	1,315,368	-	-	1,315,368
<b>TOTAL ASSETS</b>	<b>\$ 4,644,666</b>	<b>\$ 42</b>	<b>\$ 102,688</b>	<b>\$ 4,747,396</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	648,002	-	-	648,002
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	12	-	12
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>648,002</b>	<b>12</b>	<b>-</b>	<b>648,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Unavailable Revenue - Property Taxes	32,946	-	-	32,946
<b>TOTAL DEFERRED INFLOWS</b>	<b>32,946</b>	<b>-</b>	<b>-</b>	<b>32,946</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	30	102,688	102,718
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,963,718	-	-	3,963,718
<b>TOTAL FUND BALANCE</b>	<b>3,963,718</b>	<b>30</b>	<b>102,688</b>	<b>4,066,436</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 4,644,666</b>	<b>\$ 42</b>	<b>\$ 102,688</b>	<b>\$ 4,747,396</b>

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, 2018

	Operational	Transportation	Instructional Materials	TOTALS
<b>REVENUE</b>				
Federal Programs	\$ 278,710	\$ -	\$ -	\$ 278,710
State Programs	85,390	915,842	70,706	1,071,938
Local Programs	233,011	-	-	233,011
State Equalization	17,784,011	-	-	17,784,011
Service Revenues	189,924	-	-	189,924
Taxes	203,057	-	-	203,057
Interest	2,434	-	-	2,434
Other revenue sources	34,063	-	-	34,063
<b>TOTAL REVENUES</b>	<b>18,810,600</b>	<b>915,842</b>	<b>70,706</b>	<b>19,797,148</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	10,968,869	-	102,475	11,071,344
Support Services	-	-	-	-
Support Services Students	1,732,011	-	-	1,732,011
Support Services Instruction	154,635	-	-	154,635
Support Services General Administration	843,303	-	-	843,303
Support Services School Administration	1,017,891	-	-	1,017,891
Central Services	620,330	-	-	620,330
Operation and Maintenance of Plant	2,348,434	-	-	2,348,434
Student Transportation	378	915,734	-	916,112
Other Support Services	1,515	-	-	1,515
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>17,687,366</b>	<b>915,734</b>	<b>102,475</b>	<b>18,705,575</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>1,123,234</b>	<b>108</b>	<b>(31,769)</b>	<b>1,091,573</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>1,123,234</b>	<b>108</b>	<b>(31,769)</b>	<b>1,091,573</b>
<b>FUND BALANCE</b>				
June 30, 2017	2,840,484	(64)	134,457	2,974,877
Restatements	-	(14)	-	(14)
June 30, 2017 as restated	2,840,484	(78)	134,457	2,974,863
<b>FUND BALANCE June 30, 2018</b>	<b>\$ 3,963,718</b>	<b>\$ 30</b>	<b>\$ 102,688</b>	<b>\$ 4,066,436</b>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A-3

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 64,500	\$ 64,500	\$ 278,710	\$ 214,210
State Programs	84,660	84,660	85,390	730
Local Prgrams	120,000	120,000	233,011	113,011
State Equalization	17,667,427	17,802,555	17,784,011	(18,544)
Service Revenues	122,680	122,680	189,924	67,244
Taxes	198,803	198,803	203,632	4,829
Interest Income	2,000	2,000	2,434	434
Other Revenue Sources	-	-	34,063	34,063
<b>TOTAL REVENUE</b>	<u>18,260,070</u>	<u>18,395,198</u>	<u>\$ 18,811,175</u>	<u>\$ 415,977</u>
<b>BUDGETED CASH BALANCE</b>	<u>1,312,915</u>	<u>1,312,915</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 19,572,985</u>	<u>\$ 19,708,113</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 11,788,142	\$ 11,796,470	\$ 10,970,985	\$ 825,485
Support Services	-	-	-	-
Support Services Students	1,848,600	1,900,600	1,732,011	168,589
Support Services Instruction	159,000	179,000	154,635	24,365
Support Services General Administration	899,325	931,125	850,895	80,230
Support Services School Administration	1,085,150	1,100,650	1,017,891	82,759
Central Services	607,201	657,501	620,848	36,653
Operation and Maintenance of Plant	2,573,700	2,570,750	2,401,672	169,078
Student Transportation	100,000	57,150	378	56,772
Other Support Services	511,867	514,867	1,515	513,352
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 19,572,985</u>	<u>\$ 19,708,113</u>	<u>\$ 17,750,830</u>	<u>\$ 1,957,283</u>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT A-4

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	915,842	915,842	915,842	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>915,842</u>	<u>915,842</u>	<u>\$ 915,842</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>14</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 915,842</u>	<u>\$ 915,856</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	915,842	915,856	915,826	30
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 915,842</u>	<u>\$ 915,856</u>	<u>\$ 915,826</u>	<u>\$ 30</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

EXHIBIT A-5

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	65,554	70,705	70,706	1
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>65,554</u>	<u>70,705</u>	<u>\$ 70,706</u>	<u>\$ 1</u>
<b>BUDGETED CASH BALANCE</b>	<u>99,811</u>	<u>99,811</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 165,365</u>	<u>\$ 170,516</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 165,365	\$ 170,516	\$ 118,212	\$ 52,304
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>\$ 165,365</u>	<u>\$ 170,516</u>	<u>\$ 118,212</u>	<u>\$ 52,304</u>

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.

**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 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.

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

**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.

**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-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.

STUDENT SUPPORT & ACADEMIC ENRICHMENT – To support well-rounded educational opportunities, safe and healthy students and effective use of technology. Authority is the US Department of Education.

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 activates (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.

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.

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.

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.

OBESITY PROGRAM – to account for revenues used to incorporate an action plan to address nutrition and physical activity in schools (K-12). Authority for creation of this fund is the New Mexico State legislature.

RECRUITMENT SUPPORT FUND – The funding must be used for teacher recruitment efforts such as signing bonuses for new teachers, covering the costs of travel to a recruiting/hiring event, updates to websites with regard to recruitment, or the cost of placing advertisements in a newspaper or external website. Authority is the NM PED.

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.

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.

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.

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).

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.

TEACHERS 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 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.

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.

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.

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.

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.

**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.

**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.

**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.

**TRUANCY INITIATIVE** – To hire a truancy and dropout prevention coach for Taos Municipal Schools. Funding provided by 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)

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

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.

TEACHERS 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.

STATE DIRECTED ACTIVITIES - To account for expenditures related to an agreement between the REC and the PED for the purpose of providing assistance to the participating districts to meet standards of the State Performance Plan Indicators and School Grading. The fund was created by management.

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.

MCCUNE CHARITABLE FOUNDATION – To account for funds from a private local grant designed to help with education transformation and early childhood development. This includes school leadership development and multilingual educational opportunities.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

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

June 30, 2018

	Food Services	Athletics	Title I	IDEA- B Entitlement
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,129	\$ 17,137	\$ -	\$ 17
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	287,421	308,124
State	-	-	-	-
Inventories	26,341	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 27,470</b>	<b>\$ 17,137</b>	<b>\$ 287,421</b>	<b>\$ 308,141</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	47,369	42,415
Due to Other Funds	180,701	-	240,052	265,726
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>180,701</b>	<b>-</b>	<b>287,421</b>	<b>308,141</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	26,341	-	-	-
Restricted	(179,572)	17,137	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>(153,231)</b>	<b>17,137</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 27,470</b>	<b>\$ 17,137</b>	<b>\$ 287,421</b>	<b>\$ 308,141</b>

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

EXHIBIT B-1

<u>New Mexico Autism Project</u>	<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>
\$ 998	\$ -	\$ -	\$ -	\$ -	\$ 2,409
-	-	-	-	-	-
-	2,220	24,131	15,281	24,148	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 998</u>	<u>\$ 2,220</u>	<u>\$ 24,131</u>	<u>\$ 15,281</u>	<u>\$ 24,148</u>	<u>\$ 2,409</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	15,281	-	-
-	2,220	24,131	-	24,148	-
-	-	-	-	-	-
<u>-</u>	<u>2,220</u>	<u>24,131</u>	<u>15,281</u>	<u>24,148</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
998	-	-	-	-	2,409
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,409</u>
<u>\$ 998</u>	<u>\$ 2,220</u>	<u>\$ 24,131</u>	<u>\$ 15,281</u>	<u>\$ 24,148</u>	<u>\$ 2,409</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

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

June 30, 2018

	English Language Acquisition	Teacher Principal Training	21st Century Community Living Centers
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 8,123
Accounts Receivable			
Property Taxes Receivable	-	-	-
Federal	12,695	58,509	-
State	-	-	-
Inventories	-	-	-
Due from Other Funds	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 12,695</u>	<u>\$ 58,509</u>	<u>\$ 8,123</u>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-
Due to Charter Schools	-	-	-
Due to Other Funds	12,695	58,509	-
Accrued Interest Payable	-	-	-
<b>TOTAL LIABILITIES</b>	<u>12,695</u>	<u>58,509</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	-	-	8,123
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>8,123</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 12,695</u>	<u>\$ 58,509</u>	<u>\$ 8,123</u>

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

EXHIBIT B-1  
CONTINUED

Rural & Low Income Schools	Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Redistribution	Carl D Perkins HSTW Current	Student Support & Academic Enrichment	IDEA-B Entitlement Stimulus
\$ -	\$ 22,058	\$ -	\$ -	\$ -	\$ 394
-	-	-	-	-	-
34,776	-	-	36,050	12,326	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 34,776</u>	<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ 36,050</u>	<u>\$ 12,326</u>	<u>\$ 394</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
33,153	-	-	36,050	12,326	-
-	-	-	-	-	-
<u>33,153</u>	<u>-</u>	<u>-</u>	<u>36,050</u>	<u>12,326</u>	<u>-</u>
1,623	-	-	-	-	-
<u>1,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	22,058	-	-	-	394
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>22,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394</u>
<u>\$ 34,776</u>	<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ 36,050</u>	<u>\$ 12,326</u>	<u>\$ 394</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

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

June 30, 2018

	Impact Aid Special Education	Impact Aid Indian Education	GRADS Child Care CYFD	Medicaid Title XIX
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,875	\$ 25,130	\$ 6,556	\$ 463,433
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	-	-	-	-
inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,875</b>	<b>\$ 25,130</b>	<b>\$ 6,556</b>	<b>\$ 463,433</b>
<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>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-
Restricted	10,875	25,130	6,556	463,433
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>10,875</b>	<b>25,130</b>	<b>6,556</b>	<b>463,433</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 10,875</b>	<b>\$ 25,130</b>	<b>\$ 6,556</b>	<b>\$ 463,433</b>

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



EXHIBIT B-1  
CONTINUED

<u>Indian Ed Formula Grant</u>	<u>Golden Apple Foundation</u>	<u>Dual Credit Instructional Materials</u>	<u>2012 GO Bonds Student Library Fund</u>	<u>Technology For Education</u>	<u>Obesity Program</u>
\$ 784	\$ 45	\$ 1,198	\$ -	\$ 26,319	\$ 135
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,840	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 784</u>	<u>\$ 45</u>	<u>\$ 1,198</u>	<u>\$ 12,840</u>	<u>\$ 26,319</u>	<u>\$ 135</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	793	-	-	-
-	-	-	12,840	-	-
-	-	-	-	-	-
-	-	793	12,840	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
784	45	405	-	26,319	135
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>784</u>	<u>45</u>	<u>405</u>	<u>-</u>	<u>26,319</u>	<u>135</u>
<u>\$ 784</u>	<u>\$ 45</u>	<u>\$ 1,198</u>	<u>\$ 12,840</u>	<u>\$ 26,319</u>	<u>\$ 135</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOL

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

June 30, 2018

	Recruitment Support Fund	Incentives for School Improvement Act	Truancy Initiative	Pre-K Initiative
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 44,234	\$ -	\$ -
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	2,004	-	51,293	75,625
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,004</u>	<u>\$ 44,234</u>	<u>\$ 51,293</u>	<u>\$ 75,625</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	2,004	-	51,293	75,625
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>2,004</u>	<u>-</u>	<u>51,293</u>	<u>75,625</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	-	44,234	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>44,234</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 2,004</u>	<u>\$ 44,234</u>	<u>\$ 51,293</u>	<u>\$ 75,625</u>

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

EXHIBIT B-1  
CONTINUED

Indian Education Act	Beginning Teacher Mentoring	Breakfast for Elementary Students	Kindergarten Three Plus	After School & Summer Enrichment Program	STEM Teacher Initiative
\$ -	\$ 9,934	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,469	-	170	87,193	8,216	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,469</u>	<u>\$ 9,934</u>	<u>\$ 170</u>	<u>\$ 87,193</u>	<u>\$ 8,216</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,469	-	170	87,193	8,216	-
-	-	-	-	-	-
<u>6,469</u>	<u>-</u>	<u>170</u>	<u>87,193</u>	<u>8,216</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,934	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,934	-	-	-	-
<u>\$ 6,469</u>	<u>\$ 9,934</u>	<u>\$ 170</u>	<u>\$ 87,193</u>	<u>\$ 8,216</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL

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

June 30, 2018

	College Counselor Initiative	Teachers Hard to Staff Stipend
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ -
Accounts Receivable		
Property Taxes Receivable	-	-
Federal	-	-
State	9,308	6,075
Inventories	-	-
Due from Other Funds	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 9,308</u></b>	<b><u>\$ 6,075</u></b>
<b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ -	\$ -
Accrued Payroll Liabilities	-	-
Due to Charter Schools	-	-
Due to Other Funds	9,308	6,075
Accrued Interest Payable	-	-
<b>TOTAL LIABILITIES</b>	<b><u>9,308</u></b>	<b><u>6,075</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCE</b>		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCE</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 9,308</u></b>	<b><u>\$ 6,075</u></b>

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

EXHIBIT B-1  
CONTINUED

School Library Material Fund FY08	Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction	Private Direct Grants	Total Non-Major Special Revenue Funds
\$ 972	\$ -	\$ 55,578	\$ 12	\$ 5,836	\$ 703,306
-	-	-	-	-	-
-	-	-	-	-	815,681
-	4,753	-	-	-	263,946
-	-	-	-	-	26,341
-	-	-	-	-	-
<u>\$ 972</u>	<u>\$ 4,753</u>	<u>\$ 55,578</u>	<u>\$ 12</u>	<u>\$ 5,836</u>	<u>\$ 1,809,274</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	105,858
-	4,753	-	-	-	1,153,657
-	-	-	-	-	-
-	4,753	-	-	-	1,259,515
-	-	-	-	-	1,623
-	-	-	-	-	1,623
-	-	-	-	-	26,341
972	-	55,578	12	5,836	521,795
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>972</u>	<u>-</u>	<u>55,578</u>	<u>12</u>	<u>5,836</u>	<u>548,136</u>
<u>\$ 972</u>	<u>\$ 4,753</u>	<u>\$ 55,578</u>	<u>\$ 12</u>	<u>\$ 5,836</u>	<u>\$ 1,809,274</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, 2018

	Food Services	Athletics	Title I	IDEA- B Entitlement
<b>REVENUE</b>				
Federal Programs	\$ 1,345,394	\$ -	\$ 800,797	\$ 717,164
State Programs	60,972	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	228,032	67,407	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,634,398</b>	<b>67,407</b>	<b>800,797</b>	<b>717,164</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	56,512	523,914	301,889
Support Services	-	-	-	-
Support Services Students	-	-	74,906	216,060
Support Services Instruction	-	-	-	150
Support Services General Administration	-	-	129,772	92,131
Support Services School Administration	-	-	-	734
Central Services	-	-	72,205	103,343
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	2,857
Food Services Operations	1,674,501	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,674,501</b>	<b>56,512</b>	<b>800,797</b>	<b>717,164</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(40,103)</b>	<b>10,895</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>(40,103)</b>	<b>10,895</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2017	(113,128)	6,242	-	-
<b>FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
June 30, 2018	\$ (153,231)	\$ 17,137	\$ -	\$ -

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



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, 2018

	English Language Acquisition	Teacher Principal Training	21st Century Community Living Centers
<b>REVENUE</b>			
Federal Programs	\$ 25,641	\$ 178,674	\$ -
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Service Revenues	-	-	-
Taxes	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
<b>TOTAL REVENUES</b>	<b>25,641</b>	<b>178,674</b>	<b>-</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	25,138	168,004	-
Support Services	-	-	-
Support Services Students	-	46	-
Support Services Instruction	-	-	-
Support Services General Administration	503	5,507	-
Support Services School Administration	-	5,117	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,641</b>	<b>178,674</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>			
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, 2017	-	-	8,123
<b>FUND BALANCE</b>			
June 30, 2018	\$ -	\$ -	\$ 8,123

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



EXHIBIT B-2  
CONTINUED

Rural & Low Income Schools	Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Redistribution	Carl D Perkins HSTW Current	Student Support & Academic Enrichment	IDEA-B Entitlement Stimulus
\$ 44,081	\$ -	\$ -	\$ 73,942	\$ 12,326	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,081</u>	<u>-</u>	<u>-</u>	<u>73,942</u>	<u>12,326</u>	<u>-</u>
42,722	-	-	70,656	-	-
-	-	-	-	-	-
-	-	-	502	12,326	-
-	-	-	-	-	-
1,359	-	-	2,279	-	-
-	-	-	505	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,081</u>	<u>-</u>	<u>-</u>	<u>73,942</u>	<u>12,326</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	22,058	-	-	-	394
<u>\$ -</u>	<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</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, 2018

	Impact Aid Special Education	Impact Aid Indian Education	GRADS Child Care CYFD	Medicaid Title XIX
<b>REVENUE</b>				
Federal Programs	\$ 11,237	\$ 10,182	\$ -	\$ 245,186
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>11,237</b>	<b>10,182</b>	<b>-</b>	<b>245,186</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	17,560	2,261	-	12,387
Support Services	-	-	-	-
Support Services Students	101	50	-	154,418
Support Services Instruction	-	-	-	-
Support Services General Administration	562	2	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,223</b>	<b>2,313</b>	<b>-</b>	<b>166,805</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(6,986)</b>	<b>7,869</b>	<b>-</b>	<b>78,381</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>(6,986)</b>	<b>7,869</b>	<b>-</b>	<b>78,381</b>
<b>FUND BALANCE</b>				
June 30, 2017	17,861	17,261	6,556	385,052
<b>FUND BALANCE</b>				
June 30, 2018	\$ 10,875	\$ 25,130	\$ 6,556	\$ 463,433

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

EXHIBIT B-2  
CONTINUED

Indian Ed Formula Grant	Golden Apple Foundation	Dual Credit Instructional Materials	2012 GO Bonds Student Library Fund	Technology For Education	Obesity Program
\$ 51,270	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,371	12,945	-	-
-	953	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>51,270</u>	<u>953</u>	<u>6,371</u>	<u>12,945</u>	<u>-</u>	<u>-</u>
39,466	908	6,371	-	-	-
-	-	-	-	-	-
10,005	-	-	-	-	-
-	-	-	12,945	-	-
1,573	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>51,044</u>	<u>908</u>	<u>6,371</u>	<u>12,945</u>	<u>-</u>	<u>-</u>
226	45	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
226	45	-	-	-	-
558	-	405	-	26,319	135
<u>\$ 784</u>	<u>\$ 45</u>	<u>\$ 405</u>	<u>\$ -</u>	<u>\$ 26,319</u>	<u>\$ 135</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, 2018

	Recruitment Support Fund	Incentives for School Improvement Act	Truancy Initiative	Pre-K Initiative
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,004	-	188,064	247,470
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,004</b>	<b>-</b>	<b>188,064</b>	<b>247,470</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	244,615
Support Services	-	-	-	-
Support Services Students	-	-	188,064	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	2,855
Support Services School Administration	-	-	-	-
Central Services	2,004	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,004</b>	<b>-</b>	<b>188,064</b>	<b>247,470</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, 2017	-	44,234	-	-
<b>FUND BALANCE</b>	<b>-</b>	<b>44,234</b>	<b>-</b>	<b>-</b>
June 30, 2018	\$ -	\$ 44,234	\$ -	\$ -

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

EXHIBIT B-2  
CONTINUED

Indian Education Act	Beginning Teacher Mentoring	Breakfast for Elementary Students	Kindergarten Three Plus	After School & Summer Enrichment Program	STEM Teacher Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,386	-	1,693	228,556	24,097	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,386</u>	<u>-</u>	<u>1,693</u>	<u>228,556</u>	<u>24,097</u>	<u>-</u>
10,386	-	-	179,527	24,097	-
-	-	-	-	-	-
-	-	-	5,412	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24,098	-	-
-	-	-	-	-	-
-	-	-	1,875	-	-
-	-	-	17,644	-	-
-	-	1,693	-	-	-
-	-	-	-	-	-
<u>10,386</u>	<u>-</u>	<u>1,693</u>	<u>228,556</u>	<u>24,097</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,934	-	-	-	-
<u>\$ -</u>	<u>\$ 9,934</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, 2018

	College Counselor Initiative	Teachers Hard to Staff Stipend
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	36,750	6,075
Local Programs	-	-
State Equalization	-	-
Service Revenues	-	-
Taxes	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>36,750</u>	<u>6,075</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services Students	36,750	6,075
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>36,750</u>	<u>6,075</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-
Other Financing Sources (Uses)		
Transfer In/Transfers (Out)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE		
June 30, 2017	<u>-</u>	<u>-</u>
FUND BALANCE		
June 30, 2018	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT B-2  
CONTINUED

School Library Material Fund FY08	Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction	Private Direct Grants	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,632,074
-	4,758	47,901	2,000	-	880,042
-	-	-	-	29,726	30,679
-	-	-	-	-	-
-	-	-	-	-	295,439
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,758	47,901	2,000	29,726	4,838,234
-	4,758	21,628	-	29,726	1,821,179
-	-	-	-	-	-
-	-	6,545	3,686	-	717,783
-	-	-	-	-	13,095
-	-	-	-	-	237,852
-	-	-	-	-	30,490
-	-	-	-	-	192,833
-	-	-	-	-	1,875
-	-	-	-	-	21,789
-	-	-	-	-	1,732,969
-	-	-	-	-	-
-	4,758	28,173	3,686	29,726	4,769,865
-	-	19,728	(1,686)	-	68,369
-	-	-	-	-	-
-	-	-	-	-	-
-	-	19,728	(1,686)	-	68,369
972	-	35,850	1,698	5,836	479,767
\$ 972	\$ -	\$ 55,578	\$ 12	\$ 5,836	\$ 548,136

## CAPITAL PROJECTS FUND

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

**SPECIAL CAPITAL OUTLAY-STATE** - To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

**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**

**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.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT C-1

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

JUNE 30, 2018

	Special Capital Outlay - Local	Special Capital Outlay - State	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,000	\$ -	\$ -	\$ 591,616	\$ 612,616
Accounts Receivable					
Property Taxes Receivable	-	-	-	-	-
Federal	-	-	-	-	-
State	-	104,000	57,699	-	161,699
Due from Other Funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 21,000</b>	<b>\$ 104,000</b>	<b>\$ 57,699</b>	<b>\$ 591,616</b>	<b>\$ 774,315</b>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-	-
Due to Charter Schools	-	-	-	-	-
Due to Other Funds	-	104,000	57,699	-	161,699
Accrued Interest Payable	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>104,000</b>	<b>57,699</b>	<b>-</b>	<b>161,699</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
Unavailable Revenue - Property Taxes	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	21,000	-	-	591,616	612,616
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>591,616</b>	<b>612,616</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 21,000</b>	<b>\$ 104,000</b>	<b>\$ 57,699</b>	<b>\$ 591,616</b>	<b>\$ 774,315</b>

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

EXHIBIT C-2

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

JUNE 30, 2018

	Special Capital Outlay - Local	Special Capital Outlay - State	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
<b>REVENUE</b>					
Federal Programs	\$ -	\$ -	\$ -	\$ -	\$ -
State Programs	-	104,000	57,699	-	161,699
Local Programs	-	-	-	-	-
State Equalization	-	-	-	-	-
Service Revenues	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	-	-	-	95	95
Other revenue sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>104,000</b>	<b>57,699</b>	<b>95</b>	<b>161,794</b>
<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	-	104,000	57,699	678,105	839,804
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>104,000</b>	<b>57,699</b>	<b>678,105</b>	<b>839,804</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(678,010)</b>	<b>(678,010)</b>
Other Financial Sources (Uses)					
Transfer In/Transfers (Out)	-	-	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(678,010)</b>	<b>(678,010)</b>
<b>FUND BALANCE</b>					
June 30, 2017	21,000	-	-	1,269,626	1,290,626
<b>FUND BALANCE</b>					
June 30, 2018	<b>\$ 21,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 591,616</b>	<b>\$ 612,616</b>

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, 2018

	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	\$ 668,426	\$ 668,426	\$ 703,306	\$ 612,616	\$ 1,984,348
Accounts Receivable					
Property Taxes	173,307	173,307	-	-	173,307
Federal	-	-	815,681	-	815,681
State	-	-	263,946	161,699	425,645
Inventories			26,341	-	26,341
Due from Other Funds			-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 841,733</u>	<u>\$ 841,733</u>	<u>\$ 1,809,274</u>	<u>\$ 774,315</u>	<u>\$ 3,425,322</u>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-	-
Due to Charter Schools	-	-	105,858	-	105,858
Due to Other Funds	3,875	3,875	1,153,657	161,699	1,319,231
Accrued Interest	8,728	8,728	-	-	8,728
<b>TOTAL LIABILITIES</b>	<u>12,603</u>	<u>12,603</u>	<u>1,259,515</u>	<u>161,699</u>	<u>1,433,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	1,623	-	1,623
Unavailable Revenue - Property Taxes	159,348	159,348	-	-	159,348
<b>TOTAL DEFERRED INFLOWS</b>	<u>159,348</u>	<u>159,348</u>	<u>1,623</u>	<u>-</u>	<u>160,971</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	26,341	-	26,341
Restricted	669,782	669,782	521,795	612,616	1,804,193
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>669,782</u>	<u>669,782</u>	<u>548,136</u>	<u>612,616</u>	<u>1,830,534</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 841,733</u>	<u>\$ 841,733</u>	<u>\$ 1,809,274</u>	<u>\$ 774,315</u>	<u>\$ 3,425,322</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, 2018

	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	\$ -	\$ -	\$ 3,632,074	\$ -	\$ 3,632,074
State Programs	-	-	880,042	161,699	1,041,741
Local Programs	-	-	30,679	-	30,679
State Equalization	-	-	-	-	-
Service Revenues	-	-	295,439	-	295,439
Taxes	587,219	587,219	-	-	587,219
Interest	-	-	-	95	95
Other revenue sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>587,219</b>	<b>587,219</b>	<b>4,838,234</b>	<b>161,794</b>	<b>5,587,247</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Instruction	-	-	1,821,179	-	1,821,179
Support Services	-	-	-	-	-
Support Services Students	-	-	717,783	-	717,783
Support Services Instruction	-	-	13,095	-	13,095
Support Services General Administration	5,890	5,890	237,852	-	243,742
Support Services School Administration	-	-	30,490	-	30,490
Central Services	-	-	192,833	-	192,833
Operation and Maintenance of Plant	-	-	1,875	-	1,875
Student Transportation	-	-	21,789	-	21,789
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	1,732,969	-	1,732,969
Capital Outlay	-	-	-	839,804	839,804
<b>Debt Service</b>					
Principal	560,000	560,000	-	-	560,000
Interest and Fiscal Charge	37,582	37,582	-	-	37,582
<b>TOTAL EXPENDITURES</b>	<b>603,472</b>	<b>603,472</b>	<b>4,769,865</b>	<b>839,804</b>	<b>6,213,141</b>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUE OVER EXPENDITURES</b>	<b>(16,253)</b>	<b>(16,253)</b>	<b>68,369</b>	<b>(678,010)</b>	<b>(625,894)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In/Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(16,253)</b>	<b>(16,253)</b>	<b>68,369</b>	<b>(678,010)</b>	<b>(625,894)</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>
<b>FUND BALANCE June 30, 2018</b>	<b>\$ 669,782</b>	<b>\$ 669,782</b>	<b>\$ 548,136</b>	<b>\$ 612,616</b>	<b>\$ 1,830,534</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	2,273,098	2,273,098	2,328,424	55,326
<b>TOTAL REVENUE</b>	<u>2,273,098</u>	<u>2,273,098</u>	<u>\$ 2,328,424</u>	<u>\$ 55,326</u>
<b>BUDGETED CASH BALANCE</b>	<u>1,563,271</u>	<u>1,563,271</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 3,836,369</u>	<u>\$ 3,836,369</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	23,000	23,000	23,194	(194)
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	560,000	576,600	576,524	76
Food Services Operations	-	-	-	-
Capital Outlay	3,253,369	3,236,769	2,021,186	1,215,583
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,836,369</u>	<u>\$ 3,836,369</u>	<u>\$ 2,620,904</u>	<u>\$ 1,215,465</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	2,913,823	2,913,823	2,874,335	(39,488)
<b>TOTAL REVENUE</b>	<u>2,913,823</u>	<u>2,913,823</u>	<u>\$ 2,874,335</u>	<u>\$ (39,488)</u>
<b>BUDGETED CASH BALANCE</b>	<u>2,851,634</u>	<u>2,851,634</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 5,765,457</u>	<u>\$ 5,765,457</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	30,000	30,000	28,735	1,265
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Debt Service	4,918,047	4,918,047	2,045,000	2,873,047
Debt Service - Interest & Fiscal Charges	817,410	817,410	816,284	1,126
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,765,457</u>	<u>\$ 5,765,457</u>	<u>\$ 2,890,019</u>	<u>\$ 2,875,438</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, 2018

	Anansi Charter School	Taos Charter School	Vista Grande High School	TOTAL
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 442,739	\$ 337,714	\$ 194,007	\$ 974,460
Investments	-	91,532	-	91,532
Receivables	15,276	25,189	140,948	181,413
Due from other entities	86,097	119,930	-	206,027
Total current assets	544,112	574,365	334,955	1,453,432
Non-current assets:				
Prepaid lease	558,890	-	-	558,890
Capital assets, net	3,550,729	2,366,242	164,865	6,081,836
Total non-current assets	4,109,619	2,366,242	164,865	6,640,726
Total assets	4,653,731	2,940,607	499,820	8,094,158
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	1,382,590	1,511,536	999,312	3,893,438
Deferred outflows related to OPEB	17,877	19,535	12,741	50,153
Total deferred outflows	1,400,467	1,531,071	1,012,053	3,943,591
<b>LIABILITIES</b>				
Current liabilities:				
Accrued payroll	101,545	92,885	91,855	286,285
Unearned lease income	46,584	-	-	46,584
Current portion of long term debt	25,434	-	-	25,434
Total current liabilities	173,563	92,885	91,855	358,303
Non-current liabilities:				
Unearned lease income	512,306	-	-	512,306
Non-current portion of long term debt	2,310,291	-	-	2,310,291
Net pension liability	3,457,400	3,934,168	2,554,986	9,946,554
Net OPEB liability	938,056	884,129	686,095	2,508,280
Total non-current liabilities	7,218,053	4,818,297	3,241,081	15,277,431
Total liabilities	7,391,616	4,911,182	3,332,936	15,635,734
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	53,739	61,150	49,032	163,921
Deferred inflows related to OPEB	213,500	201,226	156,154	570,880
Total deferred inflows	267,239	262,376	205,186	734,801
<b>NET POSITION</b>				
Net investment in capital assets	1,215,004	2,366,242	164,865	3,746,111
Restricted:				
Special revenue	7,656	(12,769)	26,921	21,808
Capital projects	135,208	280,516	26,865	442,589
Unrestricted	(2,962,525)	(3,335,869)	(2,244,900)	(8,543,294)
Total net position	\$ (1,604,657)	\$ (701,880)	\$ (2,026,249)	\$ (4,332,786)

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units					
Anansi Charter School	\$ 2,957,300	\$ 295,869	\$ 444,501	\$ 268,689	\$ (1,948,241)
Taos Charter School	2,951,782	159,836	305,744	288,024	(2,198,178)
Vista Grande High School	1,688,240	2,370	178,536	73,203	(1,434,131)
Total component units	<u>\$ 7,597,322</u>	<u>\$ 458,075</u>	<u>\$ 928,781</u>	<u>\$ 629,916</u>	<u>(5,580,550)</u>
General revenues:					
					4,044,464
					-
					-
					4,165
					92,177
					<u>4,140,806</u>
					(1,439,744)
					61,963
					(2,955,005)
					<u>(2,893,042)</u>
					<u>\$ (4,332,786)</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, 2018

	Anansi Charter School	Friends of Anansi Charter School	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 232,262	\$ 210,477	\$ 442,739
Receivables	15,276	-	15,276
Due from other entities	86,097	-	86,097
Total current assets	333,635	210,477	544,112
Non-current assets:			
Prepaid lease	558,890	-	558,890
Capital assets, net	330,504	3,220,225	3,550,729
Total non-current assets	889,394	3,220,225	4,109,619
Total assets	1,223,029	3,430,702	4,653,731
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,382,590	-	1,382,590
Deferred outflows related to OPEB	17,877	-	17,877
Total deferred outflows	1,400,467	-	1,400,467
<b>LIABILITIES</b>			
Accrued payroll	101,545	-	101,545
Unearned lease income	-	46,584	46,584
Current portion of long term debt	-	25,434	25,434
Total current liabilities	101,545	72,018	173,563
Non-current liabilities:			
Unearned lease income	-	512,306	512,306
Non-current portion of long term debt	-	2,310,291	2,310,291
Net pension liability	3,457,400	-	3,457,400
Net OPEB Liability	938,056	-	938,056
Total non-current liabilities	4,395,456	2,822,597	7,218,053
Total liabilities	4,497,001	2,894,615	7,391,616
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	53,739	-	53,739
Deferred inflows related to OPEB	213,500	-	213,500
Total deferred inflows	267,239	-	267,239
<b>NET POSITION</b>			
Net investment in capital assets	330,504	884,500	1,215,004
Restricted:			
Special revenue	7,656	-	7,656
Capital projects	135,208	-	135,208
Unrestricted	(2,614,112)	(348,413)	(2,962,525)
Total net position	\$ (2,140,744)	\$ 536,087	\$ (1,604,657)

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, 2018

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	\$ 2,034,175	\$ -	\$ 95,449	\$ -	\$ (1,938,726)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	102,986	-	59,940	-	(43,046)	-
Support Services Instruction	4,774	-	1,353	-	(3,421)	-
Support Services General Administration	110,243	-	-	-	(110,243)	-
Support Services School Administration	89,846	-	-	-	(89,846)	-
Central Services	91,801	-	-	-	(91,801)	-
Operation and Maintenance of Plant	172,360	-	-	-	(172,360)	-
Student Transportation	11,291	-	-	-	(11,291)	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	41,620	16,922	27,967	-	3,269	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	49,356	2,483	268,689	320,528	-
Total governmental activities	\$ 2,659,096	\$ 66,278	\$ 187,192	\$ 268,689	(2,136,937)	-
Component Unit:						
Friends of Anansi Charter School	\$ 298,204	\$ 229,591	\$ 257,309	\$ -		188,696

General revenues:

State equalization guarantee	1,481,379	-
Grant & contributions not restricted	-	-
Grants & contributions restricted	-	-
Unrestricted investment earnings	-	63
Miscellaneous income	1,227	-
Total general revenues	1,482,606	63
Change in net position	(654,331)	188,759
Net position - beginning	(372,151)	347,328
Restatements	(1,114,262)	-
Net position - beginning as restated	(1,486,413)	347,328
Net position - ending	\$ (2,140,744)	\$ 536,087

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, 2018

	Operational	Instructional Materials	Food Services	Title I	IDEA-B Entitlement
<b>ASSETS</b>					
Cash and cash equivalents	\$ 152,883	\$ 2,506	\$ 4,669	\$ -	\$ -
Accounts Receivable					
Federal	-	-	-	-	-
State	-	-	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	27,362	-	-	-	-
Due from Primary Government	-	-	-	4,386	15,720
<b>TOTAL ASSETS</b>	<u>\$ 180,245</u>	<u>\$ 2,506</u>	<u>\$ 4,669</u>	<u>\$ 4,386</u>	<u>\$ 15,720</u>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Entities	-	-	-	-	-
Due to Other Funds	-	-	-	4,241	15,720
Accrued Payroll	93,525	-	-	145	-
<b>TOTAL LIABILITIES</b>	<u>93,525</u>	<u>-</u>	<u>-</u>	<u>4,386</u>	<u>15,720</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	-	2,506	4,669	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	86,720	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>86,720</u>	<u>2,506</u>	<u>4,669</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 180,245</u>	<u>\$ 2,506</u>	<u>\$ 4,669</u>	<u>\$ 4,386</u>	<u>\$ 15,720</u>

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

EXHIBIT G-3

Title XIX Medicaid	SEG Federal Stimulus	2012 GO Student Library Fund	NM Reads to Lead K-3	Private Direct Grants	Bond Building
\$ 2,483	\$ -	\$ -	\$ -	\$ 504	\$ -
-	-	-	-	-	-
-	-	-	15,276	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,276</u>	<u>\$ 504</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	7,401	-	-
-	-	-	7,875	-	-
-	-	-	15,276	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,483	-	-	-	504	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504</u>	<u>-</u>
<u>\$ 2,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,276</u>	<u>\$ 504</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-3  
 CONTINUED

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2018

	Public School Capital Outlay	SB-9	SB-9 Local	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 69,217	\$ 232,262
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	15,276
Inventories	-	-	-	-
Due from Other Funds	-	-	-	27,362
Due from Primary Government	-	-	65,991	86,097
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,208</b>	<b>\$ 360,997</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Entities	-	-	-	-
Due to Other Funds	-	-	-	27,362
Accrued Payroll	-	-	-	101,545
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,907</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	-	-	135,208	145,370
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	86,720
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>135,208</b>	<b>232,090</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,208</b>	<b>\$ 360,997</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, 2018

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

Fund Balances - total governmental funds	\$ 232,090
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	330,504
Deferred outflows related to pensions not reported in the funds	1,382,590
Deferred outflows related to OPED plan not reported in the funds	17,877
Net pension liability not reported in the funds	(3,457,400)
Net OPED liability not reported in the funds	(938,056)
Deferred inflows related to pensions not reported in the funds	(53,739)
Deferred inflows related to OPED plan not reported in the funds	(213,500)
Prepaid lease	<u>558,890</u>
Net position of governmental activities	<u>\$ (2,140,744)</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, 2018

	Operational	Instructional Materials	Food Services	Title I	IDEA-B Entitlement
REVENUE					
Federal Programs	\$ -	\$ -	\$ 27,967	\$ 14,289	\$ 45,651
State Programs	-	6,140	-	-	-
Local Programs	-	-	-	-	-
State Equalization	1,481,379	-	-	-	-
Service Revenues	49,356	-	16,922	-	-
Other revenue sources	1,227	-	-	-	-
TOTAL REVENUES	<u>1,531,962</u>	<u>6,140</u>	<u>44,889</u>	<u>14,289</u>	<u>45,651</u>
EXPENDITURES					
Current					
Instruction	1,037,602	14,750	-	-	-
Support Services Students	43,046	-	-	14,289	45,651
Support Services Instruction	3,421	-	-	-	-
Support Services General Administration	110,243	-	-	-	-
Support Services School Administration	89,846	-	-	-	-
Central Services	91,801	-	-	-	-
Operation and Maintenance of Plant	125,352	-	-	-	-
Student Transportation	11,291	-	-	-	-
Food Services Operations	335	-	40,700	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,512,937</u>	<u>14,750</u>	<u>40,700</u>	<u>14,289</u>	<u>45,651</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	19,025	(8,610)	4,189	-	-
Other Financing Sources (Uses)					
Transfers In/(Out)	191	-	-	-	-
Total Other Financing Sources	<u>191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	19,216	(8,610)	4,189	-	-
FUND BALANCE					
June 30, 2017	<u>67,504</u>	<u>11,116</u>	<u>480</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
June 30, 2018	<u>\$ 86,720</u>	<u>\$ 2,506</u>	<u>\$ 4,669</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT G-5

<u>Title XIX Medicaid</u>	<u>SEG Federal Stimulus</u>	<u>2012 GO Student Library Fund</u>	<u>NM Reads to Lead K-3</u>	<u>Private Direct Grants</u>	<u>Bond Building</u>
\$ 2,483	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,353	89,309	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,483</u>	<u>-</u>	<u>1,353</u>	<u>89,309</u>	<u>-</u>	<u>-</u>
-	-	-	89,309	-	-
-	-	1,353	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,487
<u>-</u>	<u>-</u>	<u>1,353</u>	<u>89,309</u>	<u>-</u>	<u>1,487</u>
2,483	-	-	-	-	(1,487)
-	(191)	-	-	-	-
<u>-</u>	<u>(191)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,483	(191)	-	-	-	(1,487)
-	191	-	-	504	1,487
<u>\$ 2,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ -</u>

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, 2018

	Public School Capital Outlay	SB-9	SB-9 Local	Total
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ 90,390
State Programs	134,734	6,272	-	237,808
Local Programs	-	-	127,683	127,683
State Equalization	-	-	-	1,481,379
Service Revenues	-	-	-	66,278
Other revenue sources	-	-	-	1,227
<b>TOTAL REVENUES</b>	<b>134,734</b>	<b>6,272</b>	<b>127,683</b>	<b>2,004,765</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	-	-	1,141,661
Support Services Students	-	-	-	102,986
Support Services Instruction	-	-	-	4,774
Support Services General Administration	-	-	-	110,243
Support Services School Administration	-	-	-	89,846
Central Services	-	-	-	91,801
Operation and Maintenance of Plant	-	-	-	125,352
Student Transportation	-	-	-	11,291
Food Services Operations	-	-	-	41,035
Capital Outlay	134,734	6,272	130,317	272,810
<b>TOTAL EXPENDITURES</b>	<b>134,734</b>	<b>6,272</b>	<b>130,317</b>	<b>1,991,799</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(2,634)</b>	<b>12,966</b>
<b>Other Financing Sources (Uses)</b>				
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>-</b>	<b>-</b>	<b>(2,634)</b>	<b>12,966</b>
<b>FUND BALANCE</b>				
June 30, 2017	-	-	137,842	219,124
<b>FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>135,208</b>	<b>232,090</b>
June 30, 2018	\$ -	\$ -	\$ 135,208	\$ 232,090

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
ANANSI CHARTER SCHOOL

EXHIBIT G-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, 2018

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

Net change in fund balance - total governmental funds	\$ 12,966
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	(14,599)
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	(586,697)
OPED related expense	(19,417)
Change in Net Position	<u>\$ (654,331)</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ 40,000	\$ 40,000	\$ 23,340	\$ (16,660)
Rent and Leases	26,016	26,016	26,016	-
Interest Income	-	-	50	50
Private Donations	400	400	1,000	600
Refunds Prior Year	-	-	177	177
State Equalization	1,458,682	1,481,616	1,481,379	(237)
Access Board E-Rate	-	-	-	-
<b>TOTAL REVENUE</b>	<u>1,525,098</u>	<u>1,548,032</u>	<u>\$ 1,531,962</u>	<u>\$ (16,070)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>56,143</u>	 <u>67,504</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ 1,581,241</u>	 <u>\$ 1,615,536</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 1,056,251	\$ 1,069,199	\$ 944,077	\$ 125,122
Support Services	-	-	-	-
Support Services Students	53,545	61,048	43,046	18,002
Support Services Instruction	6,675	4,163	3,421	742
Support Services General Administration	108,039	112,198	110,243	1,955
Support Services School Administration	95,313	94,923	89,846	5,077
Central Services	58,915	91,991	91,801	190
Operation and Maintenance of Plant	191,603	164,194	125,352	38,842
Student Transportation	10,900	11,292	11,291	1
Other Support Services	-	-	-	-
Food Services Operations	-	6,528	335	6,193
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,581,241</u>	<u>\$ 1,615,536</u>	<u>\$ 1,419,412</u>	<u>\$ 196,124</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	5,264	6,140	6,140	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>5,264</u>	<u>6,140</u>	<u>\$ 6,140</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>3,962</u>	<u>11,116</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 9,226</u>	<u>\$ 17,256</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 9,226	\$ 17,256	\$ 14,750	\$ 2,506
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>\$ 9,226</u>	<u>\$ 17,256</u>	<u>\$ 14,750</u>	<u>\$ 2,506</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 30,000	\$ 30,000	\$ 27,967	\$ (2,033)
State Programs	-	-	-	-
Local Programs	10,700	10,700	16,922	6,222
<b>TOTAL REVENUE</b>	<u>40,700</u>	<u>40,700</u>	<u>\$ 44,889</u>	<u>\$ 4,189</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>				
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	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--TITLE I

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 16,830	\$ 16,830	\$ 9,902	\$ (6,928)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>16,830</u>	<u>16,830</u>	<u>\$ 9,902</u>	<u>\$ (6,928)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 16,830</u>	<u>\$ 16,830</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 16,830	\$ 16,830	\$ 14,144	\$ 2,686
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>\$ 16,830</u>	<u>\$ 16,830</u>	<u>\$ 14,144</u>	<u>\$ 2,686</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--IDEA-B ENTITLEMENT

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 41,104	\$ 45,651	\$ 39,412	\$ (6,239)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>41,104</u>	<u>45,651</u>	<u>\$ 39,412</u>	<u>\$ (6,239)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 41,104</u>	<u>\$ 45,651</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	41,104	45,651	45,651	-
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>\$ 41,104</u>	<u>\$ 45,651</u>	<u>\$ 45,651</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--TITLE XIX MEDICAID

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 2,483	\$ 2,483
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 2,483</u>	<u>\$ 2,483</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-13

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

Year Ended June 30, 2018

	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-14

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	1,406	1,407	1,353	(54)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>1,406</u>	<u>1,407</u>	<u>\$ 1,353</u>	<u>\$ (54)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,406</u>	<u>\$ 1,407</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,406	1,407	1,353	54
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>\$ 1,407</u>	<u>\$ 1,353</u>	<u>\$ 54</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-15

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	89,309	89,309	94,086	4,777
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>89,309</u>	<u>89,309</u>	<u>\$ 94,086</u>	<u>\$ 4,777</u>
<b>BUDGETED CASH BALANCE</b>				
	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 89,309</u>	<u>\$ 89,309</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 89,309	\$ 89,309	\$ 81,434	\$ 7,875
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>\$ 89,309</u>	<u>\$ 89,309</u>	<u>\$ 81,434</u>	<u>\$ 7,875</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

EXHIBIT G-16

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

Year Ended June 30, 2018

	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  
 FRIENDS OF ANANSI CHARTER SCHOOL

EXHIBIT G-17

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

Cash flows from operating activities	
Cash received from customers	\$ 209,787
Donations and other income	218,214
Interest	63
Cash payments for supplies and maintenance	(88,842)
Net cash (used) by operating activities	<u>339,222</u>
Cash flows from noncapital financing activities	
Loan principal payments	(83,335)
Loan interest payments	(100,631)
Loan proceeds	-
Net cash provided by noncapital financing activities	<u>(183,966)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(16,880)
Net cash provided by capital and related financing activities	<u>(16,880)</u>
Increase (decrease) in cash and cash equivalents	138,376
Cash and cash equivalents - beginning of year	<u>72,101</u>
Cash and cash equivalents - end of year	<u>\$ 210,477</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ 188,758
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	91,851
Changes in assets and liabilities:	
Receivables	(4,851)
Inventories	-
Other assets	16,880
Accounts payable and accrued liabilities	46,584
Pension liabilities	-
Compensated Absences	-
Net cash (used) by operating activities	<u>\$ 339,222</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, 2018

	Taos Charter School	Friends of Taos Charter School	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 222,609	\$ 115,105	\$ 337,714
Investments	-	91,532	91,532
Accounts receivable	25,189	-	25,189
Due from other entities	119,930	-	119,930
Total current assets	367,728	206,637	574,365
Non-current assets:			
Capital assets, net	1,838,497	527,745	2,366,242
Total non-current assets	1,838,497	527,745	2,366,242
Total assets	2,206,225	734,382	2,940,607
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,511,536	-	1,511,536
Deferred outflows related to OPED	19,535	-	19,535
Total deferred outflows	1,531,071	-	1,531,071
<b>LIABILITIES</b>			
Current liabilities:			
Accrued payroll	92,885	-	92,885
Current portion of long term debt	-	-	-
Total current liabilities	92,885	-	92,885
Non-current liabilities:			
Non-current portion of long term debt	-	-	-
Net pension liability	3,934,168	-	3,934,168
Net OPED liability	884,129	-	884,129
Total non-current liabilities	4,818,297	-	4,818,297
Total liabilities	4,911,182	-	4,911,182
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
Deferred inflows related to pensions	61,150	-	61,150
Deferred inflows related to OPED	201,226	-	201,226
Total deferred inflows	262,376	-	262,376
<b>NET POSITION</b>			
Net investment in capital assets	1,838,497	527,745	2,366,242
Restricted:			
Special Revenue	(12,769)	-	(12,769)
Capital Projects	280,516	-	280,516
Unrestricted	(3,542,506)	206,637	(3,335,869)
Total net position	\$ (1,436,262)	\$ 734,382	\$ (701,880)

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, 2018

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
Primary government:						
Governmental activities:						
Instruction	\$ 2,179,981	\$ -	\$ 159,835	\$ -	\$ (2,020,146)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	112,615	-	78,658	-	(33,957)	-
Support Services Instruction	7,352	-	3,574	-	(3,778)	-
Support Services General Administration	114,398	-	-	-	(114,398)	-
Support Services School Administration	103,043	-	2,220	-	(100,823)	-
Central Services	81,259	-	-	-	(81,259)	-
Operation and Maintenance of Plant	142,552	-	9,796	-	(132,756)	-
Student Transportation	3,433	-	-	-	(3,433)	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	67,299	11,052	32,718	-	(23,529)	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	6,684	6,751	288,024	301,459	-
<b>Total governmental activities</b>	<b>\$ 2,811,832</b>	<b>\$ 17,736</b>	<b>\$ 293,552</b>	<b>\$ 288,024</b>	<b>(2,212,620)</b>	<b>\$ -</b>
Component Unit:						
Friends of Taos Charter School	\$ 139,850	\$ 142,100	\$ 12,192	\$ -		14,442

General revenues:

State equalization guarantee	1,517,155	-
Grant & contributions not restricted	-	-
Grants & contributions restricted	-	-
Unrestricted investment earnings	-	4,102
Miscellaneous income	66,800	-
<b>Total general revenues</b>	<b>1,583,755</b>	<b>4,102</b>
<b>Change in net position</b>	<b>(628,865)</b>	<b>18,544</b>
<b>Net position - beginning</b>	<b>245,149</b>	<b>699,343</b>
Restatements	(1,052,546)	18,495
<b>Net position - beginning as restated</b>	<b>(807,397)</b>	<b>715,838</b>
<b>Net position - ending</b>	<b>\$ (1,436,262)</b>	<b>\$ 734,382</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, 2018

	Operational	Instructional Materials	Food Services	Title I
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,945	\$ 2,387	\$ -	\$ -
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	75,736	-	-	-
Due from Primary Government	-	-	-	16,521
<b>TOTAL ASSETS</b>	<u>\$ 86,681</u>	<u>\$ 2,387</u>	<u>\$ -</u>	<u>\$ 16,521</u>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	15,893	15,343
Accrued Payroll	81,972	-	-	1,178
<b>TOTAL LIABILITIES</b>	<u>81,972</u>	<u>-</u>	<u>15,893</u>	<u>16,521</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	-	2,387	(15,893)	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,709	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>4,709</u>	<u>2,387</u>	<u>(15,893)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 86,681</u>	<u>\$ 2,387</u>	<u>\$ -</u>	<u>\$ 16,521</u>

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

EXHIBIT H-3

IDEA-B Entitlement	IDEA-B Risk Pool	USDA 2010	Title XIX Medicaid	SEG Federal Stimulus	2012 GO Bond Student Library Fund
\$ -	\$ -	\$ -	\$ 3,977	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	3,574
-	-	-	-	-	-
12,912	15,281	-	-	-	-
<u>\$ 12,912</u>	<u>\$ 15,281</u>	<u>\$ -</u>	<u>\$ 3,977</u>	<u>\$ -</u>	<u>\$ 3,574</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,912	15,281	-	-	-	4,427
-	-	-	-	-	-
<u>12,912</u>	<u>15,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,427</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,977	-	(853)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,977	-	(853)
<u>\$ 12,912</u>	<u>\$ 15,281</u>	<u>\$ -</u>	<u>\$ 3,977</u>	<u>\$ -</u>	<u>\$ 3,574</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2018

	NM Reads to Lead K-3	Truancy Initiative
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ -
Accounts Receivable		
Federal	-	-
State	15,485	5,738
Inventories	-	-
Due from Other Funds	-	-
Due from Primary Government	-	-
<b>TOTAL ASSETS</b>	<u>\$ 15,485</u>	<u>\$ 5,738</u>
<b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ -	\$ -
Due to Other Funds	7,856	3,632
Accrued Payroll	7,629	2,106
<b>TOTAL LIABILITIES</b>	<u>15,485</u>	<u>5,738</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>\$ 15,485</u>	<u>\$ 5,738</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
\$ -	\$ -	\$ -	\$ 205,300	\$ 222,609
-	-	-	-	-
-	-	392	-	25,189
-	-	-	-	-
-	-	-	-	75,736
-	-	-	75,216	119,930
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 280,516</u>	<u>\$ 443,464</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	392	-	75,736
-	-	-	-	92,885
<u>-</u>	<u>-</u>	<u>392</u>	<u>-</u>	<u>168,621</u>
-	-	-	-	\$ -
-	-	-	-	-
-	-	-	-	\$ -
-	-	-	-	-
-	-	-	280,516	270,134
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,709
<u>-</u>	<u>-</u>	<u>-</u>	<u>280,516</u>	<u>274,843</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 280,516</u>	<u>\$ 443,464</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, 2018

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

Fund Balances - total governmental funds	\$ 274,843
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,838,497
Deferred outflows related to pensions not reported in the funds	1,531,071
Deferred outflows related to OPED plan not reported in the funds	19,535
Net pension liability not reported in the funds	(3,934,168)
Net OPED liability not reported in the funds	(884,129)
Deferred inflows related to pensions not reported in the funds	(61,150)
Deferred inflows related to OPED plan not reported in the funds	(201,226)
	<hr/>
Net position of governmental activities	<u>\$ (1,416,727)</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, 2018

	Operational	Instructional Materials	Food Services	Title I
<b>REVENUE</b>				
Federal Programs	\$ 6,751	\$ -	\$ 32,718	\$ 31,455
State Programs	-	6,710	-	-
State Equalization	1,517,155	-	-	-
Service Revenues	6,684	-	11,052	-
Other revenue sources	66,600	-	-	-
TOTAL REVENUES	<u>1,597,190</u>	<u>6,710</u>	<u>43,770</u>	<u>31,455</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,031,759	31,315	-	29,235
Support Services Students	33,957	-	-	-
Support Services Instruction	3,778	-	-	-
Support Services General Administration	114,398	-	-	-
Support Services School Administration	100,823	-	-	2,220
Central Services	81,259	-	-	-
Operation and Maintenance of Plant	131,820	-	-	-
Food Services Operations	20,724	-	45,406	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>1,518,518</u>	<u>31,315</u>	<u>45,406</u>	<u>31,455</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	78,672	(24,605)	(1,636)	-
Other Financing Sources (Uses)				
Proceeds from Bonds	-	-	-	-
Transfers In (Out)	56	-	-	-
Total Other Financing Sources	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	78,728	(24,605)	(1,636)	-
FUND BALANCE				
June 30, 2017	(74,019)	26,992	(14,257)	-
Restatements	-	-	-	-
June 30, 2017 as restated	<u>(74,019)</u>	<u>26,992</u>	<u>(14,257)</u>	<u>-</u>
FUND BALANCE June 30, 2018	<u>\$ 4,709</u>	<u>\$ 2,387</u>	<u>\$ (15,893)</u>	<u>\$ -</u>

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



EXHIBIT H-5

IDEA-B Entitlement	IDEA-B Risk Pool	USDA 2010	Title XIX Medicaid	SEG Federal Stimulus	2012 GO Bond Student Library Fund
\$ 39,099	\$ 15,281	\$ -	\$ 22,240	\$ -	\$ -
-	-	-	-	-	3,574
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,099</u>	<u>15,281</u>	<u>-</u>	<u>22,240</u>	<u>-</u>	<u>3,574</u>
-	15,281	-	-	-	-
39,099	-	-	12,444	-	-
-	-	-	-	-	3,574
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,732	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,099</u>	<u>15,281</u>	<u>-</u>	<u>23,176</u>	<u>-</u>	<u>3,574</u>
-	-	-	(936)	-	-
-	-	-	-	-	-
2,345	-	-	(2,345)	(56)	-
<u>2,345</u>	<u>-</u>	<u>-</u>	<u>(2,345)</u>	<u>(56)</u>	<u>-</u>
2,345	-	-	(3,281)	(56)	-
-	-	-	7,258	56	(853)
(2,345)	-	-	-	-	-
<u>(2,345)</u>	<u>-</u>	<u>-</u>	<u>7,258</u>	<u>56</u>	<u>(853)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,977</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, 2018

	NM Reads to Lead K-3	Truancy Initiative
<b>REVENUE</b>		
Federal Programs	\$ -	\$ -
State Programs	108,609	27,115
State Equalization	-	-
Service Revenues	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>108,609</u>	<u>27,115</u>
<b>EXPENDITURES</b>		
Current		
Instruction	108,609	-
Support Services Students	-	27,115
Support Services Instruction	-	-
Support Services General Administration	-	-
Support Services School Administration	-	-
Central Services	-	-
Operation and Maintenance of Plant	-	-
Food Services Operations	-	-
Capital Outlay	-	-
TOTAL EXPENDITURES	<u>108,609</u>	<u>27,115</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-
Other Financing Sources (Uses)		
Proceeds from Bonds	-	-
Transfers In (Out)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE		
June 30, 2017	-	-
Restatements	-	-
June 30, 2017 as restated	<u>-</u>	<u>-</u>
FUND BALANCE June 30, 2018	<u>\$ -</u>	<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
\$ -	\$ -	\$ -	\$ -	\$ 147,544
-	142,100	392	145,532	434,032
-	-	-	-	1,517,155
-	-	-	-	17,736
-	-	-	-	66,600
-	142,100	392	145,532	2,183,067
-	-	-	-	1,216,199
-	-	-	-	112,615
-	-	-	-	7,352
-	-	-	-	114,398
-	-	-	-	103,043
-	-	-	-	81,259
-	-	-	-	142,552
-	-	-	-	66,130
1,241	142,100	392	111,608	255,341
1,241	142,100	392	111,608	2,098,889
(1,241)	-	-	33,924	84,178
-	-	-	-	-
-	-	-	-	-
(1,241)	-	-	33,924	84,178
1,241	-	-	246,592	193,010
-	-	-	-	(2,345)
1,241	-	-	246,592	190,665
\$ -	\$ -	\$ -	\$ 280,516	\$ 274,843

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, 2018

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

Net change in fund balance - total governmental funds	\$ 84,178
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	5,000
Depreciation	(65,773)
Pension related expense	(636,651)
OPED related expense	<u>(15,619)</u>
Change in Net Position	<u>\$ (628,865)</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ 15,000	\$ 15,000	\$ 6,684	\$ (8,316)
Private Donations	60,000	65,100	65,100	-
Rentals	-	1,500	1,500	-
State Equalization	1,493,910	1,517,398	1,517,155	(243)
Instructional - categorical	-	-	-	-
Access Board (e-rate)	-	6,751	6,751	-
<b>TOTAL REVENUE</b>	<b>1,568,910</b>	<b>1,605,749</b>	<b>\$ 1,597,190</b>	<b>\$ (8,559)</b>
<b>BUDGETED CASH BALANCE</b>	<b>5,388</b>	<b>5,388</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 1,574,298</b>	<b>\$ 1,611,137</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 1,081,115	\$ 1,068,700	\$ 949,787	\$ 118,913
Support Services	-	-	-	-
Support Services Students	63,806	45,821	33,957	11,864
Support Services Instruction	-	4,067	3,778	289
Support Services General Administration	117,928	117,233	114,398	2,835
Support Services School Administration	104,869	102,576	100,823	1,753
Central Services	58,105	87,690	81,259	6,431
Operation and Maintenance of Plant	148,675	151,461	131,820	19,641
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	33,589	20,724	12,865
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,574,298</b>	<b>\$ 1,611,137</b>	<b>\$ 1,436,546</b>	<b>\$ 174,591</b>

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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	5,995	6,709	6,710	1
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>5,995</u>	<u>6,709</u>	<u>\$ 6,710</u>	<u>\$ 1</u>
<b>BUDGETED CASH BALANCE</b>	<u>17,139</u>	<u>26,992</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 23,134</u>	<u>\$ 33,701</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 23,134	\$ 33,701	\$ 31,315	\$ 2,386
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>\$ 23,134</u>	<u>\$ 33,701</u>	<u>\$ 31,315</u>	<u>\$ 2,386</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 40,000	\$ 40,000	\$ 32,718	\$ (7,282)
State Programs	-	-	-	-
Local Programs	5,406	5,406	11,052	5,646
<b>TOTAL REVENUE</b>	<u>45,406</u>	<u>45,406</u>	<u>\$ 43,770</u>	<u>\$ (1,636)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 45,406</u>	<u>\$ 45,406</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	45,406	45,406	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 45,406</u>	<u>\$ 45,406</u>	<u>\$ 45,406</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-10

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 23,970	\$ 33,970	\$ 23,758	\$ (10,212)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>23,970</u>	<u>33,970</u>	<u>\$ 23,758</u>	<u>\$ (10,212)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 23,970</u>	<u>\$ 33,970</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 23,970	\$ 33,970	\$ 30,277	\$ 3,693
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>\$ 23,970</u>	<u>\$ 33,970</u>	<u>\$ 30,277</u>	<u>\$ 3,693</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 42,626	\$ 47,342	\$ 39,676	\$ (7,666)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>42,626</u>	<u>47,342</u>	<u>\$ 39,676</u>	<u>\$ (7,666)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 42,626</u>	<u>\$ 47,342</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	42,626	47,342	39,099	8,243
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>\$ 42,626</u>	<u>\$ 47,342</u>	<u>\$ 39,099</u>	<u>\$ 8,243</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--IDEA-B RISK POOL

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 15,281	\$ -	\$ (15,281)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>15,281</u>	<u>\$ -</u>	<u>\$ (15,281)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 15,281</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 15,281	\$ 15,281	\$ -
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>\$ 15,281</u>	<u>\$ 15,281</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--USDA 2010 EQUIPMENT ASSISTANCE

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 5,425	\$ 5,425
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 5,425</u>	<u>\$ 5,425</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<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	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-14

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 17,201	\$ 22,240	\$ 5,039
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>17,201</u>	<u>\$ 22,240</u>	<u>\$ 5,039</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 17,201</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	13,727	12,444	1,283
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	10,732	10,732	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 24,459</u>	<u>\$ 23,176</u>	<u>\$ 1,283</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 & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SEG STIMULUS

Year Ended June 30, 2018

	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-16

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	3,574	6,414	-	(6,414)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>3,574</u>	<u>6,414</u>	<u>\$ -</u>	<u>\$ (6,414)</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 3,574</u>	<u>\$ 6,414</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	3,574	6,414	3,574	2,840
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>\$ 6,414</u>	<u>\$ 3,574</u>	<u>\$ 2,840</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	115,151	115,151	117,872	2,721
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>115,151</u>	<u>115,151</u>	<u>\$ 117,872</u>	<u>\$ 2,721</u>
<b>BUDGETED CASH BALANCE</b>				
	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 115,151</u>	<u>\$ 115,151</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 115,151	\$ 115,151	\$ 100,980	\$ 14,171
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>\$ 115,151</u>	<u>\$ 115,151</u>	<u>\$ 100,980</u>	<u>\$ 14,171</u>

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

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

EXHIBIT H-18

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TRUANCY INITIATIVE

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	27,361	27,361	21,377	(5,984)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>27,361</u>	<u>27,361</u>	<u>\$ 21,377</u>	<u>\$ (5,984)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 27,361</u>	<u>\$ 27,361</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	27,361	27,361	25,008	2,353
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>\$ 27,361</u>	<u>\$ 27,361</u>	<u>\$ 25,008</u>	<u>\$ 2,353</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-19

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

Cash flows from operating activities	
Cash received from customers	\$ 142,100
Donations and other income	12,192
Interest	4,102
Cash payments for supplies and maintenance	<u>(112,906)</u>
Net cash (used) by operating activities	<u>45,488</u>
Cash flows from financing activities	
Loan principal payments	-
Loan interest payments	-
Loan proceeds	<u>-</u>
Net cash provided by noncapital financing activities	<u>-</u>
Cash flows from investing activities	
Investments in marketable securities	2,804
Earnings from investments	<u>(6,871)</u>
Net cash provided by capital and related financing activities	<u>(4,067)</u>
Increase (decrease) in cash and cash equivalents	41,421
Cash and cash equivalents - beginning of year	<u>73,684</u>
Cash and cash equivalents - end of year	<u>\$ 115,105</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ 18,544
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	20,073
Changes in assets and liabilities:	
Receivables	-
Other assets	<u>6,871</u>
Net cash (used) by operating activities	<u>\$ 45,488</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, 2018

	Vista Grande Charter School
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 194,007
Receivables	140,948
Total current assets	<u>334,955</u>
Non-current assets:	
Capital assets, net	164,865
Total non-current assets	<u>164,865</u>
Total assets	<u>499,820</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pensions	999,312
Deferred outflows related to OPEB	12,741
Total deferred outflows	<u>1,012,053</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accrued payroll	91,855
Current portion of long term debt	-
Total current liabilities	<u>91,855</u>
Non-current liabilities:	
Non-current portion of long term debt	-
Net pension liability	2,554,986
Net OPEB liability	686,095
Total non-current liabilities	<u>3,241,081</u>
Total liabilities	<u>3,332,936</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pensions	49,032
Deferred inflows related to OPEB	156,154
Total deferred inflows	<u>205,186</u>
<u>NET POSITION</u>	
Net investment in capital assets	164,865
Restricted:	
Special revenue	26,921
Capital projects	26,865
Unrestricted	(2,244,900)
Total net position	<u>\$ (2,026,249)</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, 2018

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
Primary government:					
Governmental activities:					
Instruction	\$ 1,127,009	\$ -	\$ 139,534	\$ -	\$ (987,475)
Support Services	-	-	-	-	-
Support Services Students	60,953	-	-	-	(60,953)
Support Services Instruction	944	-	-	-	(944)
Support Services General Administration	128,818	-	-	-	(128,818)
Support Services School Administration	20,047	-	-	-	(20,047)
Central Services	220,834	-	-	-	(220,834)
Operation and Maintenance of Plant	83,160	-	-	-	(83,160)
Student Transportation	1,486	-	-	-	(1,486)
Other Support Services	-	-	-	-	-
Food Services Operations	44,989	-	39,002	-	(5,987)
Unallocated	-	2,370	-	73,203	75,573
Total governmental activities	\$ 1,688,240	\$ 2,370	\$ 178,536	\$ 73,203	(1,434,131)
General revenues:					
					1,045,930
					-
					-
					-
					24,350
Total general revenues					1,070,280
Change in net position					(363,851)
Net position - beginning					(857,706)
Restatements					(804,692)
Net position - beginning as restated					(1,662,398)
Net position - ending					\$ (2,026,249)

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, 2018

	Operational	Instructional Materials	Food Services
<b>ASSETS</b>			
Cash and cash equivalents	\$ 134,378	\$ 5,843	\$ -
Accounts Receivable			
Federal	-	-	-
State	-	-	-
Inventories	-	-	-
Due from Other Funds	135,140	-	-
<b>TOTAL ASSETS</b>	<u>\$ 269,518</u>	<u>\$ 5,843</u>	<u>\$ -</u>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Accrued Payroll	86,047	-	-
<b>TOTAL LIABILITIES</b>	<u>86,047</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	-	5,843	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	183,471	-	-
<b>TOTAL FUND BALANCE</b>	<u>183,471</u>	<u>5,843</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 269,518</u>	<u>\$ 5,843</u>	<u>\$ -</u>

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

EXHIBIT 1-3

Title I	IDEA- B Entitlement	USDA Equipment Assistance Program	Title XIX Medicaid 3/21 Years	Truancy Initiative	Technology for Education
\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ -
26,461	13,785	-	-	-	-
-	-	-	-	15,131	-
-	-	-	-	-	-
<u>\$ 26,461</u>	<u>\$ 13,785</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ 15,131</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,478	12,451	-	-	13,765	-
2,983	1,334	-	-	1,366	-
<u>26,461</u>	<u>13,785</u>	<u>-</u>	<u>-</u>	<u>15,131</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,359	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>-</u>
<u>\$ 26,461</u>	<u>\$ 13,785</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ 15,131</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2018

	Teachers Hard to Staff Initiative	State Directed Activities	School Library Material Fund FY08	Private Direct Grants
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 5,516	\$ -	\$ 46
Accounts Receivable				
Federal	-	-	-	-
State	12,368	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 12,368</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 46</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	12,243	-	-	-
Accrued Payroll	125	-	-	-
<b>TOTAL LIABILITIES</b>	<b>12,368</b>	<b>-</b>	<b>-</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	-	-	-	-
Restricted	-	5,516	-	46
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>5,516</b>	<b>-</b>	<b>46</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 12,368</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 46</b>

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

EXHIBIT I-3  
CONTINUED

McCune Charitable Foundation	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ 20,000	\$ -	\$ -	\$ 26,865	\$ 194,007
-	-	-	-	40,246
-	68,839	4,364	-	100,702
-	-	-	-	-
-	-	-	-	135,140
<u>\$ 20,000</u>	<u>\$ 68,839</u>	<u>\$ 4,364</u>	<u>\$ 26,865</u>	<u>\$ 470,095</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	68,839	4,364	-	135,140
-	-	-	-	91,855
<u>-</u>	<u>68,839</u>	<u>4,364</u>	<u>-</u>	<u>226,995</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,000	-	-	26,865	59,629
-	-	-	-	-
-	-	-	-	-
-	-	-	-	183,471
<u>20,000</u>	<u>-</u>	<u>-</u>	<u>26,865</u>	<u>243,100</u>
<u>\$ 20,000</u>	<u>\$ 68,839</u>	<u>\$ 4,364</u>	<u>\$ 26,865</u>	<u>\$ 470,095</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, 2018

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

Fund Balances - total governmental funds	\$ 243,100
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	164,865
Deferred outflows related to pensions not reported in the funds	999,312
Deferred outflows related to OPEB not reported in the funds	12,741
Net pension liability not reported in the funds	(2,554,986)
Net OPEB liability not reported in the funds	(686,095)
Deferred inflows related to pensions not reported in the funds	(49,032)
Deferred inflows related to OPEB not reported in the funds	(156,154)
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	-
	<hr/>
Net position of governmental activities	<u>\$ (2,026,249)</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, 2018

	Operational	Instructional Materials	Food Services
<b>REVENUE</b>			
Federal Programs	\$ -	\$ -	\$ 39,002
State Programs	-	2,849	-
State Equalization	1,045,930	-	-
Service Revenues	2,370	-	-
Other revenue sources	2,350	-	-
<b>TOTAL REVENUES</b>	<u>1,050,650</u>	<u>2,849</u>	<u>39,002</u>
<b>EXPENDITURES</b>			
Current			
Instruction	567,293	3,039	-
Support Services Students	35,901	-	-
Support Services Instruction	944	-	-
Support Services General Administration	128,818	-	-
Support Services School Administration	20,047	-	-
Central Services	220,834	-	-
Operation and Maintenance of Plant	83,160	-	-
Student Transportation	1,486	-	-
Other Support Services	-	-	-
Food Services Operations	15,122	-	29,867
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,073,605</u>	<u>3,039</u>	<u>29,867</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	(22,955)	(190)	9,135
Other Financing Sources (Uses)			
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>	(22,955)	(190)	9,135
<b>FUND BALANCE</b>			
June 30, 2017	206,426	6,033	(9,135)
Restatements	-	-	-
June 30, 2017 as restated	<u>206,426</u>	<u>6,033</u>	<u>(9,135)</u>
<b>FUND BALANCE June 30, 2018</b>	<u>\$ 183,471</u>	<u>\$ 5,843</u>	<u>\$ -</u>

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

EXHIBIT I-5

Title I	IDEA- B Entitlement	USDA Equipment Assistance Program	Title XIX Medicaid 3/21 Years	Truancy Initiative	Technology for Education
\$ 26,461	\$ 13,785	\$ -	\$ 1,038	\$ -	\$ -
-	-	-	-	28,033	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,461</u>	<u>13,785</u>	<u>-</u>	<u>1,038</u>	<u>28,033</u>	<u>-</u>
26,461	13,785	-	-	-	-
-	-	-	-	28,033	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,461</u>	<u>13,785</u>	<u>-</u>	<u>-</u>	<u>28,033</u>	<u>-</u>
-	-	-	1,038	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,038	-	-
-	-	-	321	-	1,529
-	-	-	-	-	(1,529)
-	-	-	<u>321</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ -</u>	<u>\$ -</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, 2018

	Teachers Hard to Staff Initiative	State Directed Activities	School Library Material Fund FY08	Private Direct Grants
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	12,368	55,000	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>12,368</b>	<b>55,000</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	12,368	49,484	-	-
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>	<b>12,368</b>	<b>49,484</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>5,516</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Bonds	-	-	-	-
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>-</b>	<b>5,516</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2017	-	-	304	46
Restatements	-	-	(304)	-
June 30, 2017 as restated	-	-	-	46
<b>FUND BALANCE June 30, 2018</b>	<b>\$ -</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 46</b>

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

EXHIBIT I-5  
CONTINUED

McCune Charitable Foundation	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ -	\$ -	\$ -	\$ -	\$ 80,286
-	68,839	4,364	-	171,453
-	-	-	-	1,045,930
-	-	-	-	2,370
22,000	-	-	-	24,350
<u>22,000</u>	<u>68,839</u>	<u>4,364</u>	<u>-</u>	<u>1,324,389</u>
2,000	-	-	-	674,430
-	-	-	-	63,934
-	-	-	-	944
-	-	-	-	128,818
-	-	-	-	20,047
-	-	-	-	220,834
-	-	-	-	83,160
-	-	-	-	1,486
-	-	-	-	-
-	-	-	-	44,989
-	68,839	4,364	2,284	75,487
<u>2,000</u>	<u>68,839</u>	<u>4,364</u>	<u>2,284</u>	<u>1,314,129</u>
20,000	-	-	(2,284)	10,260
-	-	-	-	-
-	-	-	-	-
<u>20,000</u>	<u>-</u>	<u>-</u>	<u>(2,284)</u>	<u>10,260</u>
-	-	-	29,149	234,673
-	-	-	-	(1,833)
-	-	-	29,149	232,840
<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,865</u>	<u>\$ 243,100</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, 2018

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

Net change in fund balance - total governmental funds	\$ 10,260
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	7,345
Depreciation	(18,389)
Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences	
	-
Pension related expense	(348,535)
OPEB related expense	(14,532)
Change in Net Position	<u>\$ (363,851)</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-7

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

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees	\$ -	\$ -	\$ 2,370	\$ 2,370
Interest Income	-	-	-	-
Private Donations	-	-	116	116
Refunds Prior Year	-	-	2,234	2,234
State Equalization	1,019,378	1,046,098	1,045,930	(168)
<b>TOTAL REVENUE</b>	<u>1,019,378</u>	<u>1,046,098</u>	<u>\$ 1,050,650</u>	<u>\$ 4,552</u>
BUDGETED CASH BALANCE	-	129,394		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,019,378</u>	<u>\$ 1,175,492</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 552,228	\$ 611,467	\$ 581,741	\$ 29,726
Support Services	-	-	-	-
Support Services Students	121,765	123,628	35,901	87,727
Support Services Instruction	500	1,100	943	157
Support Services General Administration	134,774	134,774	128,818	5,956
Support Services School Administration	18,829	27,936	20,047	7,889
Central Services	195,983	223,401	220,834	2,567
Operation and Maintenance of Plant	76,512	122,869	83,160	39,709
Student Transportation	500	1,900	1,486	414
Other Support Services	-	-	-	-
Food Services Operations	10,000	20,130	15,123	5,007
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,111,091</u>	<u>\$ 1,267,205</u>	<u>\$ 1,088,053</u>	<u>\$ 179,152</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,484	2,848	2,848	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>2,484</u>	<u>2,848</u>	<u>\$ 2,848</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>6,033</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 2,484</u>	<u>\$ 8,881</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 3,435	\$ 9,832	\$ 3,039	\$ 6,793
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>\$ 3,435</u>	<u>\$ 9,832</u>	<u>\$ 3,039</u>	<u>\$ 6,793</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, 2018

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 41,207	\$ 39,002	\$ (2,205)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>41,207</u>	<u>\$ 39,002</u>	<u>\$ (2,205)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>-</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ -</u>	 <u>\$ 41,207</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	-	41,207	29,867	11,340
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 41,207</u>	<u>\$ 29,867</u>	<u>\$ 11,340</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 28,470	\$ 28,470	\$ 27,000	\$ (1,470)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>28,470</u>	<u>28,470</u>	<u>\$ 27,000</u>	<u>\$ (1,470)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 28,470</u>	<u>\$ 28,470</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 28,470	\$ 28,470	\$ 23,478	\$ 4,992
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>\$ 28,470</u>	<u>\$ 28,470</u>	<u>\$ 23,478</u>	<u>\$ 4,992</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 22,836	\$ 25,362	\$ 30,671	\$ 5,309
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>22,836</u>	<u>25,362</u>	<u>\$ 30,671</u>	<u>\$ 5,309</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 22,836</u>	<u>\$ 25,362</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 22,836	\$ 25,362	\$ 12,451	\$ 12,911
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>\$ 22,836</u>	<u>\$ 25,362</u>	<u>\$ 12,451</u>	<u>\$ 12,911</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 15,765	\$ -	\$ (15,765)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>15,765</u>	<u>\$ -</u>	<u>\$ (15,765)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 15,765</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	-	15,765	-	15,765
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 15,765</u>	<u>\$ -</u>	<u>\$ 15,765</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, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ 1,039	\$ 1,039
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 1,039</u>	<u>\$ 1,039</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--TRUANCY INITIATIVE

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	54,600	35,000	12,902	(22,098)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>54,600</u>	<u>35,000</u>	<u>\$ 12,902</u>	<u>\$ (22,098)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 54,600</u>	<u>\$ 35,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 1,000	\$ -	\$ 1,000
Support Services	-	-	-	-
Support Services Students	54,600	34,000	26,668	7,332
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>\$ 54,600</u>	<u>\$ 35,000</u>	<u>\$ 26,668</u>	<u>\$ 8,332</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, 2018

	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 INITIATIVE

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	15,188	6,075	(9,113)
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>15,188</u>	<u>\$ 6,075</u>	<u>\$ (9,113)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>-</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ -</u>	 <u>\$ 15,188</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 15,188	\$ 12,244	\$ 2,944
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>\$ 15,188</u>	<u>\$ 12,244</u>	<u>\$ 2,944</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--STATE DIRECTED ACTIVITIES

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	55,000	55,000	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>55,000</u>	<u>\$ 55,000</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>				
	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 55,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 55,000	\$ 49,484	\$ 5,516
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>\$ 55,000</u>	<u>\$ 49,484</u>	<u>\$ 5,516</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--SCHOOL LIBRARY MATERIAL FUND FY08

Year Ended June 30, 2018

	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-19

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

Year Ended June 30, 2018

	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-20

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--McCUNE CHARITABLE FOUNDATION

Year Ended June 30, 2018

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	2,000	22,000	20,000
<b>TOTAL REVENUE</b>	<u>-</u>	<u>2,000</u>	<u>\$ 22,000</u>	<u>\$ 20,000</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 2,000</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 2,000	\$ 2,000	\$ -
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>\$ 2,000</u>	<u>\$ 2,000</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-21

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 3,557
TOTAL ASSETS	<u>\$ 3,557</u>
LIABILITIES	
Due To Student Groups	\$ 3,557
TOTAL LIABILITIES	<u>\$ 3,557</u>

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

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

Year Ended June 30, 2018

	Balance 6/30/2017	ADDITIONS	DEDUCTIONS	Balance 6/30/2018
GENERAL	\$ 2,471	\$ 1,086	\$ -	\$ 3,557
	<u>\$ 2,471</u>	<u>\$ 1,086</u>	<u>\$ -</u>	<u>\$ 3,557</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, 2018

	Balance 6/30/2017	ADDITIONS	DEDUCTIONS	Balance 6/30/2018
Administration	\$ 59,534	\$ 30,003	\$ 32,467	\$ 57,070
Taos High School	306,200	431,049	410,386	326,863
Taos Middle School	54,618	64,145	72,326	46,437
Enos Elementary	40,170	61,671	62,256	39,585
Ranchos Elementary	32,431	39,941	37,988	34,384
Arroyos Del Norte Elementary	6,287	9,786	8,421	7,652
Total	<u>\$ 499,240</u>	<u>\$ 636,595</u>	<u>\$ 623,844</u>	<u>\$ 511,991</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, 2018

Fiscal Year Measurement Date	June 30			
	2018 2017	2017 2016	2016 2015	2015 2014
Taos Municipal School's proportion of the net pension liability (asset)	0.45838%	0.46776%	0.48067%	0.51109%
Taos Municipal School's proportionate share of the net pension liability (asset)	\$ 50,941,916	\$ 33,662,038	\$ 31,134,276	\$ 29,161,411
Taos Municipal School's covered-employee payroll	\$ 13,052,452	\$ 13,359,318	\$ 13,123,831	\$ 14,087,453
Taos Municipal School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	390.29%	251.97%	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	52.95%	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, 2018

Fiscal Year Measurement Date	June 30			
	2018 2017	2017 2016	2016 2015	2015 2014
Anansi Charter School's proportion of the net pension liability (asset)	0.03111%	0.02948%	0.02555%	0.02245%
Anansi Charter School's proportionate share of the net pension liability (asset)	\$ 3,457,400	\$ 2,121,509	\$ 1,654,942	\$ 1,280,929
Anansi School's covered-employee payroll	\$ 888,063	\$ 841,949	\$ 697,597	\$ 618,784
Anansi School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	389.32%	251.98%	237.23%	207.01%
Plan fiduciary net position as a percentage of total pension liability	52.95%	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, 2018

	Fiscal Year Measurement Date	June 30			
		2018 2017	2017 2016	2016 2015	2015 2014
Taos Charter School's proportion of the net pension liability (asset)		0.03540%	0.03132%	0.03076%	0.03034%
Taos Charter School's proportionate share of the net pension liability (asset)		\$ 3,934,168	\$ 2,253,923	\$ 1,992,407	\$ 1,731,110
Taos Charter School's covered-employee payroll		\$ 1,008,560	\$ 894,581	\$ 839,847	\$ 861,285
Taos Charter School's proportionate share of the net pension liability as a percentage of its covered-employee payroll		390.08%	251.95%	237.23%	200.99%
Plan fiduciary net position as a percentage of total pension liability		52.95%	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, 2018

Fiscal Year Measurement Date	June 30			
	2018 2017	2017 2016	2016 2015	2015 2014
Vista Grande High School's proportion of the net pension liability (asset)	0.02299%	0.02082%	0.02113%	0.01738%
Vista Grande High School's proportionate share of the net pension liability (asset)	\$ 2,554,986	\$ 1,498,297	\$ 1,368,646	\$ 991,648
Vista Grande High School's covered-employee payroll	\$ 654,614	\$ 586,130	\$ 576,917	\$ 479,125
Vista Grande High School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	390.30%	255.63%	237.23%	206.97%
Plan fiduciary net position as a percentage of total pension liability	52.95%	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, 2018

	2018	2017	2016	2015
Statutory required contributions	\$ 1,764,686	\$ 1,814,377	\$ 1,856,944	\$ 1,899,093
Contributions in relation to the statutorily required contributions	1,764,686	1,814,377	1,856,944	1,899,093
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -

\* *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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 124,247	\$ 123,441	\$ 117,031	\$ 100,944
Contributions in relation to the statutorily required contributions	124,247	123,441	117,031	100,944
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 135,743	\$ 140,190	\$ 124,347	\$ 121,548
Contributions in relation to the statutorily required contributions	135,743	140,190	124,347	121,548
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 88,466	\$ 90,992	\$ 75,804	\$ 83,419
Contributions in relation to the statutorily required contributions	88,466	90,992	75,804	83,419
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2018

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

Changes in assumptions and methods - Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
ANANSI CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

Changes in assumptions and methods - Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
TAOS CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

Changes in assumptions and methods - Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
VISTA GRANDE HIGH SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

Changes in assumptions and methods - Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 3

SCHEDULE OF THE PROPORTIONATE SHARE OF NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE ASSOCIATION (NMRHCA)  
OPEB PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Taos Municipal School's proportion of the net OPEB liability	0.30803%
Taos Municipal School's proportionate share of the net OPEB liability	\$ 13,958,912
Taos Municipal School's covered-employee payroll	\$ 12,831,444
Taos Municipal School's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Taos Municipal Schools will present information for available years.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

SCHEDULE 3  
 CONTINUED

SCHEDULE OF THE PROPORTIONATE SHARE OF NET OPEB LIABILITY  
 NEW MEXICO RETIREE HEALTH CARE ASSOCIATION (NMRHCA)  
 OPEB PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Anansi Charter School's proportion of the net OPEB liability	0.02070%
Anansi Charter School's proportionate share of the net OPEB liability	\$ 938,056
Anansi Charter School's covered-employee payroll	\$ 862,289
Anansi Charter School's proportionate share of the net OPEB liability as a percetange of it's covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\*This schedule is presented to illustrate the requierment to show information for 10 years. However, until a full 10-year trend is compiled, Anansi Charter School will present information for available years.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 TAOS CHARTER SCHOOL

SCHEDULE 3  
 CONTINUED

SCHEDULE OF THE PROPORTIONATE SHARE OF NET OPEB LIABILITY  
 NEW MEXICO RETIREE HEALTH CARE ASSOCIATION (NMRHCA)  
 OPEB PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Taos Charter School's proportion of the net OPEB liability	0.01951%
Taos Charter School's proportionate share of the net OPEB liability	\$ 884,129
Taos Charter School's covered-employee payroll	\$ 812,718
Taos Charter School's proportionate share of the net OPEB liability as a percentange of it's covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\*This schedule is presented to illustrate the requierment to show information for 10 years. However, until a full 10-year trend is compiled, Taos Charter School will present information for available years.



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

SCHEDULE 3  
 CONTINUED

SCHEDULE OF THE PROPORTIONATE SHARE OF NET OPEB LIABILITY  
 NEW MEXICO RETIREE HEALTH CARE ASSOCIATION (NMRHCA)  
 OPEB PLAN - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Vista Grande High School's proportion of the net OPEB liability	0.01514%
Vista Grande High School's proportionate share of the net OPEB liability	\$ 686,095
Vista Grande High School's covered-employee payroll	\$ 630,679
Vista Grande High School's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Vista Grande High School will present information for available years.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 4

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS NEW MEXICO RETIREE  
HEALTH CARE ASSOCIATION (NMRHCA) - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Contractually required contribution	\$ 978,140
Contributions in relation to the contractually required contribution	490,917
Contribution deficiency (excess)	<u>\$ 487,223</u>
Taos Municipal School's covered-employee payroll	\$ 12,831,444
Contributions as a percentage of covered-employee payroll	3.83%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Taos Municipal Schools will present information for available years.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 ANANSI CHARTER SCHOOL

SCHEDULE 4  
 CONTINUED

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS NEW MEXICO RETIREE  
 HEALTH CARE ASSOCIATION (NMRHCA) - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Contractually required contribution	\$ 65,732
Contributions in relation to the contractually required contribution	32,990
Contribution deficiency (excess)	<u>\$ 32,742</u>
Anansi Charter School's covered-employee payroll	\$ 862,289
Contributions as a percentage of covered-employee payroll	3.83%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Anansi Charter School will present information for available years.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS  
TAOS CHARTER SCHOOL

SCHEDULE 4  
CONTINUED

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS NEW MEXICO RETIREE  
HEALTH CARE ASSOCIATION (NMRHCA) - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Contractually required contribution	\$ 61,953
Contributions in relation to the contractually required contribution	31,094
Contribution deficiency (excess)	<u>\$ 30,859</u>
Taos Charter School's covered-employee payroll	\$ 812,718
Contributions as a percentage of covered-employee payroll	3.83%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Taos Charter School will present information for available years.

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS  
 VISTA GRANDE HIGH SCHOOL

SCHEDULE 4  
 CONTINUED

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS NEW MEXICO RETIREE  
 HEALTH CARE ASSOCIATION (NMRHCA) - LAST 10 FISCAL YEARS\*

JUNE 30, 2018

	<u>2018*</u>
Contractually required contribution	\$ 48,077
Contributions in relation to the contractually required contribution	24,129
Contribution deficiency (excess)	<u>\$ 23,948</u>
Vista Grande High School's covered-employee payroll	\$ 630,679
Contributions as a percentage of covered-employee payroll	3.83%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Vista Grande High School will present information for available years.

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5

BANK SUMMARY

JUNE 30, 2018

Taos Municipal Schools:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund *	\$ 8,344,554	\$ (362,689)	\$ 7,981,865
	Checking	Activities *	533,107	(21,116)	511,991
Total Centinel Bank			<u>8,877,661</u>	<u>(383,805)</u>	<u>8,493,856</u>
US Bank	Checking	Multi Fund	<u>2,454,684</u>	<u>(617,232)</u>	<u>1,837,452</u>
Total US Bank			<u>2,454,684</u>	<u>(617,232)</u>	<u>1,837,452</u>
Total all Accounts			<u>\$ 11,332,345</u>	<u>\$ (1,001,037)</u>	<u>\$ 10,331,308</u>

\* Interest Bearing

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
 CONTINUED

BANK SUMMARY

JUNE 30, 2018

Anansi Charter School:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
US Bank	Checking	Multi Fund	\$ 242,201	\$ (9,939)	\$ 232,262
Total all Accounts			<u>\$ 242,201</u>	<u>\$ (9,939)</u>	<u>\$ 232,262</u>

\* Interest Bearing



STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
 CONTINUED

BANK SUMMARY

JUNE 30, 2018

Taos Charter School:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
US Bank	Checking	Multi Fund	\$ 229,045	\$ (6,436)	\$ 222,609
Total all Accounts			<u>\$ 229,045</u>	<u>\$ (6,436)</u>	<u>\$ 222,609</u>

\* Interest Bearing

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
 CONTINUED

BANK SUMMARY

JUNE 30, 2018

Vista Grande High School:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	OTHER ADJUSTMENT	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund	\$ 214,737	\$ (44,350)	\$ 23,619	\$ 194,006
	Checking	Activities	3,557	-	-	3,557
Total all Accounts			<u>\$ 218,294</u>	<u>\$ (44,350)</u>	<u>\$ 23,619</u>	<u>\$ 197,563</u>

\* Interest Bearing

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 6

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2018

Taos Municipal Schools:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Cintinel Bank	\$ 8,877,661	\$ 250,000	\$ 8,627,661	\$ 4,313,831	\$ 5,228,834	\$ 3,398,827
US Bank	2,454,684	250,000	2,204,684	1,102,342	2,500,000	(295,316)
Total	<u>\$11,332,345</u>	<u>\$ 500,000</u>	<u>\$10,832,345</u>	<u>\$ 5,416,173</u>	<u>\$ 7,728,834</u>	<u>\$ 3,103,511</u>

Collateral	CUSIP #.	Amount	Matures
FHLB	313376C94	\$ 1,993,834	12/10/2021
Clovis NM Muni Sch Dist	1894141MS1	500,000	8/1/2023
Belen NM Consol 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
Roswell NM Indep Sch	778550KT9	355,000	8/1/2027
Total Collateral at Cintinel Bank		<u>5,228,834</u>	
FHLB	LOC# 520014	2,500,000	12/3/2018
Total Collateral at US Bank		2,500,000	
Total Collateral all Accounts		<u>\$ 7,728,834</u>	

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 6  
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2018

Anansi Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 242,201	\$ 242,201	\$ -	\$ -	\$ 170,366	\$ -
Total	\$ 242,201	\$ 242,201	\$ -	\$ -	\$ 170,366	\$ -

  

Collateral	CUSIP #.	Amount	Matures
FHLMC FHARM 1B4844	3128JQHW1	\$ 170,366	7/1/2040
Total Collateral at US Bank		\$ 170,366	

STATE OF NEW MEXICO  
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 6  
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2018

Taos Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 229,045	\$ 229,045	\$ -	\$ -	\$ -	\$ -
Total	\$ 229,045	\$ 229,045	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 6  
CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2018

Vista Grande High School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Centinel Bank	\$ 218,295	\$ 250,000	\$ (31,705)	\$ -	\$ 75,000	\$ -
Total	\$ 218,295	\$ 250,000	\$ (31,705)	\$ -	\$ 75,000	\$ -

  

Collateral	CUSIP #.	Amount	Matures
Ruidoso NM Muni Sch Dist	781338KY3	\$ 75,000	8/1/2024
Total Collateral at US Bank		\$ 75,000	

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2018

Taos Municipal Schools:

	<u>OPERATIONAL</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>
Audited Net Cash				
June 30, 2017	\$ 2,160,512	\$ 28	\$ 150,194	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2017	2,160,512	28	150,194	-
Add: Prior year void checks	-	-	-	-
2017-2018 Revenue	18,811,175	915,842	70,706	1,542,120
Transfers In & Adjustments	1,945,086	12	-	180,701
 TOTAL AVAILABLE CASH	 22,916,773	 915,882	 220,900	 1,722,821
Less: 2017-2018 Expenditures	17,750,830	915,826	118,212	1,586,464
Returned Checks	-	-	-	-
Transfers Out & Adjustments	1,874,335	14	-	135,228
	19,625,165	915,840	118,212	1,721,692
 NET CASH, JUNE 30, 2018	 3,291,608	 42	 102,688	 1,129
 TOTAL CASH, JUNE 30, 2018	 \$ 3,291,608	 \$ 42	 \$ 102,688	 \$ 1,129

SCHEDULE 7

<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>	<u>SCO LOCAL</u>	<u>SCO STATE</u>	<u>SB-9</u>
\$ 6,242	\$ 461,270	\$ 125,388	\$ 21,000	\$ -	\$ -
-	-	-	-	-	-
6,242	461,270	125,388	21,000	-	-
-	-	-	-	-	-
67,407	2,388,943	921,032	-	-	-
-	814,075	264,739	-	104,000	57,699
73,649	3,664,288	1,311,159	21,000	104,000	57,699
56,512	2,207,423	831,662	-	104,000	57,699
-	-	-	-	-	-
-	916,088	335,234	-	-	-
56,512	3,123,511	1,166,896	-	104,000	57,699
17,137	540,777	144,263	21,000	-	-
<u>\$ 17,137</u>	<u>\$ 540,777</u>	<u>\$ 144,263</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ -</u>



STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 7  
Continued

BANK RECONCILIATION

JUNE 30, 2018

Taos Municipal Schools (continued)

	SB-9 LOCAL	ED TECH EQUIPMENT ACT	DEBT SERVICE	ED TECH DEBT SERVICE	ACTIVITY
Audited Net Cash					
June 30, 2017	\$ 1,874,378	\$ 1,269,626	\$ 2,872,117	\$ 685,766	\$ 499,240
Investments & cash on hand/Loans	-	-	-	-	-
TOTAL CASH BALANCE					
June 30, 2017	1,874,378	1,269,626	2,872,117	685,766	499,240
Add: Prior year void checks	-	-	-	-	-
2017-2018 Revenue	2,328,424	95	2,874,335	589,025	636,595
Transfers In & Adjustments	2,300	-	-	-	-
<b>TOTAL AVAILABLE CASH</b>	<b>4,205,102</b>	<b>1,269,721</b>	<b>5,746,452</b>	<b>1,274,791</b>	<b>1,135,835</b>
Less: 2017-2018 Expenditures	2,620,904	678,105	2,890,019	606,365	623,844
Returned Checks	-	-	-	-	-
Transfers Out & Adjustments	-	-	-	-	-
	<u>2,620,904</u>	<u>678,105</u>	<u>2,890,019</u>	<u>606,365</u>	<u>623,844</u>
<b>NET CASH, JUNE 30, 2018</b>	<u><b>1,584,198</b></u>	<u><b>591,616</b></u>	<u><b>2,856,433</b></u>	<u><b>668,426</b></u>	<u><b>511,991</b></u>
<b>TOTAL CASH, JUNE 30, 2018</b>	<u><b>\$ 1,584,198</b></u>	<u><b>\$ 591,616</b></u>	<u><b>\$ 2,856,433</b></u>	<u><b>\$ 668,426</b></u>	<u><b>\$ 511,991</b></u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2018

Anansi Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2017	\$ 137,055	\$ 11,116	\$ 480	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2017	137,055	11,116	480	-
Add: Prior year void checks	-	-	-	-
2017-2018 Revenue	1,531,962	6,140	44,889	49,315
Transfers In & Adjustments	115,838	-	-	19,961
TOTAL AVAILABLE CASH	1,784,855	17,256	45,369	69,276
Less: 2017-2018 Expenditures	1,512,937	14,750	40,700	59,795
Returned Checks	-	-	-	-
Transfers Out & Adjustments	119,035	-	-	9,481
	1,631,972	14,750	40,700	69,276
NET CASH, JUNE 30, 2018	152,883	2,506	4,669	-
Cash On hand	-	-	-	-
TOTAL CASH, JUNE 30, 2018	<u>\$ 152,883</u>	<u>\$ 2,506</u>	<u>\$ 4,669</u>	<u>\$ -</u>

SCHEDULE 7  
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 191	\$ -	\$ 504	\$ 1,487	\$ -	\$ -	68,475
-	-	-	-	-	-	-
191	-	504	1,487	-	-	68,475
-	-	-	-	-	-	-
2,483	95,438	-	-	134,734	6,727	131,060
-	-	-	-	-	-	-
2,674	95,438	504	1,487	134,734	6,727	199,535
-	82,787	-	1,487	134,734	6,727	130,317
-	-	-	-	-	-	-
191	12,651	-	-	-	-	-
191	95,438	-	1,487	134,734	6,727	130,317
-	-	-	-	-	-	-
2,483	-	504	-	-	-	69,218
-	-	-	-	-	-	-
<u>\$ 2,483</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,218</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2018

Taos Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2017	\$ -	\$ 26,992	\$ -	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2017	-	26,992	-	-
Add: Prior year void checks	-	-	-	-
2017-2018 Revenue	1,597,190	6,710	43,770	68,859
Transfers In & Adjustments	60,347	-	15,893	45,881
<b>TOTAL AVAILABLE CASH</b>	<b>1,657,537</b>	<b>33,702</b>	<b>59,663</b>	<b>114,740</b>
Less: 2017-2018 Expenditures	1,436,547	31,315	45,406	84,656
Returned Checks	-	-	-	-
Transfers Out & Adjustments	210,045	-	14,257	30,084
	<u>1,646,592</u>	<u>31,315</u>	<u>59,663</u>	<u>114,740</u>
<b>NET CASH, JUNE 30, 2018</b>	<b>10,945</b>	<b>2,387</b>	<b>-</b>	<b>-</b>
Cash On hand	-	-	-	-
<b>TOTAL CASH, JUNE 30, 2018</b>	<b><u>\$ 10,945</u></b>	<b><u>\$ 2,387</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

SCHEDULE 7  
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 7,314	\$ -	\$ -	\$ 1,241	\$ -	\$ -	\$ 117,976
-	-	-	-	-	-	-
7,314	-	-	1,241	-	-	117,976
-	-	-	-	-	-	-
22,240	-	139,249	-	142,100	-	163,243
-	-	15,914	-	-	392	35,689
29,554	-	155,163	1,241	142,100	392	316,908
23,176	-	129,562	1,241	142,100	392	111,608
-	-	-	-	-	-	-
2,401	-	25,601	-	-	-	-
25,577	-	155,163	1,241	142,100	392	111,608
-	-	-	-	-	-	-
3,977	-	-	-	-	-	205,300
-	-	-	-	-	-	-
<u>\$ 3,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,300</u>

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE 5  
Continued

BANK RECONCILIATION

JUNE 30, 2018

Vista Grande High School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2017	\$ 231,081	\$ 6,033	\$ -	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2017	231,081	6,033	-	-
Add: Prior year void checks	-	-	-	-
2017-2018 Revenue	1,050,650	2,849	39,002	39,451
Transfers In & Adjustments	110,178	-	-	54,149
 TOTAL AVAILABLE CASH	 1,391,909	 8,882	 39,002	 93,600
Less: 2017-2018 Expenditures	1,025,860	3,039	29,866	54,149
Returned Checks	-	-	-	-
Transfers Out & Adjustments	231,672	-	9,136	39,451
	<u>1,257,532</u>	<u>3,039</u>	<u>39,002</u>	<u>93,600</u>
 NET CASH, JUNE 30, 2018	 134,377	 5,843	 -	 -
Cash On hand	-	-	-	-
 TOTAL CASH, JUNE 30, 2018	 <u>\$ 134,377</u>	 <u>\$ 5,843</u>	 <u>\$ -</u>	 <u>\$ -</u>

SCHEDULE 7  
Continued

<u>FEDERAL DIRECT</u>	<u>STATE FLOWTHROUGH</u>	<u>LOCAL/ STATE</u>	<u>PSCO</u>	<u>SB-9</u>	<u>ED. TECH EQUIPMENT ACT</u>	<u>ACTIVITY</u>
\$ 321	\$ 1,833	\$ 46	-	\$ -	\$ 29,149	\$ 2,471
-	-	-	-	-	-	-
321	1,833	46	-	-	29,149	2,471
-	-	-	-	-	-	-
1,039	73,977	22,000	17,670	-	-	1,086
-	26,009	-	68,839	4,364	-	-
1,360	101,819	22,046	86,509	4,364	29,149	3,557
-	88,395	2,000	68,839	4,364	2,284	-
-	-	-	-	-	-	-
-	7,908	-	17,670	-	-	-
-	96,303	2,000	86,509	4,364	2,284	-
1,360	5,516	20,046	-	-	26,865	3,557
-	-	-	-	-	-	-
<u>\$ 1,360</u>	<u>\$ 5,516</u>	<u>\$ 20,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,865</u>	<u>\$ 3,557</u>

SCHEDULE OF JOINT POWERS AGREEMENTS

JUNE 30, 2018

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: Agreement entered into in September 2009 with a term of 40 years with the option for an additional 40 year renewal.

Projected Cost: Cost of liability insurance coverage in the amount of \$1,000,000.

Audit Responsibility: Town of Taos and Taos Municipal Schools.

Fiscal Agent: Town of Taos and Taos Municipal Schools.



# COMPLIANCE SECTION

# Woodard, Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITOR'S 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 funds, of the Taos Municipal School District as of and for the year ended June 30, 2018, 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 14, 2018.

### 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

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

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 questioned costs that we consider to be significant deficiencies identified as 2010-009 and 2014-029 TCS.

#### 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 2018-001, 2018-002, 2018-003 and 2018-001 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 14, 2018

# 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, 2018. 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.

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

### 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, 2018.

### 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 14, 2018

SINGLE AUDIT SECTION

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2018

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unmodified
Significant Deficiencies on GAGAS	2010-009 and 2014-029 TCS
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$750,000
Entity Risk	Low Risk
Major Federal Programs	IDEA-B Special Education Cluster CFDA #84.010 and CFDA#84.173
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, 2018

II. FINANCIAL STATEMENT FINDINGS

2018-001 (2010-009) Capital Assets (significant deficiency)

- Condition: As of June 30, 2018 the District was still not using a capital asset management system which would enable 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 made great progress on correcting this finding during the current fiscal year. They have hired an outside consultant to rebuild the capital asset listing with depreciation expense. As of the end of field work the listing was almost completed.
- 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 had not made this a priority to be completed since the inception of GASB 34 until this fiscal year. 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 ensure that the capital asset listing is completed during the current fiscal year. There should be specific staff or an outside consultant involved in seeing this process is completed and maintained, and then a review by management and the governing board should certify the annual inventory each year thereafter.
- Response: The Taos Municipal School District will continue to make progress and fully implement a Capital Asset Management System by the end of FY19. The computerized system will continue to be updated annually utilizing the services of an outside consultant to assist with the process. New Mexico State Statute requires that the district implement a well-documented method for accounting fixed assets which the district is committed to do. Management and the governing authority will review and certify the annual inventory each year beginning in FY19.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS – Taos Charter School

2018-001 TCS (2014-029 TCS) Purchase Orders (significant deficiency)

- Condition: The Charter School had purchase orders either prepared after the date of the invoice or that did not have an issue date on them. Of 80 invoices tested, 3 or 4% were dated prior to the purchase order and 2 or 3% did not have an issue date. This amounted to \$24,438 of \$353,398 or 7% of the amounts tested. Management has worked to implement the corrective action plan as outlined in the prior year audit finding, however, 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: Processes at the school level will be reviewed to identify the cause of the actions, or lack of action that led to this finding. Once identified, training will be provided by the school's contracted Business Manager to school administration and by school administration to the school's staff to aide in resolving this finding. Prior to the audit being conducted, the school's audit/finance committee was working on updating and revising financial policies and procedures as part of their annual review. Implementation is expected by December 31, 2018 and those responsible for implementation are the Business Manager, Charter Director and Fiscal Specialist.

III. FEDERAL AWARD FINDINGS

None

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2018

IV. PRIOR YEAR FINDINGS

PRIMARY GOVERNMENT

FS 2010-009 Capital Assets	Revised and Repeated
FS 2014-001 Purchase Orders	Resolved
FS 2014-006 HR Documentation	Resolved
FS 2014-015 Background Checks and Licensure	Resolved
FS 2017-001 Minutes of the Board of Education	Resolved

COMPONENT UNIT ANASI CHARTER SCHOOL

FS 2017-001 New Mexico Retiree Health Care	Resolved
--	----------

COMPONENT UNIT FRIENDS OF ANANSI CHARTER SCHOOL

None

COMPONENT UNIT TAOS CHARTER SCHOOL

FS 2014-029 TCS Purchase Orders	Revised and Repeated
FS 2015-001 TCS Overspent Budgets	Resolved

COMPONENT UNIT FRIENDS OF TAOS CHARTER SCHOOL

None

COMPONENT UNIT VISTA GRANDE HIGH SCHOOL

FS 2012-001 VGHS Inactive Funds	Resolved
FS 2013-005 VGHS Overspent Budgets	Resolved
FS 2014-045 VGHS Purchase Orders	Resolved

FEDERAL AWARDS FINDINGS

None

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS

JUNE 30, 2018

OTHER FINDINGS

2018-002 Overspent Budgets (other non-compliance)

Condition: The following budget was over spent for the year ended June 30, 2018:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>FUNCTION</u>	<u>AMOUNT</u>
31701	SB-9 Local	2000	\$ 118

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 District was estimating the 1% administrative costs based on revenue collections and adjusting their budget accordingly. However, collections in the final months were more than expected and by the time the actual amounts were known, it was too late to submit a BAR to increase the budget for those additional funds.

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

Recommendation: The District should calculate the 1% fee on a more timely basis in order to prepare BAR's which can be submitted and approved before year end or estimate for delinquent collections with additional administrative fees in the original budget calculations.

Response: It is the goal of the Taos Municipal School District to adhere to the internal controls established by the TMSD Board of Education and Finance Department. Management will fulfill the responsibility to adopt sound accounting procedures and continue to establish and maintain internal controls. The internal controls in place will consist of monitoring budgets on a monthly basis to ensure that budgets are not in violation of the laws in place as outlined by New Mexico State Statues. The continued implementation of these internal controls will be enforced by the finance director.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2018

OTHER FINDINGS

2018-003 Cash Deposits (other non-compliance)

- Condition: 4 of 20 (20%) athletics deposits totaling \$3,380 were not deposited within 24 hours of receipt and 1 of 25 (4%) activity deposits totaling \$180 were not deposited within 24 hours of being received by the sponsor in charge of the activity which raised the funds, because the sponsor did not turn them into the school secretary timely.
- Criteria: Chapter 22 Article 8 NMSA 1978, requires that any funds received by the District are required to be deposited to a financial institution within 24 hours of receipt of those funds.
- Cause: The athletics department and the activity sponsor did not follow the guidelines required by the District to ensure that any and all funds received are deposited within the required time period.
- Effect: The District violated the deposit requirements under the statute and District's policies, therefore assets of the district were not secured properly.
- Recommendation: The District should retrain all staff regarding procedures for receipt of funds and importance of depositing the funds timely to the bank. They should evaluate the control procedures in the athletics department to see if they need to be changed to help ensure the District personnel meet the requirements of the statutes.
- Response: The TMS Finance Department will send out an email to all staff outlining the procedures for receipting of funds and the extreme importance of depositing all funds to a financial institution within the 24-hour rule as required by New Mexico State Statute. The collection of any and all funds collected will be monitored to ensure that the procedures and/or guidelines in place are being followed. Notification to the staff will be sent by December 31, 2018.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2018

OTHER FINDINGS – Vista Grande High School

2018-001 VGHS Cash Receipts (other non-compliance)

- Condition:** Cash receipts were not being issued by the sponsors for any type of activity or fund raiser cash being collected by the Charter school. As a result it is unknown when funds were received and if they are being deposited to banks and were in compliance with the 24 hour deposit rule.
- Criteria:** Good internal control policy would dictate that receipts would be given to any person who pays cash to the Charter school. Copies of those receipts would be kept by the Charter school and reconciled or attached to the deposits to ensure all funds are deposited and accounted for.
- Cause:** The Charter school has typically had any cash receipts paid directly to the secretary who keeps a receipt book for those receipts. Since activity funds have been set up and are starting to be used by the Charter school there have not been new control procedures developed and implemented.
- Effect:** The Charter Schools cannot determine if all funds received were deposited and accounted for or verify the dates of those receipts to ensure the 24 hour deposit rule was adhered to.
- Recommendation:** The Charter School should evaluate the risks involved with cash receipts and develop and implement internal control procedures to lower those risks as much as is possible.
- Response:** Management along with the contracted Business Manager will develop and implement new internal controls over cash receipts. These control changes will deal directly with funds being received by the activity sponsors and will include each sponsor having their own receipt book to ensure all amounts received are receipted with a date and amount and description. These procedures will be implemented by December 31, 2018 by the Charter Director.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

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			
<1>Special Education Cluster (IDEA-B)			
Entitlement	84.027	NM PED,24106	\$ 717,397
Risk Pool	84.027	NM PED,24120	15,281
Results Plan	84.027	NM PED,24132	39,502
Preschool	84.173	NM PED,24109	4,622
Total Special Education Cluster (IDEA-B)			<u>776,802</u>
Other Programs			
Title I Grants to Local Educational Agencies	84.010	NM PED,24101	800,797
Carl Perkins Secondary Redistribution	84.048	NM PED,24176	0
Carl Perkins Secondary HSTW	84.048	NM PED,24180	73,942
Rural Education	84.358	NM PED,24160	44,081
English Language Acquisition State Grants	84.365	NM PED,24153	25,641
Improving Teacher Quality State Grants	84.367	NM PED,24154	178,674
Student Support and Academic Enrichment	84.424	NM PED,24189	12,326
Indirect costs		11000-44107	2,137
Indirect costs		11000-44205	57,752
Total Other Programs			<u>1,195,350</u>
Total Passthrough NM Public Education Department			<u>1,972,152</u>
Direct Grants			
Impact Aid	84.041		62,909
Indian Education_ Grants to Local Educational Agencies	84.060	NM PED,25184	51,044
Total Direct Grants			<u>113,953</u>
Total Department of Education			<u>2,086,105</u>
United States Department of Agriculture			
National School Lunch Program	10.555	NM PED,21000	1,253,116
Commodity Supplemental Food Program	10.565	NM PED,21000	92,279
Fresh Fruit and Vegetable Program	10.582	NM PED,24118	56,775
Schools and Roads - Grants to States	10.665		176,449
Total United States Department of Agriculture			<u>1,578,619</u>
Total Expenditures of Federal Awards			<u>\$ 3,664,724</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, 2018 in accordance with the requirements of Title 2 U.S. code of Federal Regulation Part 200, Uniform Administrative Requirments, 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 \$92,279 is reported in the schedule at the fair market value of the commdities received from the Department of Agriculture.

STATE OF NEW MEXICO  
TAOS MUNICIPAL SCHOOL DISTRICT

OTHER DISCLOSURES

Year Ended June 30, 2018

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 14, 2018 at Taos Municipal Schools. Present were:

Taos Municipal School District

Dr. Lillian Torrez  
Whitney Goler  
Susie Martinez  
Evangeline S. Romero  
Christine Valencia  
Sally Martinet

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

Anansi Charter School

Michele Hunt  
Arron Livingston

Director  
Governing Council

Friends of Anansi Charter School Foundation

Amanda Allalonis

Treasurer – Friends of Anansi Charter School Foundation

Taos Charter School

Jeremy Jones  
Brandon Swim

Director  
Governing Council, Treasurer

Friends of Taos Charter School Foundation

Roberta Lerman

President - Friends of Taos Charter School Foundation

Vista Grande High School

Isabelle St. Onge  
Yvette Aguilar

Director  
Assistant Business Manager

Woodard Cowen & Co.

D. Brent Woodard

CPA