

**STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2019

Woodard, Cowen & Co.

Certified Public Accountants

INTRODUCTORY SECTION

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

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TAOS MUNICIPAL SCHOOL DISTRICT

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STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

OFFICIAL ROSTER

JUNE 30, 2019

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
Susie Martinez	Business Manager

FINANCIAL SECTION

Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
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, 2019, 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, 2019 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, 2019, 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, 2019, 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 201, the *Schedule of Contributions to ERB* on page 205, with the notes to the required supplementary information on page 209, the *Schedule of Proportionate Share of the Net OPEB Liability* on page 213, and the *Schedule of Contributions to New Mexico Retiree Health Care* on page 217, 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 12, 2019 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 12, 2019

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,320,855	\$ 688,686
Investments	-	232,109
Property taxes receivable	1,343,958	-
Due from other governments	1,943,760	246,219
Due from other entities	-	151,347
Inventories	28,082	-
Total current assets	<u>13,636,655</u>	<u>1,318,361</u>
Non-current assets:		
Prepaid lease	-	512,306
Capital assets, net	47,462,848	5,990,483
Total non-current assets	<u>47,462,848</u>	<u>6,502,789</u>
Total assets	<u>61,099,503</u>	<u>7,821,150</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	13,140,844	2,939,229
Deferred outflows related to OPEB	266,042	401,215
Deferred outflows related to bond refunding	348,762	-
Total deferred outflows	<u>13,755,648</u>	<u>3,340,444</u>
LIABILITIES		
Current liabilities:		
Accounts payable	273,574	-
Accrued payroll liabilities	632,039	313,052
Accrued interest payable	413,387	-
Due to other governments	316,687	-
Current portion of unearned lease income	-	46,584
Current portion of long term debt	2,745,000	50,017
Total current liabilities	<u>4,380,687</u>	<u>409,653</u>
Non-current liabilities:		
Non-current portion of long term debt	25,629,409	2,198,733
Non-current portion of unearned lease income	-	465,722
Net pension liability	54,018,749	10,666,335
Net OPEB liability	12,928,529	2,727,724
Bond premium, net	1,534,388	-
Total non-current liabilities	<u>94,111,075</u>	<u>16,057,514</u>
Total liabilities	<u>98,491,762</u>	<u>16,467,167</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	1,637	-
Deferred inflows related to pensions	1,717,145	246,348
Deferred inflows related to OPEB	3,832,137	714,893
Total deferred inflows	<u>5,550,919</u>	<u>961,241</u>
NET POSITION		
Net investment in capital assets	19,088,439	3,741,733
Restricted:		
Debt Service	3,186,174	-
Special Revenue	659,617	33,725
Capital Projects	2,920,469	311,144
Unrestricted	(55,042,229)	(10,353,416)
Total net position	<u>\$ (29,187,530)</u>	<u>\$ (6,266,814)</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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Instruction	\$ 24,007,505	\$ 89,963	\$ 2,515,992	\$ -	\$ (21,421,550)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	2,462,446	-	550,807	-	(1,911,639)	-
Support Services Instruction	732,990	-	9,429	-	(723,561)	-
Support Services General Administration	1,348,139	-	206,709	-	(1,141,430)	-
Support Services School Administration	1,246,740	-	15,491	-	(1,231,249)	-
Central Services	822,805	-	173,801	-	(649,004)	-
Operation and Maintenance of Plant	2,818,371	-	-	-	(2,818,371)	-
Student Transportation	971,897	-	886,400	-	(85,497)	-
Other Support Services	612,226	-	-	-	(612,226)	-
Food Services Operations	1,732,899	244,648	1,416,275	-	(71,976)	-
Community Services	1,794	-	-	-	(1,794)	-
Bond Interest Paid and Bond Issuance Cost	1,402,668	-	-	-	(1,402,668)	-
Amortization - Unallocated	(162,803)	189,981	699,067	727,394	1,779,245	-
Total governmental activities	\$ 37,997,677	\$ 504,592	\$ 6,473,771	\$ 727,394	(30,291,920)	-
Component Units						
Anansi Charter School	\$ 3,114,694	\$ 292,637	\$ 213,501	\$ 310,456		(2,298,100)
Taos Charter School	3,142,779	164,637	304,397	296,564		(2,377,181)
Vista Grande High School	1,839,333	1,015	192,696	84,527		(1,561,095)
Total Component Units	\$ 8,096,806	\$ 458,289	\$ 710,594	\$ 691,547		(6,236,376)
General revenues:						
Property Taxes:						
					219,907	-
					3,508,143	-
					2,384,339	-
					17,749,657	4,108,467
					591,319	-
					4,074	8,032
					86,810	185,849
					24,544,249	4,302,348
					(5,747,671)	(1,934,028)
					(471,093)	(4,332,786)
					(22,968,766)	-
					(23,439,859)	(4,332,786)
					\$ (29,187,530)	\$ (6,286,814)

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, 2019

	<u>GENERAL</u>	<u>SB-9 LOCAL</u>	<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 2,958,289	\$ 1,790,505	\$ 2,869,218	\$ 2,702,843	\$ 10,320,855
Accounts Receivable					
Property Taxes Receivable	43,739	538,402	582,174	179,643	1,343,958
Federal	-	-	-	1,385,628	1,385,628
State	-	-	-	558,132	558,132
Others	-	-	-	-	-
Inventories	-	-	-	28,082	28,082
Due from Other Funds	1,657,210	-	-	-	1,657,210
TOTAL ASSETS	<u>\$ 4,659,238</u>	<u>\$ 2,328,907</u>	<u>\$ 3,451,392</u>	<u>\$ 4,854,328</u>	<u>\$ 15,293,865</u>
LIABILITIES AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ 273,574	\$ 273,574
Accrued Payroll Liabilities	632,039	-	-	-	632,039
Due to Charter Schools	-	288,985	-	-	288,985
Due to Other Funds	502	-	-	1,656,708	1,657,210
Due to Other Entities	-	-	-	27,702	27,702
Accrued Interest Payable	-	-	406,975	6,412	413,387
TOTAL LIABILITIES	<u>632,541</u>	<u>288,985</u>	<u>406,975</u>	<u>1,964,396</u>	<u>3,292,897</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	1,637	1,637
Unavailable Revenue - Property Taxes	39,204	489,453	521,668	167,171	1,217,496
TOTAL DEFERRED INFLOWS	<u>39,204</u>	<u>489,453</u>	<u>521,668</u>	<u>168,808</u>	<u>1,219,133</u>
FUND BALANCE					
Nonspendable	-	-	-	28,082	28,082
Restricted	160,090	1,550,469	2,522,749	2,693,042	6,926,350
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,827,403	-	-	-	3,827,403
TOTAL FUND BALANCE	<u>3,987,493</u>	<u>1,550,469</u>	<u>2,522,749</u>	<u>2,721,124</u>	<u>10,781,835</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,659,238</u>	<u>\$ 2,328,907</u>	<u>\$ 3,451,392</u>	<u>\$ 4,854,328</u>	<u>\$ 15,293,865</u>

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

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

JUNE 30, 2019

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

Fund Balances - total governmental funds	\$ 10,781,835
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	47,462,848
Deferred outflows related to pensions not reported in the funds	13,140,844
Deferred outflows related to OPEB not reported in the funds	266,042
Deferred outflows related to bond refunding	348,762
Net pension liability not reported in the funds	(54,018,749)
Net OPEB liability not reported in the funds	(12,928,529)
Deferred inflows related to pensions not reported in the funds	(1,717,145)
Deferred inflows related to OPEB not reported in the funds	(3,832,137)
Delinquent property taxes	1,217,496
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	(28,374,409)
Bond Premium, net	(1,534,388)
Net position of governmental activities	<u>\$ (29,187,530)</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, 2019

	GENERAL	SB-9 LOCAL	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
REVENUE					
Federal Programs	\$ 297,602	\$ -	\$ 591,319	\$ 4,129,240	\$ 5,018,161
State Programs	1,026,079	-	-	1,620,435	2,646,514
Local Programs	127,809	-	-	52,278	180,087
State Equalization	17,697,379	-	-	-	17,697,379
Service Revenues	177,255	-	-	327,337	504,592
Taxes	213,649	2,345,135	2,871,142	596,012	6,025,938
Interest	2,365	642	859	208	4,074
Other revenue sources	25,310	61,500	-	-	86,810
TOTAL REVENUES	19,567,448	2,407,277	3,463,320	6,725,510	32,163,555
EXPENDITURES					
Current					
Instruction	11,147,935	-	-	2,610,239	13,758,174
Support Services	-	-	-	-	-
Support Services Students	1,852,540	-	-	609,906	2,462,446
Support Services Instruction	204,391	-	-	9,429	213,820
Support Services General Administration	1,028,531	23,500	28,776	230,590	1,311,397
Support Services School Administration	1,156,631	-	-	15,491	1,172,122
Central Services	588,392	-	-	173,601	761,993
Operation and Maintenance of Plant	2,621,759	-	-	-	2,621,759
Student Transportation	866,219	-	-	22,148	888,367
Other Support Services	-	546,437	-	-	546,437
Food Services Operations	-	-	-	1,660,923	1,660,923
Capital Outlay	-	1,657,728	-	1,150,218	2,807,946
Debt Service					
Principal	-	-	2,105,000	570,000	2,675,000
Bond Issuance Cost	-	-	-	74,409	74,409
Interest and Fiscal Charge	-	-	1,301,865	26,394	1,328,259
TOTAL EXPENDITURES	19,466,398	2,227,665	3,435,641	7,153,348	32,283,052
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	101,050	179,612	27,679	(427,838)	(119,497)
Other Financing Sources (Uses)					
Transfers In/ Transfers (Out)	(180,000)	-	-	180,000	-
Bond Proceeds	-	-	-	1,254,409	1,254,409
Total Other Financing Sources	(180,000)	-	-	1,434,409	1,254,409
NET CHANGE IN FUND BALANCE	(78,950)	179,612	27,679	1,006,571	1,134,912
FUND BALANCE					
June 30, 2017	4,066,436	1,370,857	2,495,070	1,830,534	9,762,897
Restatements	7	-	-	(115,981)	(115,974)
June 30, 2017 as restated	4,066,443	1,370,857	2,495,070	1,714,553	9,646,923
FUND BALANCE June 30, 2018	\$ 3,987,493	\$ 1,550,469	\$ 2,522,749	\$ 2,721,124	\$ 10,781,835

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

EXHIBIT F

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

For the Year Ended June 30, 2019

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

Net change in fund balance - total governmental funds	\$ 1,134,912
<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	504,577
Depreciation	(3,147,956)
<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>	
	(1,254,409)
<p>Expenses in Statement of Activities which do not require use of current financial resources</p>	
Amortization of bond premium	162,803
Pension related expense	(6,296,441)
OPEB related expense	387,392
Change in delinquent property taxes	86,451
Bond Principal	2,675,000
Change in Net Position	<u>\$ (5,747,671)</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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 73,973	\$ 73,973	\$ 297,602	\$ 223,629
State Programs	18,693,000	18,837,952	18,723,458	(114,494)
Local Programs	461,826	461,826	546,597	84,771
TOTAL REVENUE	<u>19,228,799</u>	<u>19,373,751</u>	<u>\$ 19,567,657</u>	<u>\$ 193,906</u>
BUDGETED CASH BALANCE	<u>2,297,107</u>	<u>2,297,122</u>		
TOTAL REVENUE & CASH	<u>\$ 21,525,906</u>	<u>\$ 21,670,873</u>		
EXPENDITURES				
Current				
Instruction	\$ 12,882,184	\$ 12,889,946	\$ 11,147,935	\$ 1,742,011
Support Services	-	-	-	-
Support Services Students	2,027,438	2,003,250	1,852,540	150,710
Support Services Instruction	173,973	217,859	204,391	13,468
Support Services General Administration	983,262	1,089,472	1,028,531	60,941
Support Services School Administration	1,150,391	1,177,560	1,156,631	20,929
Central Services	681,284	635,113	588,392	46,721
Operation and Maintenance of Plant	2,621,934	2,645,514	2,621,759	23,755
Student Transportation	859,826	866,545	866,219	326
Other Support Services	145,614	145,614	-	145,614
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 21,525,906</u>	<u>\$ 21,670,873</u>	<u>\$ 19,466,398</u>	<u>\$ 2,204,475</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, 2019

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 498,770
TOTAL ASSETS	<u>\$ 498,770</u>
LIABILITIES	
Due To Student Groups	\$ 498,770
TOTAL LIABILITIES	<u>\$ 498,770</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, 2019

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 America (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, 2019

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, 2019

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, 2019

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 Treasurer'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, 2019

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 bon current debt service account.

3. Receivables and Payables

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

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

The District receives monthly income from a tax levy in Taos County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Taos County Treasurer's in July and August 2019 is considered "measurable and available" and, accordingly, is recorded as revenue during the year ended June 30, 2019.

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, 2019

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, 2019. 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, 2019

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, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

14. Net Position or Fund Equity (continued)

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

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

Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position is restricted for "debt service or capital projects". Total restricted net position of \$6,766,260 is comprised of Special Revenue \$659,617 Capital Projects \$2,920,469 and Debt Service Funds \$3,186,174.

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, 2019

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 America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

State Equalization Guarantee - School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to 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 \$17,697,379 in state equalization guarantee distributions during the year ended June 30, 2019.

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 2019 fiscal year was \$1,174,163,675. 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 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be 'measurable' and 'available' in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes-residential and commercial and property taxes-oil and gas. Amounts recognized from residential and commercial property taxes at June 30, 2019 were \$6,025,938. Amounts collected from oil and gas taxes were \$0.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 \$864,252 in transportation distributions during the year ended June 30, 2019.

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, 2019 totaled \$75,351.

The District received \$115,297 in state SB-9 funding during the year ended June 30, 2019.

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, 2019, the District received \$0 in special capital outlay funds.

Federal Grants - The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department 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, 2019

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 \$ (28,374,409) difference is as follows:

Bonds Payable	\$ (26,120,000)
Ed Tech Equipment Note	<u>(2,254,409)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (28,374,409)</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 \$ (60,854,359) difference is as follows:

Net pension Liability	\$ (54,018,749)
Deferred outflows	11,376,159
Deferred inflows	(1,717,145)
Net OPEB Liability	(12,928,529)
Deferred outflows	266,042
Deferred inflows	<u>(3,832,137)</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position- governmental activities	<u>\$ (60,854,359)</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 \$(2,643,379) difference is as follows:

Capital Outlay	\$ 504,577
Depreciation expense	<u>(3,147,956)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	<u>\$ (2,643,379)</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 \$2,675,000 difference is as follows:

Principal repayments:	
General obligation debt	\$ <u>2,675,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,675,000</u>

III. STEWARDSHIP, COMPLAINT 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. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented.

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019

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:

	Original Budget	Final Budget
General Fund	\$ 21,525,906	\$ 21,670,873
Special Revenue Funds	4,643,147	6,969,948
Capital Projects Funds	4,629,682	7,659,233
Debt Service Funds	6,949,970	6,949,970
	<u>\$ 37,748,705</u>	<u>\$ 43,250,024</u>

B. Deficit Fund Equity

At June 30, 2019 deficit fund balances consisted of

Fund	Amount
Indian Ed Formula Grant	\$ (4,456)
GRADS - Instruction	(3,088)
GRADS Plus	(11,889)

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.

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.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

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, 2019, the carrying amount of the District's deposits was \$9,565,216 and the bank balance was \$10,575,910. Of this balance \$500,000 was covered by federal depository insurance and \$7,775,412 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	\$	8,124,935
US Bank	Total Deposits		2,450,975
	Less: FDIC coverage		(500,000)
	Uninsured Public Funds		<u>10,075,910</u>
	Pledged collateral held by pledging bank's agent in the District's name		<u>7,775,412</u>
	Uninsured and un-collateralized	\$	<u>2,300,498</u>

In addition, the District has \$1,254,409 held at the NMFA and is collateralized within the NMFA guidelines. The information is not available by the individual Agency but the financial statements for the NMFA are available by writing to New Mexico Finance Authority, 207 Shelby Street, Santa Fe, New Mexico 87501.

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, 2019

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, 2019, the government bank balance was 74% collateralized. As of June 30, 2019, \$2,300,498 of the government's bank balance of \$10,575,910 was exposed to custodial credit risk.

Uninsured and un-collateralized \$ 2,300,498

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	\$ 43,739	\$ 538,402	\$ 582,174	\$ 179,643	\$ 1,343,958
Intergovernmental					
Grants:					
Federal	\$ -	\$ -	\$ -	\$ 1,385,628	\$ 1,385,628
State	-	-	-	558,132	558,132
Others	-	-	-	-	-
	<u>\$ 43,739</u>	<u>\$ 538,402</u>	<u>\$ 582,174</u>	<u>\$ 2,123,403</u>	<u>\$ 3,287,718</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$1,217,496 and governmental revenues in the amount of \$1,637 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	\$ 1,217,496
Grant draw downs prior to meeting all eligibility requirements	<u>1,637</u>
Total deferred/unearned revenue for government funds	<u>\$ 1,219,133</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Adjustments	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 3,528,625	\$ -	\$ 3,528,625	\$ 17,994	\$ -	\$ 3,546,619
Construction in Progress	-	-	-	20,612	-	20,612
Total Capital Assets not being depreciated	3,528,625	-	3,528,625	38,606	-	3,567,231
Capital assets, being depreciated:						
Land Improvements	7,992,786	(5,264,641)	2,728,145	38,986	-	2,767,131
Buildings & Building Improvements	77,889,127	(2,002,091)	75,887,036	12,452	-	75,909,488
Furniture, Fixtures, Equipment & Vehicles	3,512,355	233,580	3,745,935	414,533	93,110	4,067,358
Total Capital Assets being depreciated	89,404,268	(7,033,152)	82,371,116	465,971	93,110	82,743,977
Less accumulated depreciation for:						
Land Improvements	690,760	675,578	1,366,338	152,974	-	1,519,312
Buildings & Building Improvements	16,725,429	15,261,464	31,986,893	2,706,714	-	34,693,607
Furniture, Fixtures, Equipment & Vehicles	2,557,685	(117,402)	2,440,283	288,268	93,110	2,635,441
Total accumulated depreciation	19,973,874	15,819,640	35,793,514	3,147,956	93,110	38,848,360
Total Capital assets, being depreciated, net	69,430,394	(22,852,792)	46,577,602	(2,681,985)	-	43,895,617
Governmental activities capital assets, net	\$ 72,959,019	\$ (22,852,792)	\$ 50,106,227	\$ (2,643,379)	\$ -	\$ 47,462,848

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2019 was charged to function/programs of the School District as follows:

Instruction	\$ 2,036,913
Support Services	-
Support Services Students	-
Support Services Instruction	519,170
Support Services General Administration	36,742
Support Services School Administration	74,618
Central Services	60,812
Operation and Maintenance of Plant	196,612
Student Transportation	83,530
Other Support Services	65,789
Food Services Operations	71,976
Community Services	1,794
Total	<u>\$ 3,147,956</u>

Bond premiums are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2019 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>488,657</u>	<u>162,803</u>	-	<u>651,460</u>
Bond premium, net	<u>\$ 1,697,191</u>	<u>\$ (162,803)</u>	<u>\$ -</u>	<u>\$ 1,534,388</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 7-1-2018</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2019</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%	\$ 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%	10,725,000	-	455,000	10,270,000	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%	9,305,000	-	1,100,000	8,205,000	1,140,000
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%	660,000	-	260,000	400,000	275,000
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%	910,000	-	310,000	600,000	300,000
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%	6,555,000	-	10,000	6,545,000	575,000
6/21/19 \$1,254,409 GO ED Tech Bonds Series 2019 due in annual installments of \$100,000 to \$550,000 through October 2023, interest at 0.10% to 2.60%	-	1,254,409	-	1,254,409	-
Total	<u>\$ 29,795,000</u>	<u>\$ 1,254,409</u>	<u>\$ 2,675,000</u>	<u>\$ 28,374,409</u>	<u>\$ 2,745,000</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019, including interest of \$9,707,688 are shown below:

	Governmental Activities	
	General Obligation	
	Principal	Interest
6/30/2020	\$ 2,745,000	\$ 1,295,904
6/30/2021	2,770,000	1,242,755
6/30/2022	2,850,000	1,165,767
6/30/2023	2,635,000	1,099,062
6/30/2024	2,659,409	1,062,193
2025-2029	12,090,000	3,775,291
2030-2031	2,625,000	66,716
TOTAL	<u>\$ 28,374,409</u>	<u>\$ 9,707,688</u>

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$70,449,821 including \$28,374,409 debt outstanding based on the June 30, 2019 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, 2019

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, 2019

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, 2019, 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, 2019

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.

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, 2019

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, 2019

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 1.5%. 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 1.7%.

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, 2019

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Contributions – For the fiscal year ended June 30, 2019 and 2018 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
2019	7-1-18 to 6-30-19	Over \$20K	10.70%	13.90%	24.60%	0.00%
2019	7-1-18 to 6-30-19	\$20K or less	7.90%	13.90%	21.80%	0.00%
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%

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, 2019 and 2018, the District paid employee and employer contributions of \$3,240,156 and \$3,073,569. For the related component units those contributions for the fiscal years ended June 30, 2019 and 2018 were as follows: Anansi Charter School - \$227,768 and \$217,810; Taos Charter School - \$245,919 and \$238,309; and Vista Grande High School - \$166,305 and \$156,168, 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, 2019, the District reported a liability of \$54,018,749 for its proportionate share of the net pension liability. The reported liability for the component units are: Anansi Charter School – \$3,802,848; Taos Charter School - \$4,154,831; and Vista Grande High School - \$2,707,656. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 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, 2018. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. 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 at June 30, 2018, actuarially determined. At June 30, 2018, the District's proportion was 0.45427%, which was a decrease of 0.00411% from its proportion measured as of June 30, 2017. Anansi Charter School's proportion was 0.03198% which was an increase of 0.00087% from June 30, 2017; Taos Charter School's proportion was 0.03494% which was a decrease of 0.00046% from June 30, 2017; and Vista Grande High School's proportion was 0.02277% which was a decrease of 0.00022% from June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$6,296,441 and the component units recognized the following pension expense: Anansi Charter School - \$671,945; Taos Charter School - \$637,767; and Vista Grande High School - \$445,705. At June 30, 2019, 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, 2019

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Taos Municipal Schools		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 39,425	\$ 1,028,064
Changes of assumptions	11,133,009	-
Net difference between projected and actual earnings on pension plan investments	119,584	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	689,081
Employer contributions subsequent to the measurement date	1,848,826	-
Total	\$ 13,140,844	\$ 1,717,145

Anansi Charter School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 2,775	\$ 72,374
Changes of assumptions	783,749	-
Net difference between projected and actual earnings on pension plan investments	8,419	-
Changes in proportion and differences between contributions and proportionate share of contributions	150,597	-
Employer contributions subsequent to the measurement date	129,188	-
Total	\$ 1,074,728	\$ 72,374

Taos Charter School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 3,032	\$ 79,073
Changes of assumptions	856,291	-
Net difference between projected and actual earnings on pension plan investments	9,198	-
Changes in proportion and differences between contributions and proportionate share of contributions	130,116	26,592
Employer contributions subsequent to the measurement date	140,310	-
Total	\$ 1,138,947	\$ 105,665

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Vista Grande High School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actuarial experience	\$ 1,976	\$ 51,531
Changes of assumptions	558,035	-
Net difference between projected and actual earnings on pension plan investments	5,994	-
Changes in proportion and differences between contributions and proportionate share of contributions	65,302	16,778
Employer contributions subsequent to the measurement date	94,246	-
Total	\$ 725,553	\$ 68,309

\$1,848,826 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, 2019. 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 - \$129,188; Taos Charter School - \$140,310; and Vista Grande High School - \$94,246. 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
2019	\$5,866,386	\$544,181	\$555,862	\$346,300
2020	3,833,169	323,133	348,513	223,121
2021	(126,256)	5,741	(11,524)	(6,502)
2022	1,574	111	121	79
2023	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, 2019

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	<table border="0"> <tr> <td style="padding-right: 20px;">Fiscal Year</td> <td style="text-align: center;"><u>2017</u></td> <td style="text-align: center;"><u>2016</u></td> <td style="text-align: center;"><u>2015</u></td> <td style="text-align: center;"><u>2014</u></td> </tr> <tr> <td>Service life in years</td> <td style="text-align: center;">3.35</td> <td style="text-align: center;">3.77</td> <td style="text-align: center;">3.92</td> <td style="text-align: center;">3.88</td> </tr> </table>	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
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	<p>Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB.</p> <p>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.</p> <p>Disabled males: RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p>Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p>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.</p>										
Retirement Age	Experience-based table rates based on age and service, adopted by NMERB Board on April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.										

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Cost-of-living increases	1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.
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.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
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, 2019

V. OTHER INFORMATION (continued)

C. Pension Plan – Education Retirement Board (continued)

Discount rate. A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This rate is 0.21% less than the 5.90% discount rate used for June 30, 2017.

The June 30, 2018 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 3.62%. 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 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The projections of cash flows used to determine the June 30, 2018 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 5.69 percent, as well as what the District and its component units' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.69 percent) or 1 percentage-point higher (6.69 percent) than the current rate:

	<u>1% Decrease (4.69%)</u>	<u>Current Discount Rate (5.69%)</u>	<u>1% Increase (6.69%)</u>
Taos Municipal School's proportionate share of the net pension liability	<u>\$ 70,203,685</u>	<u>\$ 54,018,749</u>	<u>\$ 40,812,852</u>
Anansi Charter School's proportionate share of the net pension liability	<u>\$ 4,942,245</u>	<u>\$ 3,802,848</u>	<u>\$ 2,873,170</u>
Taos Charter School's proportionate share of the net pension liability	<u>\$ 5,399,689</u>	<u>\$ 4,154,831</u>	<u>\$ 3,139,105</u>
Vista Grande High School's proportionate share of the net pension liability	<u>\$ 3,518,916</u>	<u>\$ 2,707,656</u>	<u>\$ 2,045,719</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 \$530,534 at June 30, 2019 which was paid in July 2019.

Anansi Charter School had an outstanding liability of \$41,179 to the pension plan at June 30, 2019 which was paid in July 2019.

Taos Charter School had an outstanding liability of \$43,002 to the pension plan at June 30, 2019 which was paid in July 2019.

Vista Grande High School had an outstanding liability of \$30,043 to the pension plan at June 30, 2019 which was paid in July 2019.

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.

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 TAOS MUNICIPAL SCHOOLS

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JUNE 30, 2019

V. OTHER INFORMATION (continued)

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

Employees covered by benefit terms – At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	<u>156,025</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<u>93,349</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 \$266,042 for the year ended June 30, 2019. For the related component units those contributions for the year ended June 30, 2019 were as follows: Anansi Charter School - \$18,588; Taos Charter School - \$20,188; and Vista Grande High School - \$13,561.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2019, the District reported a liability of \$12,928,529 for its proportionate share of the net OPEB liability. The reported liability for the component units are: Anansi Charter School - \$910,111; Taos Charter School - \$1,168,838; and Vista Grande High School - \$648,775. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The School's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the District's proportion was 0.29732%. The proportion of the net OPEB liability for the component units are: Anansi Charter school – 0.02093%; Taos Charter School – 0.02688%; and Vista Grande High School – 0.01492%.

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JUNE 30, 2019

V. OTHER INFORMATION (continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$(387,392) and the component units recognized the following OPEB expense: Anansi Charter School - \$(17,558); Taos Charter School - \$46,517; and Vista Grande High School - \$(16,564). At June 30, 2019 the District and its component units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Taos Municipal Schools		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 765,452
Changes of assumptions	-	2,413,699
Change in proportion	-	491,643
Differences between projected and actual earnings on OPEB plan investments	-	161,343
Employer contributions subsequent to the measurement date	266,042	-
Total	\$ 266,042	\$ 3,832,137

Anansi Charter School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 53,884
Changes of assumptions	-	169,914
Change in proportion	10,558	
Differences between projected and actual earnings on OPEB plan investments	-	11,358
Employer contributions subsequent to the measurement date	18,588	-
Total	\$ 29,146	\$ 235,156

Taos Charter School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 69,203
Changes of assumptions	-	218,217
Change in proportion	338,320	
Differences between projected and actual earnings on OPEB plan investments	-	14,587
Employer contributions subsequent to the measurement date	20,188	-
Total	\$ 358,508	\$ 302,007

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

V. OTHER INFORMATION (continued)

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

Vista Grande High School		
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 38,412
Changes of assumptions	-	121,123
Change in proportion	-	10,099
Differences between projected and actual earnings on OPEB plan investments	-	8,096
Employer contributions subsequent to the measurement date	13,561	-
Total	\$ 13,561	\$ 177,730

Deferred outflows of resources totaling \$266,042 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, 2020. The component units' deferred outflows of resources related to OPEB from contributions made subsequent to the measurement date are as follows: Anansi Charter School - \$18,588; Taos Charter School - \$20,188; and Vista Grande High School - \$13,561. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	Taos Municipal Schools	Anansi Charter School	Toas Charter School	Vista Grande High School
2020	\$ (952,909)	\$ (57,511)	\$ (5,055)	\$ (44,732)
2021	(952,909)	(57,511)	(5,055)	(44,732)
2022	(952,909)	(57,511)	(5,055)	(44,732)
2023	(759,609)	(43,904)	12,421	(35,031)
2024	(213,801)	(8,161)	39,057	(8,503)
Total	\$ (3,832,137)	\$ (224,598)	\$ 36,313	\$ (177,730)

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 members; 2.25% for PERA members
Projected payroll increases	3.25% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense
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% for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality Table

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	2.1%
U.S. equity-large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 4.08% as of June 30, 2018. 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, 2029. 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, 4.08% 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 (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

	1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
Taos Municipal Schools	\$ 15,646,564	\$ 12,928,529	\$ 10,786,111
Anansi Charter School	\$ 1,101,448	\$ 910,111	\$ 759,294
Taos Charter School	\$ 1,414,569	\$ 1,168,838	\$ 975,147
Vista Grande High School	\$ 785,170	\$ 648,775	\$ 541,265

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	\$ 10,929,139	\$ 12,928,529	\$ 14,496,095
Anansi Charter School	\$ 769,363	\$ 910,111	\$ 1,020,460
Taos Charter School	\$ 988,078	\$ 1,168,838	\$ 1,310,558
Vista Grande High School	\$ 548,442	\$ 648,775	\$ 727,438

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TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2018.

Payable Changes in the Net OPEB Liability – Taos Municipal School District had an outstanding liability of \$65,315 at June 30, 2019 which was paid in July 2019.

Anansi Charter School had an outstanding liability of \$5,034 at June 30, 2019 which was paid in July 2019.

Taos Charter School had an outstanding liability of \$5,296 at June 30, 2019 which was paid in July 2019.

Vista Grande High School had an outstanding liability of \$3,670 at June 30, 2019 which was paid in July 2019.

E. Overspent Budgets

At June 30, 2019 the District had no overspent budgets.

F. Tax Abatements

As of June 30, 2019 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, 2019, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements and disclosures is November 12, 2019 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, 2019

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, 2019 they consisted of the following:

Due To	
Operational	\$ 1,657,210
Total Due To	<u>\$ 1,657,210</u>
Due From	
Transportation	\$ 502
Food Services	27,337
Title I	402,387
IDEA-B Entitlement	327,171
NMAutism Project	2,686
IDEA-B Preschool	4,769
Fresh Fruits & Vegetables	918
CDC Healthy Schools	2,373
IDEA-B Results Plan	8,308
Title I Striving Reader	227,252
Teacher Principal Training	73,048
Rural & Low Income Schools	86,833
Carl D Perkins Secondary Current	7,219
Student Support & Academic Enrichment	34,633
Title I Direct Student Services	73,333
Medicaid Title XIX	41
Indian Ed Formula Grant	4,456
Dual Credit Instructional Materials	1,519
2012 GO Bond Student Library Fund	3,492
Truancy Initiative	67,239
Pre-K initiative	100,197
Indian Education Act	14,254
Kindergarten Three Plus	17,904
After School & Summer Enrichment Program	23,807
NM Grown VV	300
K3 Plus 4&5 Pilot	12,490
GRADS Instruction	3,088
GRADS Plus	11,889
Bond Building	2,468
SB-9	115,297
Total Due From	<u>\$ 1,657,210</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 expend in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. At June 30, 2019 the permanent transfers were as follows:

Fund	Transfers Out	Transfers In
Operational	\$ 180,000	\$ -
Food Services	-	180,000
Total Transfers	<u>\$ 180,000</u>	<u>\$ 180,000</u>

J. Restatement of Beginning Net Position for Governmental Funds

	Governmental Activities
Net Position at June 30, 2018	\$ (471,093)
Prior Period Adjustments	
To record prior year voided check in operational	22
To record the repayment of 1/2 cash balance to PED in transportation	(15)
To record cash paid back to PED in various funds	(115,981)
To correct beginning capital assets and accumulated depreciation	(22,852,792)
Net Position at June 30, 2018 as Restated	<u>\$ (23,439,859)</u>

K. Restatements of Beginning Fund Balances

Fund	Description	Amount
Operational	To record prior year voided check	\$ 22
Transportation	To record repayment of 1/2 cash balance to PED	(15)
NM Autism Project	To record cash paid back to PED	(998)
Enhancing Ed Thru Tech E2T2-F	To record cash paid back to PED	(2,409)
21st Century Community Centers	To record cash paid back to PED	(8,123)
Carl D Perkins Special Projects JAG	To record cash paid back to PED	(22,058)
IDEA-B Entitlement Stimulus	To record cash paid back to PED	(394)
Dual Credit Instructional Materials	To record cash paid back to PED	(405)
Technology for Education	To record cash paid back to PED	(26,319)
Obesity Program	To record cash paid back to PED	(135)
Incentives for School Improvement	To record cash paid back to PED	(44,234)
Beginning Teacher Mentoring	To record cash paid back to PED	(9,934)
School Library Fund	To record cash paid back to PED	(972)
	Total restatements to fund balances	<u>\$ (115,974)</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

V. OTHER INFORMATION (continued)

L. Fund Balances Classified

Fund Balances	General Fund	SB-9 Local	Debt Service	Non-Major Governmental Funds	Total
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 28,082	\$ 28,082
Total Nonspendable	-	-	-	28,082	28,082
Restricted for:					
Transportation	-	-	-	-	-
Instructional Materials	160,090	-	-	-	160,090
Special Revenue Funds	-	-	-	659,617	659,617
Capital Projects	-	1,550,469	-	1,370,000	2,920,469
Debt Service	-	-	2,522,749	663,425	3,186,174
Total Restricted	160,090	1,550,469	2,522,749	2,693,042	6,926,350
Unassigned	3,827,403	-	-	-	3,827,403
Total Fund Balances	\$ 3,987,493	\$ 1,550,469	\$ 2,522,749	\$ 2,721,124	\$ 10,781,835

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

V. OTHER INFORMATION (continued)

M. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>SB-9 Local</u>	<u>Debt Service</u>
REVENUES					
Budgetary Basis	\$ 18,624,589	\$ 864,252	\$ 78,816	\$ 2,412,144	\$ 3,174,243
Add:					
Current Year Receivables & Other Credits	4,535	-	-	48,949	356,034
Deduct:					
Prior Year Receivables & Other Debits	<u>4,744</u>	<u>-</u>	<u>-</u>	<u>53,816</u>	<u>60,957</u>
REVENUE --GAAP BASIS	<u><u>\$ 18,624,380</u></u>	<u><u>\$ 864,252</u></u>	<u><u>\$ 78,816</u></u>	<u><u>\$ 2,407,277</u></u>	<u><u>\$ 3,469,320</u></u>
EXPENDITURES					
Budgetary Basis	\$ 18,580,717	\$ 864,267	\$ 21,414	\$ 2,205,838	\$ 3,165,333
Add:					
Current Year Payables & Other Debits	-	-	-	288,985	702,504
Deduct:					
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,158</u>	<u>432,196</u>
EXPENDITURES --GAAP BASIS	<u><u>\$ 18,580,717</u></u>	<u><u>\$ 864,267</u></u>	<u><u>\$ 21,414</u></u>	<u><u>\$ 2,227,665</u></u>	<u><u>\$ 3,435,641</u></u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 and for the year then ended:

1. Revenues

State Equalization Guarantee - ACS received \$1,391,081 in state equalization guarantee distributions during the year ended June 30, 2019.

Instructional Materials - Allocations received by ACS from the State for the year ended June 30, 2019 totaled \$6,584.

Public School Capital Outlay - ACS received \$142,464 in awards for rent assistance during the year ended June 30, 2019.

SB-9 - ACS received \$7,176 in state SB-9 funding during the year ended June 30, 2019.

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	\$	105,753
Less: FDIC coverage		(105,753)
Uninsured Public Funds	\$	-
Collateral requirement (50% of uninsured public funds)	\$	-
Pledged collateral held by pledging bank's agent in the District's name		114,885
Uninsured and un-collateralized	\$	-

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, 2019, none of the Charter's bank balance of \$105,753 was exposed to custodial credit risk.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

A. Anansi Charter School (continued)

4. Receivables

Receivables for ACS as of June 30, 2019 are as follow:

	NM Reads to Lead K-3	Bond Building	PSCO	SB-9	SB-9 Local	TOTAL
Due from other governments	3,940	\$ 3,541	\$ 35,616	\$ 4,262	\$ 72,246	\$ 119,605
	<u>\$ 3,940</u>	<u>\$ 3,541</u>	<u>\$ 35,616</u>	<u>\$ 4,262</u>	<u>\$ 72,246</u>	<u>\$ 119,605</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, 2019 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	40,932	-	383,288
Equipment	79,819	21,588	-	101,407
Total Capital Assets being depreciated	422,175	62,520	-	484,695
Less accumulated depreciation for:				
Buildings and improvements	27,491	11,207	-	38,698
Equipment	64,180	5,851	-	70,031
Total accumulated depreciation	91,671	17,058	-	108,729
Total Capital assets, being depreciated, net	330,504	45,462	-	375,966
Governmental activities capital assets, net	\$ 330,504	\$ 45,462	\$ -	\$ 375,966

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

Instruction	\$ 14,855
Operation and Maintenance of Plant	1,618
Food Services Operations	585
Total	<u>\$ 17,058</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 are as follow:

There were no deficit fund balances at June 30, 2019.

B. Overspent budgets at June 30, 2019 are as follows:

There were not any overspent budgets at June 30, 2019.

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, 2019 they consisted of the following:

Due To	
Operational	\$ 45,497
Total Due To	<u>\$ 45,497</u>
Due From	
NM Reads to Lead K-3	\$ 2,078
Bond Building	3,541
PSCO	35,616
SB-9	4,262
Total Due From	<u>\$ 45,497</u>

D. Restatement of Beginning Net Position for ACS

There were no restatements to the Charter's Net Position for the fiscal year June 30, 2019.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019.

F. Permanent Transfers

There were no permanent transfers for June 30, 2019

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, 2019, 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, 2019

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 6/30/19	\$ 28,893	\$ 37,549	\$ 66,442
FDIC coverage	(28,893)	(37,549)	(66,442)
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.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

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

2. Capital Assets

A summary of the Foundation's capital assets and changes occurring during the year ended June 30, 2019 follows:

	Beginning Balance	Increases	Decreases	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	3,042,120	-	-	3,042,120
Fixtures, furniture and equipment	23,624	-	-	23,624
Total Capital Assets being depreciated	3,213,622	-	-	3,213,622
Less accumulated depreciation for:				
Land improvements	29,924	8,152	-	38,076
Building and building improvements	527,350	83,699	-	611,049
Fixtures, furniture and equipment	23,624	-	-	23,624
Total accumulated depreciation	580,898	91,851	-	672,749
Total Capital assets, being depreciated, net	2,632,724	(91,851)	-	2,540,873
Governmental activities capital assets, net	<u>\$ 3,220,224</u>	<u>\$ (91,851)</u>	<u>\$ -</u>	<u>\$ 3,128,373</u>

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 are as follows:

	<u>USDA Loan 1</u>	
	<u>Principal</u>	<u>Interest</u>
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
6/30/2024	43,348	52,988
2025-2029	247,552	234,128
2030-2034	307,962	173,718
2035-2039	334,445	98,568
2040-2042	248,885	15,706
TOTAL	<u>\$ 1,337,837</u>	<u>\$ 804,806</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, 2019 are as follows:

	<u>USDA Loan 2</u>	
	<u>Principal</u>	<u>Interest</u>
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
6/30/2024	15,974	34,942
2025-2029	90,179	164,401
2030-2034	110,108	144,472
2035-2039	134,442	120,138
2040-2044	136,367	90,426
2045-2049	200,430	54,151
2050-2053	165,530	19,660
TOTAL	<u>\$ 910,913</u>	<u>\$ 773,971</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019, 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, 2019

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, 2019 and for the year then ended.

1. Revenues

State Equalization Guarantee - TCS received \$1,555,551 in state equalization guarantee distributions during the year ended June 30, 2019.

Instructional Materials - Allocations received by TCS from the State for the year ended June 30, 2019 totaled \$7,192.

Public School Capital Outlay - TCS received \$142,100 in awards for rent assistance during the year ended June 30, 2019.

SB-9 - TCS received \$2,181 in state SB-9 funding during the year ended June 30, 2019.

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	\$ 203,830
	Less: FDIC coverage	(203,830)
	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		-
Uninsured and un-collateralized		<u>\$ -</u>

Funds are maintained in an interest-bearing checking account.

3. Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, Taos Charter School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA1978). State law limits deposits of public monies to certain banks or credit unions. In addition, the depository must pledge eligible collateral to the extent of 50% of the balance of uninsured funds. At June 30, 2019, none of the Charter's bank balance of \$203,830 was exposed to custodial credit risk.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

C. Taos Charter School (continued)

4. Receivables

Receivables for TCS as of June 30, 2019 are as follow:

	Food Services	Title I IASA	IDEA-B Entitlement	Medicaid Title XIX	NM Reads to Lead K-3	Truancy Initiative	Bond Building	PSCC	SB-9 Local	TOTAL
Due from other governments	\$ 5,083	\$ 151	\$ 1	\$ 1,947	\$ 9,599	\$ 22,874	\$ 3,578	\$ 35,525	\$ 78,949	\$ 157,707
	<u>\$ 5,083</u>	<u>\$ 151</u>	<u>\$ 1</u>	<u>\$ 1,947</u>	<u>\$ 9,599</u>	<u>\$ 22,874</u>	<u>\$ 3,578</u>	<u>\$ 35,525</u>	<u>\$ 78,949</u>	<u>\$ 157,707</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, 2019 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	47,695	-	1,960,770
Equipment, vehicles and other	132,970	-	-	132,970
Total Capital Assets being depreciated	2,046,045	47,695	-	2,093,740
Less accumulated depreciation for:				
Building and improvements	409,029	57,144	-	466,173
Equipment, vehicles and other	48,519	11,440	-	59,959
Total accumulated depreciation	457,548	68,584	-	526,132
Total Capital assets, being depreciated, net	1,588,497	(20,889)	-	1,567,608
Governmental activities capital assets, net	\$ 1,838,497	\$ (20,889)	\$ -	\$ 1,817,608

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

Instruction	\$ 63,815
Student Transportation	3,600
Food Services	1,169
Total	<u>\$ 68,584</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 are as follow:

Fund Description	Amount
2012 GO Bond	\$ (853)
Bond Building	(178)
	<u>\$ (1,031)</u>

B. Overspent budgets at June 30, 2019 are as follows:

There were not any overspent budgets at June 30, 2019.

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, 2019 they consisted of the following:

Due To	
Operational	\$ 63,279
Total Due To	<u>\$ 63,279</u>
Due From	
Food Services	\$ 4,901
Title I	136
IDEA - B Entitlement	1
2012 GO Bond Student Library Fund	853
NM Reads to Lead K-3	2,341
Truancy Initiative	15,766
Bond Building	3,756
Public School Capital Outlay	35,525
Total Due From	<u>\$ 63,279</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

C. Taos Charter School (continued)

7. Other Required Individual Fund Disclosures (continued)

D. Permanent transfers at June 30, 2019 consisted of the following:

There were no permanent transfers for June 30, 2019

E. Restatement of Beginning Net Position for TCS

There were no restatements to the Charter's Net Position for the fiscal year June 30, 2019

F. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2019

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, 2019

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 6/30/19	\$ 47,829	\$ 47,829
FDIC coverage	(47,829)	(47,829)
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, 2019, 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, 2019 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	207,211	20,073	-	227,284
Total accumulated depreciation	207,211	20,073	-	227,284
Total Capital assets, being depreciated, net	527,745	(20,073)	-	507,672
Governmental activities capital assets, net	\$ 527,745	\$ (20,073)	\$ -	\$ 507,672

4. Long-Term Debt

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

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

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

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, 2019 and for the year then ended.

1. Revenues

State Equalization Guarantee - VGHS received \$1,161,835 in state equalization guarantee distributions during the year ended June 30, 2019.

Instructional Materials - Allocations received by VGHS from the State for the year ended June 30, 2019 totaled \$3,048.

Public School Capital Outlay - VGHS received \$67,367 in awards for rent assistance during the year ended June 30, 2019.

SB-9 - VGHS received \$0 in state SB-9 funding during the year ended June 30, 2019.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. Component Units (continued)

E. Vista Grande High School (continued)

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:

Centinel Bank	Total Deposits	\$ 300,232
	Less: FDIC coverage	<u>(250,000)</u>
	Uninsured Public Funds	<u>\$ 50,232</u>
Collateral requirement (50% of uninsured public funds)		\$ 25,116
Pledged collateral held by pledging bank's agent in the District's name		<u>75,000</u>
Uninsured and un-collateralized		<u>\$ -</u>

3. Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, Vista Grande High School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA1978). State law limits deposits of public monies to certain banks or credit unions. In addition, the depository must pledge eligible collateral to the extent of 50% of the balance of uninsured funds. At June 30, 2019, none of the Charter's bank balance of \$300,232 was exposed to custodial credit risk.

4. Receivables

There receivables for VGHS as of June 30, 2019 are as follows:

	Food Services	Carl Perkins Special Projects	Trancy Initiative	Bond Building	Public School Capital Outlay	TOTAL
Due from other governments	\$ 3,950	\$ 28,134	\$ 43,936	\$ 10,551	\$ 33,684	\$120,255
	<u>\$ 3,950</u>	<u>\$ 28,134</u>	<u>\$ 43,936</u>	<u>\$ 10,551</u>	<u>\$ 33,684</u>	<u>\$120,255</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Leasehold improvements	116,434	-	-	116,434
Furniture, fixtures and equipment	142,792	15,530	-	158,322
Total Capital Assets being depreciated	259,226	15,530	-	274,756
Less accumulated depreciation for:				
Leasehold improvements	24,537	9,673	-	34,210
Furniture, fixtures and equipment	69,824	9,858	-	79,682
Total accumulated depreciation	94,361	19,531	-	113,892
Total Capital assets, being depreciated, net	164,865	(4,001)	-	160,864
Governmental activities capital assets, net	\$ 164,865	\$ (4,001)	\$ -	\$ 160,864

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

Instruction	\$ 19,531
Total	\$ 19,531

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.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019 are as follow:

There were no deficit fund balances at June 30, 2019.

B. Overspent budgets at June 30, 2019 are as follows:

Fund	Function	Amount
Ed Tech Equipment Act	Capital Outlay	\$ 166
	Total	<u>\$ 166</u>

C. Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2019 they consisted of the following:

Due To		
Operational		\$ 117,533
Title I		301
IDEA-B Entitlement		301
Truancy Initiative		125
Hard to Staff Initiative		125
Total Due To		<u>\$ 118,385</u>
Due From		
Cafeteria		\$ 3,950
Title I		301
IDEA-B Entitlement		301
Carl Perkins Special Projects - Current		28,134
Truancy Initiative		41,340
Hard to Staff Initiative		125
Bond Building		10,551
Public School Capital Outlay		33,683
Total Due From		<u>\$ 118,385</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

There were no restatements to the Charter's Net Position for the fiscal year June 30, 2019

E. Restatements of Beginning Fund Balances

There were no adjustments to beginning fund balances at June 30, 2019

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. COMPONENT UNITS (continued)

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

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Food Services</u>
REVENUES			
Budgetary Basis	\$ 1,516,028	\$ 6,584	\$ 37,898
Add:			
Current Year Receivables & Other Credits	-	-	-
Deduct:			
Prior Year Receivables & Other Debits	-	-	-
REVENUE --GAAP BASIS	<u>\$ 1,516,028</u>	<u>\$ 6,584</u>	<u>\$ 37,898</u>
EXPENDITURES			
Budgetary Basis	\$ 1,481,827	\$ 3,640	\$ 42,110
Add:			
Current Year Payables & Other Debits	97,869	-	-
Deduct:			
Prior Year Payables & Other Credits	-	-	-
EXPENDITURES --GAAP BASIS	<u>\$ 1,579,696</u>	<u>\$ 3,640</u>	<u>\$ 42,110</u>

<u>Title I</u>	<u>IDEA-B Entitlement</u>	<u>Title XIX Medicaid</u>	<u>GO 2012 Student Library Bond Fund</u>	<u>NM Reads to Lead K-3</u>	<u>Private Direct Grants</u>
\$ 4,387	\$ 61,694	\$ 8,907	\$ 2,720	\$ 78,318	\$ -
-	-	-	-	3,940	-
<u>4,387</u>	<u>15,720</u>	<u>-</u>	<u>-</u>	<u>15,276</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 45,974</u>	<u>\$ 8,907</u>	<u>\$ 2,720</u>	<u>\$ 66,982</u>	<u>\$ -</u>
\$ -	\$ 45,974	\$ 8,298	\$ 2,720	\$ 65,119	\$ 504
-	-	-	-	1,863	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 45,974</u>	<u>\$ 8,298</u>	<u>\$ 2,720</u>	<u>\$ 66,982</u>	<u>\$ 504</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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>
REVENUES				
Budgetary Basis	\$ 1,668,973	\$ 7,193	\$ 55,071	\$ 16,370
Add:				
Current Year Receivables & Other Credits	-	-	5,083	151
Deduct:				
Prior Year Receivables & Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,521</u>
REVENUE --GAAP BASIS	<u>\$ 1,668,973</u>	<u>\$ 7,193</u>	<u>\$ 60,154</u>	<u>\$ -</u>
EXPENDITURES				
Budgetary Basis	\$ 1,556,938	\$ 9,318	\$ 44,079	\$ -
Add:				
Current Year Payables & Other Debits	91,676	-	182	-
Deduct:				
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 1,648,614</u>	<u>\$ 9,318</u>	<u>\$ 44,261</u>	<u>\$ -</u>

<u>IDEA-B Entitlement</u>	<u>IDEA-B Risk Pool</u>	<u>Title XIX Medicaid</u>	<u>GO 2012 Student Library Bond Fund</u>	<u>NM Reads to Lead K-3</u>	<u>NM Reads to Excellence in Teaching Awards</u>	<u>Truancy Initiative</u>
\$ 57,353	\$ 15,281	\$ 21,326	\$ 3,574	\$ 92,249	\$ 16,147	\$ 39,325
1	-	1,947	-	9,599	-	22,875
<u>12,912</u>	<u>15,281</u>	<u>-</u>	<u>3,574</u>	<u>15,485</u>	<u>-</u>	<u>5,738</u>
<u>\$ 44,442</u>	<u>\$ -</u>	<u>\$ 23,273</u>	<u>\$ -</u>	<u>\$ 86,363</u>	<u>\$ 16,147</u>	<u>\$ 56,462</u>
\$ 44,442	\$ -	\$ 22,471	\$ -	\$ 79,104	\$ 16,147	\$ 49,354
-	-	-	-	7,259	-	7,108
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 44,442</u>	<u>\$ -</u>	<u>\$ 22,471</u>	<u>\$ -</u>	<u>\$ 86,363</u>	<u>\$ 16,147</u>	<u>\$ 56,462</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

VI. COMPONENT UNITS (continued)

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

	Operational	Instructional Materials	Food Services	Title I	IDEA-B Entitlement	Carl Perkins Special Current
REVENUES						
Budgetary Basis	\$ 1,165,384	\$ 3,048	\$ 37,794	\$ 55,914	\$ 44,835	\$ -
Add:						
Current Year Receivables & Other Credits	-	-	3,950	-	-	29,134
Deduct:						
Prior Year Receivables & Other Debits	-	-	-	26,460	13,785	-
REVENUE --GAAP BASIS	<u>\$ 1,165,384</u>	<u>\$ 3,048</u>	<u>\$ 41,744</u>	<u>\$ 29,454</u>	<u>\$ 30,850</u>	<u>\$ 29,134</u>
EXPENDITURES						
Budgetary Basis	\$ 1,029,266	\$ 1,064	\$ 41,744	\$ 29,454	\$ 28,424	\$ 28,134
Add:						
Current Year Payables & Other Debits	64,149	-	-	-	2,426	-
Deduct:						
Prior Year Payables & Other Credits	-	-	-	-	-	-
EXPENDITURES --GAAP BASIS	<u>\$ 1,093,415</u>	<u>\$ 1,064</u>	<u>\$ 41,744</u>	<u>\$ 29,454</u>	<u>\$ 30,850</u>	<u>\$ 28,134</u>

USDA Equipment Assistance	Title XIX Medicaid	2012 GO Bond Student Library	Truancy Initiative	Teachers Hard to Staff Initiative	State Directed Activities	Private Direct Grants	McCune Charitable Foundation
\$ 15,530	\$ -	\$ -	\$ 15,131	\$ 12,369	\$ -	\$ -	\$ 10,000
-	-	-	43,936	-	-	-	-
-	-	-	15,131	12,369	-	-	-
<u>\$ 15,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
\$ 15,530	\$ -	\$ -	\$ 41,216	\$ -	\$ -	\$ -	\$ 10,671
-	-	-	2,720	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 15,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,671</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, 2019

	Operational	Transportation	Instructional Materials	TOTALS
ASSETS				
Cash and cash equivalents	\$ 2,797,697	\$ 502	\$ 160,090	\$ 2,958,289
Accounts Receivable				
Property Taxes Receivable	43,739	-	-	43,739
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	1,657,210	-	-	1,657,210
TOTAL ASSETS	\$ 4,498,646	\$ 502	\$ 160,090	\$ 4,659,238
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	632,039	-	-	632,039
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	502	-	502
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	632,039	502	-	632,541
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Unavailable Revenue - Property Taxes	39,204	-	-	39,204
TOTAL DEFERRED INFLOWS	39,204	-	-	39,204
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	160,090	160,090
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,827,403	-	-	3,827,403
TOTAL FUND BALANCE	3,827,403	-	160,090	3,987,493
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 4,498,646	\$ 502	\$ 160,090	\$ 4,659,238

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, 2019

	Operational	Transportation	Instructional Materials	TOTALS
REVENUE				
Federal Programs	\$ 297,602	\$ -	\$ -	\$ 297,602
State Programs	86,476	864,252	75,351	1,026,079
Local Programs	127,809	-	-	127,809
State Equalization	17,697,379	-	-	17,697,379
Service Revenues	177,255	-	-	177,255
Taxes	213,649	-	-	213,649
Interest	2,365	-	-	2,365
Other revenue sources	21,845	-	3,465	25,310
TOTAL REVENUES	18,624,380	864,252	78,816	19,567,448
EXPENDITURES				
Current				
Instruction	11,126,521	-	21,414	11,147,935
Support Services	-	-	-	-
Support Services Students	1,852,540	-	-	1,852,540
Support Services Instruction	204,391	-	-	204,391
Support Services General Administration	1,028,531	-	-	1,028,531
Support Services School Administration	1,156,631	-	-	1,156,631
Central Services	588,392	-	-	588,392
Operation and Maintenance of Plant	2,621,759	-	-	2,621,759
Student Transportation	1,952	864,267	-	866,219
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	18,580,717	864,267	21,414	19,466,398
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	43,663	(15)	57,402	101,050
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	(180,000)	-	-	(180,000)
Total Other Financing Sources	(180,000)	-	-	(180,000)
NET CHANGE IN FUND BALANCE	(136,337)	(15)	57,402	(78,950)
FUND BALANCE				
June 30, 2018	3,963,718	30	102,688	4,066,436
Restatements	22	(15)	-	7
June 30, 2018 as restated	3,963,740	15	102,688	4,066,443
FUND BALANCE June 30, 2019	\$ 3,827,403	\$ -	\$ 160,090	\$ 3,987,493

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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 73,973	\$ 73,973	\$ 297,602	\$ 223,629
State Programs	86,227	86,227	86,476	249
Local Prgrams	120,000	120,000	127,809	7,809
State Equalization	17,672,095	17,807,859	17,697,379	(110,480)
Service Revenues	133,000	133,000	177,255	44,255
Taxes	206,526	206,526	213,858	7,332
Interest Income	2,300	2,300	2,365	65
Other Revenue Sources	-	-	21,845	21,845
TOTAL REVENUE	<u>18,294,121</u>	<u>18,429,885</u>	<u>\$ 18,624,589</u>	<u>\$ 194,704</u>
 BUDGETED CASH BALANCE	 <u>2,215,208</u>	 <u>2,215,208</u>		
 TOTAL REVENUE & CASH	 <u>\$ 20,509,329</u>	 <u>\$ 20,645,093</u>		
 EXPENDITURES				
Current				
Instruction	\$ 12,724,933	\$ 12,728,433	\$ 11,126,521	\$ 1,601,912
Support Services	-	-	-	-
Support Services Students	2,027,438	2,003,250	1,852,540	150,710
Support Services Instruction	173,973	217,859	204,391	13,468
Support Services General Administration	983,262	1,089,472	1,028,531	60,941
Support Services School Administration	1,150,391	1,177,560	1,156,631	20,929
Central Services	681,284	635,113	588,392	46,721
Operation and Maintenance of Plant	2,621,934	2,645,514	2,621,759	23,755
Student Transportation	500	2,278	1,952	326
Other Support Services	145,614	145,614	-	145,614
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 20,509,329</u>	<u>\$ 20,645,093</u>	<u>\$ 18,580,717</u>	<u>\$ 2,064,376</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	859,326	864,252	864,252	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>859,326</u>	<u>864,252</u>	<u>\$ 864,252</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	15		
TOTAL REVENUE & CASH	<u>\$ 859,326</u>	<u>\$ 864,267</u>		
EXPENDITURES				
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	859,326	864,267	864,267	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 859,326</u>	<u>\$ 864,267</u>	<u>\$ 864,267</u>	<u>\$ -</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	75,352	79,614	75,351	(4,263)
Local Programs	-	-	3,465	3,465
TOTAL REVENUE	<u>75,352</u>	<u>79,614</u>	<u>\$ 78,816</u>	<u>\$ (798)</u>
BUDGETED CASH BALANCE	<u>81,899</u>	<u>81,899</u>		
TOTAL REVENUE & CASH	<u>\$ 157,251</u>	<u>\$ 161,513</u>		
EXPENDITURES				
Current				
Instruction	\$ 157,251	\$ 161,513	\$ 21,414	\$ 140,099
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>\$ 157,251</u>	<u>\$ 161,513</u>	<u>\$ 21,414</u>	<u>\$ 140,099</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.

CDC HEALTHY SCHOOLS - This program supports evidence-based strategies and activities to reduce the risk of children and adolescents developing chronic disease in the future, manage chronic conditions prevalent in student populations (asthma, diabetes, epilepsy, food allergies, oral health) and improve academic success. Long-term outcomes include: (1) increasing the number of students who consume nutritious food and beverages, (2) increasing the number of students who participate in daily physical activity, and (3) reducing chronic health issues among students and improving health outcomes in schools. Fund is provided by NM PED.

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.

TITLE I STRIVING READER - To create a comprehensive literacy program to advance literacy skills — including pre-literacy skills, reading, and writing for students from birth through grade 12, including limited-English-proficient students and students with disabilities. The fund is authorized as part of the FY 2010 Consolidated Appropriations Act (Pub. L. No. 111-117) under the Title I demonstration authority (Part E, Section 1502 of the Elementary and Secondary Education Act (ESEA) through NM PED.

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.

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

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

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

CARL D PERKINS SECONDARY CURRENT – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105—332).

CARL D. PERKINS 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.

TITLE I DIRECT STUDENT SERVICES - To provide expanded educational options for students in schools identified as comprehensive support and improvement or targeted support and improvement. Authority for this fund is through NM PED.

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.

EXCELLENCE IN TEACHING – The funding under this award must be used solely for excellence in teaching salary supplements. These salary supplements are \$5,000 or \$10,000 per teacher and may only be awarded to teachers who have met the award criteria. Funding authority is through NM PED.

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.

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

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

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.

K3 PLUS 4&5 PILOT – To provide funding for additional educational time for students in kindergarten through third grade with at least 25 instructional days, beginning up to tow months earlier than the regular school year. Funding authority is through NM PED.

SCHOOL LIBRARY MATERIAL FUND FY 08 – Funds awarded to the District by the Instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books. Authorized by the School Board and the New Mexico Public Education Department.

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

GRADS-CHILD CARE – Partially fund the salary and benefits for a teacher participating in the GRADS program. Authority for the creation of this fund is the New Mexico Education Department.

GRADS-INSTRUCTION – To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

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

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

ANANSI CHARTER SCHOOL

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

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)

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.

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

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

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.

EXCELLENCE IN TEACHING – The funding under this award must be used solely for excellence in teaching salary supplements. These salary supplements are \$5,000 or \$10,000 per teacher and may only be awarded to teachers who have met the award criteria. Funding authority is through NM PED.

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.

CARL D PERKINS SECONDARY CURRENT – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105—332).

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

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

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

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

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 patiating districts to meet standards of the State Performance Plan Indicators and School Grading. The fund was created by management.

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, 2019

	Food Services	Athletics	Title I	IDEA- B Entitlement
ASSETS				
Cash and cash equivalents	\$ 2,074	\$ 29,863	\$ -	\$ -
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	110,885	-	407,804	327,171
State	-	-	-	-
Inventories	28,082	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	\$ 141,041	\$ 29,863	\$ 407,804	\$ 327,171
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	27,337	-	402,387	327,171
Due to Other Entities	-	-	5,417	-
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	27,337	-	407,804	327,171
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	28,082	-	-	-
Restricted	85,622	29,863	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	113,704	29,863	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 141,041	\$ 29,863	\$ 407,804	\$ 327,171

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

EXHIBIT B-1

New Mexico Autism Project	IDEA-B Preschool	Fresh Fruits & Vegetables	IDEA-B Risk Pool	CDC Healthy Schools	IDEA-B Results Plan
\$ -	\$ -	\$ 918	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,686	4,769	-	-	2,373	8,308
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,686</u>	<u>\$ 4,769</u>	<u>\$ 918</u>	<u>\$ -</u>	<u>\$ 2,373</u>	<u>\$ 8,308</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,686	4,769	918	-	2,373	8,308
-	-	-	-	-	-
<u>2,686</u>	<u>4,769</u>	<u>918</u>	<u>-</u>	<u>2,373</u>	<u>8,308</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,686</u>	<u>\$ 4,769</u>	<u>\$ 918</u>	<u>\$ -</u>	<u>\$ 2,373</u>	<u>\$ 8,308</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL

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

June 30, 2019

	Enhancing Ed Thru Tech E2T2-F	Title I Striving Reader	English Language Acquisition	Teacher Principal Training
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,515
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	248,777	-	69,293
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	\$ -	\$ 248,777	\$ -	\$ 73,808
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	227,252	-	73,048
Due to Other Entities	-	21,525	-	760
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	-	248,777	-	73,808
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ -	\$ 248,777	\$ -	\$ 73,808

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

EXHIBIT B-1
CONTINUED

21st Century Community Living Centers	Rural & Low Income Schools	Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Current	Carl D Perkins HSTW Current	Student Support & Academic Enrichment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	88,456	-	7,219	-	34,633
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 88,456</u>	<u>\$ -</u>	<u>\$ 7,219</u>	<u>\$ -</u>	<u>\$ 34,633</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	86,833	-	7,219	-	34,633
-	-	-	-	-	-
-	86,833	-	7,219	-	34,633
-	1,623	-	-	-	-
-	1,623	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 88,456</u>	<u>\$ -</u>	<u>\$ 7,219</u>	<u>\$ -</u>	<u>\$ 34,633</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL

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

June 30, 2019

	Title I Direct Student Services	IDEA-B Entitlement Stimulus	Impact Aid Special Education	Impact Aid Indian Education
ASSETS				
Cash and cash equivalents	\$ 79	\$ -	\$ 46,163	\$ 36,150
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	73,254	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	\$ 73,333	\$ -	\$ 46,163	\$ 36,150
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	73,333	-	-	-
Due to Other Entities	-	-	-	-
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	73,333	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	46,163	36,150
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	-	-	46,163	36,150
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 73,333	\$ -	\$ 46,163	\$ 36,150

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

EXHIBIT B-1
CONTINUED

GRADS Child Care CYFD	Medicaid Title XIX	Indian Ed Formula Grant	Golden Apple Foundation	Dual Credit Instructional Materials	2012 GO Bonds Student Library Fund
\$ 6,556	\$ 397,741	\$ -	\$ 45	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	1,519	3,492
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,556</u>	<u>\$ 397,741</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 1,519</u>	<u>\$ 3,492</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	41	4,456	-	1,519	3,492
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>41</u>	<u>4,456</u>	<u>-</u>	<u>1,519</u>	<u>3,492</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,556	397,700	(4,456)	45	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,556</u>	<u>397,700</u>	<u>(4,456)</u>	<u>45</u>	<u>-</u>	<u>-</u>
<u>\$ 6,556</u>	<u>\$ 397,741</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 1,519</u>	<u>\$ 3,492</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL

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

June 30, 2019

	Technology For Education	Obesity Program	Excellence In Teaching	Recruitment Support Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Entities	-	-	-	-
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT B-1
CONTINUED

Incentives for School Improvement Act	Truancy Initiative	Pre-K Initiative	Indian Education Act	Beginning Teacher Mentoring	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	67,239	100,197	14,254	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 67,239</u>	<u>\$ 100,197</u>	<u>\$ 14,254</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	67,239	100,197	14,254	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	67,239	100,197	14,254	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 67,239</u>	<u>\$ 100,197</u>	<u>\$ 14,254</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOL

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

June 30, 2019

	Kindergarten Three Plus	After School & Summer Enrichment Program	NM Grown VV	College Counselor Initiative
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	-
State	17,904	23,807	300	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 17,904</u>	<u>\$ 23,807</u>	<u>\$ 300</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-	-
Due to Charter Schools	-	-	-	-
Due to Other Funds	17,904	23,807	300	-
Due to Other Entities	-	-	-	-
Accrued Interest Payable	-	-	-	-
TOTAL LIABILITIES	<u>17,904</u>	<u>23,807</u>	<u>300</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 17,904</u>	<u>\$ 23,807</u>	<u>\$ 300</u>	<u>\$ -</u>

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

EXHIBIT B-1
CONTINUED

Teachers Hard to Staff Stipend	K3 Plus 4&5 Pilot	School Library Material Fund FY08	Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction
\$ -	\$ -	\$ -	\$ 14	\$ 46,114	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	12,490	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,490</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 46,114</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	12,490	-	-	-	3,088
-	-	-	-	-	-
<u>-</u>	<u>12,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,088</u>
-	-	-	14	-	-
-	-	-	14	-	-
-	-	-	-	-	-
-	-	-	-	46,114	(3,088)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,114</u>	<u>(3,088)</u>
<u>\$ -</u>	<u>\$ 12,490</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 46,114</u>	<u>\$ -</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOL

EXHIBIT B-1
CONTINUED

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

June 30, 2019

	GRADS Plus	Private Direct Grants	Total Non-Major Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 30,837	\$ 601,069
Accounts Receivable			
Property Taxes Receivable	-	-	-
Federal	-	-	1,385,628
State	-	-	241,202
Inventories	-	-	28,082
Due from Other Funds	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 30,837</u>	<u>\$ 2,255,981</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Payroll Liabilities	-	-	-
Due to Charter Schools	-	-	-
Due to Other Funds	11,889	-	1,538,943
Due to Other Entities	-	-	27,702
Accrued Interest Payable	-	-	-
TOTAL LIABILITIES	<u>11,889</u>	<u>-</u>	<u>1,566,645</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	1,637
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>1,637</u>
FUND BALANCE			
Nonspendable	-	-	28,082
Restricted	(11,889)	30,837	659,617
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCE	<u>(11,889)</u>	<u>30,837</u>	<u>687,699</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ 30,837</u>	<u>\$ 2,255,981</u>

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, 2019

	Food Services	Athletics	Title I	IDEA- B Entitlement
REVENUE				
Federal Programs	\$ 1,344,040	\$ -	\$ 700,335	\$ 636,053
State Programs	97,833	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	244,648	82,689	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	1,686,521	82,689	700,335	636,053
EXPENDITURES				
Current				
Instruction	-	69,963	482,163	318,271
Support Services	-	-	-	-
Support Services Students	-	-	78,023	114,546
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	110,681	64,831
Support Services School Administration	-	-	14	-
Central Services	-	-	29,454	127,738
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	10,667
Food Services Operations	1,599,586	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	1,599,586	69,963	700,335	636,053
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	86,935	12,726	-	-
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	180,000	-	-	-
Total Other Financing Sources	180,000	-	-	-
NET CHANGE IN FUND BALANCE	266,935	12,726	-	-
FUND BALANCE				
June 30, 2018	(153,231)	17,137	-	-
Restatements	-	-	-	-
June 30, 2018 as restated	(153,231)	17,137	-	-
FUND BALANCE June 30, 2019	\$ 113,704	\$ 29,863	\$ -	\$ -

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

EXHIBIT B-2

<u>New Mexico Autism Project</u>	<u>IDEA-B Preschool</u>	<u>Fresh Fruits & Vegetables</u>	<u>IDEA-B Risk Pool</u>	<u>CDC Healthy Schools</u>	<u>IDEA-B Results Plan</u>
\$ 2,687	\$ 20,843	\$ 48,150	\$ -	\$ 4,956	\$ 16,652
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,687</u>	<u>20,843</u>	<u>48,150</u>	<u>-</u>	<u>4,956</u>	<u>16,652</u>
2,687	18,933	-	-	4,956	15,979
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	546
-	-	-	-	-	127
-	-	-	-	-	-
-	1,910	-	-	-	-
-	-	48,150	-	-	-
-	-	-	-	-	-
<u>2,687</u>	<u>20,843</u>	<u>48,150</u>	<u>-</u>	<u>4,956</u>	<u>16,652</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
998	-	-	-	-	-
(998)	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

Year Ended June 30, 2019

	Enhancing Ed Thru Tech E2T2-F	Title I Striving Reader	English Language Acquisition	Teacher Principal Training
REVENUE				
Federal Programs	\$ -	\$ 251,219	\$ 15,480	\$ 106,403
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	-	251,219	15,480	106,403
EXPENDITURES				
Current				
Instruction	-	241,076	14,896	100,583
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	9,416	584	3,570
Support Services School Administration	-	465	-	2,250
Central Services	-	262	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	251,219	15,480	106,403
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE				
June 30, 2018	2,409	-	-	-
Restatements	(2,409)	-	-	-
June 30, 2018 as restated	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2019	\$ -	\$ -	\$ -	\$ -

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

EXHIBIT B-2
CONTINUED

21st Century Community Living Centers	Rural & Low Income Schools	Carl D Perkins Special Projects - JAG	Carl D Perkins Secondary Current	Carl D Perkins HSTW Current	Student Support & Academic Enrichment
\$ -	\$ 88,455	\$ -	\$ 38,754	\$ -	\$ 34,633
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	88,455	-	38,754	-	34,633
-	85,555	-	36,209	-	34,633
-	-	-	-	-	-
-	-	-	1,250	-	-
-	2,900	-	1,295	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	88,455	-	38,754	-	34,633
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,123	-	22,058	-	-	-
(8,123)	-	(22,058)	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

	Title I Direct Student Services	IDEA-B Entitlement Stimulus	Impact Aid Special Education	Impact Aid Indian Education
REVENUE				
Federal Programs	\$ 531,860	\$ -	\$ 35,495	\$ 14,351
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	531,860	-	35,495	14,351
EXPENDITURES				
Current				
Instruction	521,360	-	201	3,222
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	10,500	-	6	109
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	531,860	-	207	3,331
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	35,288	11,020
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	35,288	11,020
FUND BALANCE				
June 30, 2018	-	394	10,875	25,130
Restatements	-	(394)	-	-
June 30, 2018 as restated	-	-	10,875	25,130
FUND BALANCE June 30, 2019	\$ -	\$ -	\$ 46,163	\$ 36,150

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

EXHIBIT B-2
CONTINUED

GRADS Child Care CYFD	Medicaid Title XIX	Indian Ed Formula Grant	Golden Apple Foundation	Dual Credit Instructional Materials	2012 GO Bonds Student Library Fund
\$ -	\$ 188,882	\$ 49,992	\$ -	\$ -	\$ -
-	-	-	-	2,745	8,179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	188,882	49,992	-	2,745	8,179
-	19,388	44,051	-	2,745	-
-	-	-	-	-	-
-	218,472	10,030	-	-	-
-	-	-	-	-	8,179
-	16,755	1,151	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	254,615	55,232	-	2,745	8,179
-	(65,733)	(5,240)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(65,733)	(5,240)	-	-	-
6,556	463,433	784	45	405	-
-	-	-	-	(405)	-
6,556	463,433	784	45	-	-
\$ 6,556	\$ 397,700	\$ (4,456)	\$ 45	\$ -	\$ -

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, 2019

	Technology For Education	Obesity Program	Excellence in Teaching	Recruitment Support Fund
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	75,355	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	-	-	75,355	-
EXPENDITURES				
Current				
Instruction	-	-	59,208	-
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	16,147	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	75,355	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE				
June 30, 2018	26,319	135	-	-
Restatements	(26,319)	(135)	-	-
June 30, 2018 as restated	-	-	-	-
FUND BALANCE	-	-	-	-
June 30, 2019	\$ -	\$ -	\$ -	\$ -

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

EXHIBIT B-2
CONTINUED

Incentives for School Improvement Act	Truancy Initiative	Pre-K Initiative	Indian Education Act	Beginning Teacher Mentoring	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	179,903	269,184	14,254	-	1,199
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	179,903	269,184	14,254	-	1,199
-	-	266,940	14,187	-	-
-	-	-	-	-	-
-	179,903	-	40	-	-
-	-	-	-	-	-
-	-	2,244	27	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,199
-	179,903	269,184	14,254	-	1,199
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,234	-	-	-	9,934	-
(44,234)	-	-	-	(9,934)	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

	Kindergarten Three Plus	After School & Summer Enrichment Program	NM Grown VV	College Counselor Initiative
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	140,916	44,139	11,988	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	140,916	44,139	11,988	-
EXPENDITURES				
Current				
Instruction	117,039	44,139	-	-
Support Services	-	-	-	-
Support Services Students	1,871	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	12,635	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	9,571	-	-	-
Food Services Operations	-	-	11,988	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	140,916	44,139	11,988	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-
Other Financing Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE				
June 30, 2018	-	-	-	-
Restatements	-	-	-	-
June 30, 2018 as restated	-	-	-	-
FUND BALANCE June 30, 2019	\$ -	\$ -	\$ -	\$ -

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

EXHIBIT B-2
CONTINUED

Teachers Hard to Staff Stipend	K3 Plus 4&5 Pilot	School Library Material Fund FY08	Office of Cultural Affairs	GRADS - Child Care	GRADS - Instruction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	12,490	-	-	30,865	863
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,490	-	-	30,865	863
-	11,301	-	-	34,297	3,963
-	1,189	-	-	6,032	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,490	-	-	40,329	3,963
-	-	-	-	(9,464)	(3,100)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(9,464)	(3,100)
-	-	972	-	55,578	12
-	-	(972)	-	-	-
-	-	-	-	55,578	12
\$ -	\$ -	\$ -	\$ -	\$ 46,114	\$ (3,088)

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

EXHIBIT B-2
CONTINUED

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

Year Ended June 30, 2019

	GRADS Plus	Private Direct Grants	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE			
Federal Programs	\$ -	\$ -	\$ 4,129,240
State Programs	3,128	-	893,041
Local Programs	-	52,278	52,278
State Equalization	-	-	-
Service Revenues	-	-	327,337
Taxes	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	3,128	52,278	5,401,896
EXPENDITURES			
Current			
Instruction	15,017	27,277	2,610,239
Support Services	-	-	-
Support Services Students	-	-	609,906
Support Services Instruction	-	-	9,429
Support Services General Administration	-	-	224,615
Support Services School Administration	-	-	15,491
Central Services	-	-	173,601
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	22,148
Food Services Operations	-	-	1,660,923
Capital Outlay	-	-	-
TOTAL EXPENDITURES	15,017	27,277	5,326,352
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(11,889)	25,001	75,544
Other Financing Sources (Uses)			
Transfer In/Transfers (Out)	-	-	180,000
Total Other Financing Sources	-	-	180,000
NET CHANGE IN FUND BALANCE	(11,889)	25,001	255,544
FUND BALANCE			
June 30, 2018	-	5,836	548,136
Restatements	-	-	(115,981)
June 30, 2018 as restated	-	5,836	432,155
FUND BALANCE June 30, 2019	\$ (11,889)	\$ 30,837	\$ 687,699

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

CAPITAL PROJECTS FUND

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.

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

BOND BUILDING – To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as approved by voters of the district.

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

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

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

	<u>Bond Building</u>
ASSETS	
Cash and cash equivalents	\$ -
Accounts Receivable	
Property Taxes Receivable	-
Federal	-
State	201,633
Due from Other Funds	-
TOTAL ASSETS	<u>\$ 201,633</u>
 LIABILITIES AND OTHER CREDITS	
Accounts Payable	\$ 199,165
Accrued Payroll Liabilities	-
Due to Charter Schools	-
Due to Other Funds	2,468
Due to Other Entities	-
Accrued Interest Payable	-
TOTAL LIABILITIES	<u>201,633</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue	-
Unavailable Revenue - Property Taxes	-
TOTAL DEFERRED INFLOWS	<u>-</u>
 FUND BALANCE	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	-
TOTAL FUND BALANCE	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 201,633</u>

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

EXHIBIT C-1

Special Capital Outlay - Local	Special Capital Outlay - State	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
\$ 21,000	\$ -	\$ -	\$ 1,423,409	\$ 1,444,409
-	-	-	-	-
-	-	-	-	-
-	-	115,297	-	316,930
-	-	-	-	-
<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 115,297</u>	<u>\$ 1,423,409</u>	<u>\$ 1,761,339</u>
\$ -	\$ -	\$ -	\$ 74,409	\$ 273,574
-	-	-	-	-
-	-	-	-	-
-	-	115,297	-	117,765
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>115,297</u>	<u>74,409</u>	<u>391,339</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,000	-	-	1,349,000	1,370,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>21,000</u>	<u>-</u>	<u>-</u>	<u>1,349,000</u>	<u>1,370,000</u>
<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 115,297</u>	<u>\$ 1,423,409</u>	<u>\$ 1,761,339</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

	<u>Bond Building</u>
REVENUE	
Federal Programs	\$ -
State Programs	612,097
Local Programs	-
State Equalization	-
Service Revenues	-
Taxes	-
Interest	-
Other revenue sources	-
TOTAL REVENUES	<u>612,097</u>
EXPENDITURES	
Current	
Instruction	-
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	612,097
Bond Issuance Costs	-
TOTAL EXPENDITURES	<u>612,097</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-
Other Financial Sources (Uses)	
Transfer In/Transfers (Out)	-
Bond Proceeds	-
Total Other Financial Sources	<u>-</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE	
June 30, 2018	-
Restatements	-
June 30, 2018 as restated	<u>-</u>
FUND BALANCE	
June 30, 2019	<u>\$ -</u>

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

EXHIBIT C-2

Special Capital Outlay - Local	Special Capital Outlay - State	SB-9	ED Tech Equipment Act	Total Nonmajor Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	115,297	-	727,394
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	208	208
-	-	-	-	-
-	-	115,297	208	727,602
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	115,297	422,824	1,150,218
-	-	-	74,409	74,409
-	-	115,297	497,233	1,224,627
-	-	-	(497,025)	(497,025)
-	-	-	-	-
-	-	-	1,254,409	1,254,409
-	-	-	1,254,409	1,254,409
-	-	-	757,384	757,384
21,000	-	-	591,616	612,616
-	-	-	-	-
21,000	-	-	591,616	612,616
\$ 21,000	\$ -	\$ -	\$ 1,349,000	\$ 1,370,000

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, 2019

	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NON MAJOR SPECIAL REVENUE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 657,365	\$ 657,365	\$ 601,069	\$ 1,444,409	\$ 2,702,843
Accounts Receivable					
Property Taxes	179,643	179,643	-	-	179,643
Federal	-	-	1,385,628	-	1,385,628
State	-	-	241,202	316,930	558,132
Inventories	-	-	28,082	-	28,082
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 837,008	\$ 837,008	\$ 2,255,981	\$ 1,761,339	\$ 4,854,328
LIABILITIES AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ 273,574	\$ 273,574
Accrued Payroll Liabilities	-	-	-	-	-
Due to Charter Schools	-	-	-	-	-
Due to Other Funds	-	-	1,538,943	117,765	1,656,708
Due to Other Entities	-	-	27,702	-	27,702
Accrued Interest	6,412	6,412	-	-	6,412
TOTAL LIABILITIES	6,412	6,412	1,566,645	391,339	1,964,396
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	1,637	-	1,637
Unavailable Revenue - Property Taxes	167,171	167,171	-	-	167,171
TOTAL DEFERRED INFLOWS	167,171	167,171	1,637	-	168,808
FUND BALANCE					
Nonspendable	-	-	28,082	-	28,082
Restricted	663,425	663,425	659,617	1,370,000	2,693,042
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	663,425	663,425	687,699	1,370,000	2,721,124
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 837,008	\$ 837,008	\$ 2,255,981	\$ 1,761,339	\$ 4,854,328

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

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

YEAR ENDED JUNE 30, 2019

	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NON MAJOR SPECIAL REVENUE	TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE					
Federal Programs	\$ -	\$ -	\$ 4,129,240	\$ -	\$ 4,129,240
State Programs	-	-	893,041	727,394	1,620,435
Local Programs	-	-	52,278	-	52,278
State Equalization	-	-	-	-	-
Service Revenues	-	-	327,337	-	327,337
Taxes	596,012	596,012	-	-	596,012
Interest	-	-	-	208	208
TOTAL REVENUES	596,012	596,012	5,401,896	727,602	6,725,510
EXPENDITURES					
Current					
Instruction	-	-	2,610,239	-	2,610,239
Support Services	-	-	-	-	-
Support Services Students	-	-	609,906	-	609,906
Support Services Instruction	-	-	9,429	-	9,429
Support Services General Administration	5,975	5,975	224,615	-	230,590
Support Services School Administration	-	-	15,491	-	15,491
Central Services	-	-	173,601	-	173,601
Operation and Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	22,148	-	22,148
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	1,660,923	-	1,660,923
Capital Outlay	-	-	-	1,150,218	1,150,218
Debt Service					
Principal	570,000	570,000	-	-	570,000
Bond Issuance Costs	-	-	-	74,409	74,409
Interest and Fiscal Charge	26,394	26,394	-	-	26,394
TOTAL EXPENDITURES	602,369	602,369	5,326,352	1,224,627	7,153,348
EXCESS (DEFICIENCY) OF					
REVENUE OVER EXPENDITURES	(6,357)	(6,357)	75,544	(497,025)	(427,838)
OTHER FINANCING SOURCES (USES)					
Transfers In/Transfers (Out)	-	-	180,000	-	180,000
Bond Proceeds	-	-	-	1,254,409	1,254,409
TOTAL OTHER FINANCING SOURCES	-	-	180,000	1,254,409	1,434,409
NET CHANGE IN FUND BALANCE	(6,357)	(6,357)	255,544	757,384	1,006,571
FUND BALANCE June 30, 2018	669,782	669,782	548,136	612,616	1,830,534
Restatements	-	-	(115,981)	-	(115,981)
June 30, 2018 as restated	669,782	669,782	432,155	612,616	1,714,553
FUND BALANCE June 30, 2019	\$ 663,425	\$ 663,425	\$ 687,699	\$ 1,370,000	\$ 2,721,124

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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	2,350,051	2,350,051	2,412,144	62,093
TOTAL REVENUE	<u>2,350,051</u>	<u>2,350,051</u>	<u>\$ 2,412,144</u>	<u>\$ 62,093</u>
BUDGETED CASH BALANCE	<u>1,627,126</u>	<u>1,584,198</u>		
TOTAL REVENUE & CASH	<u>\$ 3,977,177</u>	<u>\$ 3,934,249</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	25,000	25,000	23,500	1,500
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	617,953	617,953	524,610	93,343
Food Services Operations	-	-	-	-
Capital Outlay	3,334,224	3,291,296	1,657,728	1,633,568
TOTAL EXPENDITURES	<u>\$ 3,977,177</u>	<u>\$ 3,934,249</u>	<u>\$ 2,205,838</u>	<u>\$ 1,728,411</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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	2,835,043	2,835,043	3,174,243	339,200
TOTAL REVENUE	<u>2,835,043</u>	<u>2,835,043</u>	<u>\$ 3,174,243</u>	<u>\$ 339,200</u>
BUDGETED CASH BALANCE	<u>2,836,456</u>	<u>2,836,456</u>		
TOTAL REVENUE & CASH	<u>\$ 5,671,499</u>	<u>\$ 5,671,499</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	30,000	33,000	28,776	4,224
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Debt Service	4,902,156	4,549,156	2,105,000	2,444,156
Debt Service - Interest & Fiscal Charges	739,343	1,089,343	1,031,557	57,786
TOTAL EXPENDITURES	<u>\$ 5,671,499</u>	<u>\$ 5,671,499</u>	<u>\$ 3,165,333</u>	<u>\$ 2,506,166</u>

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

COMBINING STATEMENT OF NET POSITION--ALL COMPONENT UNITS

JUNE 30, 2019

	Anansi Charter School	Taos Charter School	Vista Grande High School	TOTAL
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 164,906	\$ 247,436	\$ 276,344	\$ 688,686
Investments	40,045	192,064	-	232,109
Receivables	47,359	78,606	120,254	246,219
Due from other entities	72,246	79,101	-	151,347
Total current assets	324,556	597,207	396,598	1,318,361
Non-current assets:				
Prepaid lease	512,306	-	-	512,306
Capital assets, net	3,504,339	2,325,280	160,864	5,990,483
Total non-current assets	4,016,645	2,325,280	160,864	6,502,789
Total assets	4,341,201	2,922,487	557,462	7,821,150
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,074,728	1,138,947	725,554	2,939,229
Deferred outflows related to OPEB	29,146	358,508	13,561	401,215
Total deferred outflows	1,103,874	1,497,455	739,115	3,340,444
LIABILITIES				
Current liabilities:				
Accrued payroll	99,731	106,239	107,082	313,052
Unearned lease income	46,584	-	-	46,584
Current portion of long term debt	50,017	-	-	50,017
Total current liabilities	196,332	106,239	107,082	409,653
Non-current liabilities:				
Unearned lease income	465,722	-	-	465,722
Non-current portion of long term debt	2,198,733	-	-	2,198,733
Net pension liability	3,802,848	4,154,831	2,707,656	10,665,335
Net OPEB liability	910,111	1,168,838	648,775	2,727,724
Total non-current liabilities	7,377,414	5,323,669	3,356,431	16,057,514
Total liabilities	7,573,746	5,429,908	3,463,513	16,467,167
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	72,374	105,665	68,309	246,348
Deferred inflows related to OPEB	235,156	302,007	177,730	714,893
Total deferred inflows	307,530	407,672	246,039	961,241
NET POSITION				
Net investment in capital assets	1,255,589	2,325,280	160,864	3,741,733
Restricted:				
Special revenue	3,549	3,926	26,250	33,725
Capital projects	87,174	223,970	-	311,144
Unrestricted	(3,782,513)	(3,970,814)	(2,600,089)	(10,353,416)
Total net position	\$ (2,436,201)	\$ (1,417,638)	\$ (2,412,975)	\$ (6,266,814)

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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
Component Units					Primary Governmental Activities
Anansi Charter School	\$ 3,114,694	\$ 292,637	\$ 213,501	\$ 310,456	\$ (2,298,100)
Taos Charter School	3,142,779	164,637	304,397	296,564	(2,377,181)
Vista Grande High School	1,839,333	1,015	192,696	84,527	(1,561,095)
Total component units	\$ 8,096,806	\$ 458,289	\$ 710,594	\$ 691,547	(6,236,376)

General revenues:

State equalization guarantee	4,108,467
Grant & contributions not restricted	-
Grants & contributions restricted	-
Unrestricted investment earnings	8,032
Miscellaneous income	185,849
Total general revenues	4,302,348
Change in net position	(1,934,028)
Net position - beginning	(4,332,786)
Restatements	-
Net position - beginning as restated	(4,332,786)
Net position - ending	\$ (6,266,814)

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, 2019

	Anansi Charter School	Friends of Anansi Charter School	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 99,351	\$ 65,555	\$ 164,906
Investments	-	40,045	40,045
Receivables	47,359	-	47,359
Due from other entities	72,246	-	72,246
Total current assets	218,956	105,600	324,556
Non-current assets:			
Prepaid lease	512,306	-	512,306
Capital assets, net	375,966	3,128,373	3,504,339
Total non-current assets	888,272	3,128,373	4,016,645
Total assets	1,107,228	3,233,973	4,341,201
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,074,728	-	1,074,728
Deferred outflows related to OPEB	29,146	-	29,146
Total deferred outflows	1,103,874	-	1,103,874
LIABILITIES			
Current liabilities:			
Accrued payroll	99,731	-	99,731
Unearned lease income	-	46,584	46,584
Current portion of long term debt	-	50,017	50,017
Total current liabilities	99,731	96,601	196,332
Non-current liabilities:			
Unearned lease income	-	465,722	465,722
Non-current portion of long term debt	-	2,198,733	2,198,733
Net pension liability	3,802,848	-	3,802,848
Net OPEB Liability	910,111	-	910,111
Total non-current liabilities	4,712,959	2,664,455	7,377,414
Total liabilities	4,812,690	2,761,056	7,573,746
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	72,374	-	72,374
Deferred inflows related to OPEB	235,156	-	235,156
Total deferred inflows	307,530	-	307,530
NET POSITION			
Net investment in capital assets	375,966	879,623	1,255,589
Restricted:			
Special revenue	3,549	-	3,549
Capital projects	87,174	-	87,174
Unrestricted	(3,375,807)	(406,706)	(3,782,513)
Total net position	\$ (2,909,118)	\$ 472,917	\$ (2,436,201)

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, 2019

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	\$ 2,165,061	\$ -	\$ 70,622	\$ -	\$ (2,094,439)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	79,812	-	54,272	-	(25,540)	-
Support Services Instruction	5,637	-	2,720	-	(2,917)	-
Support Services General Administration	114,905	-	-	-	(114,905)	-
Support Services School Administration	88,444	-	-	-	(88,444)	-
Central Services	70,343	-	-	-	(70,343)	-
Operation and Maintenance of Plant	186,126	-	-	-	(186,126)	-
Student Transportation	10,900	-	-	-	(10,900)	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	42,695	10,864	27,034	-	(4,797)	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	52,182	3,553	310,456	366,191	-
Total governmental activities	\$ 2,763,923	\$ 63,046	\$ 158,201	\$ 310,456	(2,232,220)	-
Component Unit:						
Friends of Anansi Charter School	\$ 350,771	\$ 229,591	\$ 55,300	\$ -		(65,880)
General revenues:						
State equalization guarantee					1,391,081	-
Grant & contributions not restricted					-	-
Grants & contributions restricted					-	-
Unrestricted investment earnings					-	2,710
Miscellaneous income					72,765	-
Total general revenues					1,463,846	2,710
Change in net position					(768,374)	(63,170)
Net position - beginning					(2,140,744)	536,087
Restatements					-	-
Net position - beginning as restated					(2,140,744)	536,087
Net position - ending					\$ (2,909,118)	\$ 472,917

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, 2019

	Operational	Instructional Materials	Food Services	Title I	IDEA-B Entitlement
ASSETS					
Cash and cash equivalents	\$ 75,424	\$ 5,450	\$ 457	\$ -	\$ -
Accounts Receivable					
Federal	-	-	-	-	-
State	-	-	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	45,497	-	-	-	-
Due from Primary Government	-	-	-	-	-
TOTAL ASSETS	<u>\$ 120,921</u>	<u>\$ 5,450</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Entities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Accrued Payroll	97,869	-	-	-	-
TOTAL LIABILITIES	<u>97,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	-	5,450	457	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	23,052	-	-	-	-
TOTAL FUND BALANCE	<u>23,052</u>	<u>5,450</u>	<u>457</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 120,921</u>	<u>\$ 5,450</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT G-3

<u>Title XIX Medicaid</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>	<u>Public School Capital Outlay</u>
\$ 3,092	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	3,940	-	3,541	35,616
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,092</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ -</u>	<u>\$ 3,541</u>	<u>\$ 35,616</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	2,078	-	3,541	35,616
-	-	1,862	-	-	-
-	-	<u>3,940</u>	-	<u>3,541</u>	<u>35,616</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,092	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,092</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ -</u>	<u>\$ 3,541</u>	<u>\$ 35,616</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER SCHOOL

EXHIBIT G-3
 CONTINUED

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2019

	SB-9	SB-9 Local	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 14,928	\$ 99,351
Accounts Receivable			
Federal	-	-	-
State	4,262	-	47,359
Inventories	-	-	-
Due from Other Funds	-	-	45,497
Due from Primary Government	-	72,246	72,246
TOTAL ASSETS	<u>\$ 4,262</u>	<u>\$ 87,174</u>	<u>\$ 264,453</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Entities	-	-	-
Due to Other Funds	4,262	-	45,497
Accrued Payroll	-	-	99,731
TOTAL LIABILITIES	<u>4,262</u>	<u>-</u>	<u>145,228</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	87,174	96,173
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	23,052
TOTAL FUND BALANCE	<u>-</u>	<u>87,174</u>	<u>119,225</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,262</u>	<u>\$ 87,174</u>	<u>\$ 264,453</u>

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, 2019

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

Fund Balances - total governmental funds	\$ 119,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	375,966
Deferred outflows related to pensions not reported in the funds	1,074,728
Deferred outflows related to OPEB plan not reported in the funds	29,146
Net pension liability not reported in the funds	(3,802,848)
Net OPEB liability not reported in the funds	(910,111)
Deferred inflows related to pensions not reported in the funds	(72,374)
Deferred inflows related to OPEB plan not reported in the funds	(235,156)
Prepaid lease	<u>512,306</u>
Net position of governmental activities	<u><u>\$ (2,909,118)</u></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, 2019

	Operational	Instructional Materials	Food Services	Title I	IDEA-B Entitlement
REVENUE					
Federal Programs	\$ -	\$ -	\$ 27,034	\$ -	\$ 45,974
State Programs	-	6,584	-	-	-
Local Programs	-	-	-	-	-
State Equalization	1,391,081	-	-	-	-
Service Revenues	52,182	-	10,864	-	-
Other revenue sources	72,765	-	-	-	-
TOTAL REVENUES	1,516,028	6,584	37,898	-	45,974
EXPENDITURES					
Current					
Instruction	1,129,227	3,640	-	-	-
Support Services Students	25,540	-	-	-	45,974
Support Services Instruction	2,413	-	-	-	-
Support Services General Administration	114,905	-	-	-	-
Support Services School Administration	88,444	-	-	-	-
Central Services	70,343	-	-	-	-
Operation and Maintenance of Plant	137,924	-	-	-	-
Student Transportation	10,900	-	-	-	-
Food Services Operations	-	-	42,110	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	1,579,696	3,640	42,110	-	45,974
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(63,668)	2,944	(4,212)	-	-
Other Financing Sources (Uses)					
Transfers In/(Out)	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(63,668)	2,944	(4,212)	-	-
FUND BALANCE					
June 30, 2018	86,720	2,506	4,669	-	-
FUND BALANCE June 30, 2019	\$ 23,052	\$ 5,450	\$ 457	\$ -	\$ -

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

EXHIBIT G-5

Title XIX Medicaid	2012 GO Student Library Fund	NM Reads to Lead K-3	Private Direct Grants	Bond Building	Public School Capital Outlay
\$ 8,907	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,720	66,982	-	24,737	142,464
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,907</u>	<u>2,720</u>	<u>66,982</u>	<u>-</u>	<u>24,737</u>	<u>142,464</u>
-	-	66,982	-	-	-
8,298	-	-	-	-	-
-	2,720	-	504	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	24,737	142,464
<u>8,298</u>	<u>2,720</u>	<u>66,982</u>	<u>504</u>	<u>24,737</u>	<u>142,464</u>
609	-	-	(504)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
609	-	-	(504)	-	-
2,483	-	-	504	-	-
<u>\$ 3,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	SB-9	SB-9 Local	Total
REVENUE			
Federal Programs	\$ -	\$ -	\$ 81,915
State Programs	7,176	-	250,663
Local Programs	-	136,079	136,079
State Equalization	-	-	1,391,081
Service Revenues	-	-	63,046
Other revenue sources	-	-	72,765
TOTAL REVENUES	<u>7,176</u>	<u>136,079</u>	<u>1,995,549</u>
EXPENDITURES			
Current			
Instruction	-	-	1,199,849
Support Services Students	-	-	79,812
Support Services Instruction	-	-	5,637
Support Services General Administration	-	-	114,905
Support Services School Administration	-	-	88,444
Central Services	-	-	70,343
Operation and Maintenance of Plant	-	-	137,924
Student Transportation	-	-	10,900
Food Services Operations	-	-	42,110
Capital Outlay	7,176	184,113	358,490
TOTAL EXPENDITURES	<u>7,176</u>	<u>184,113</u>	<u>2,108,414</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(48,034)	(112,865)
Other Financing Sources (Uses)			
Transfers In/(Out)	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(48,034)	(112,865)
FUND BALANCE			
June 30, 2018	-	135,208	232,090
FUND BALANCE			
June 30, 2019	<u>\$ -</u>	<u>\$ 87,174</u>	<u>\$ 119,225</u>

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, 2019

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

Net change in fund balance - total governmental funds	\$ (112,865)
<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	62,520
Depreciation	(17,058)
<p>Prepaid expenses used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>	
Decrease in prepaid lease	(46,584)
Pension related expense	(671,945)
OPEB related expense	17,558
Change in Net Position	<u>\$ (768,374)</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees	\$ 20,000	\$ 26,066	\$ 26,166	\$ 100
Rent and Leases	26,015	26,015	26,016	1
Interest Income	-	81	94	13
Private Donations	50,000	70,000	71,700	1,700
Refunds Prior Year	-	235	235	-
State Equalization	1,365,259	1,391,081	1,391,081	-
Access Board E-Rate	-	736	736	-
TOTAL REVENUE	<u>1,461,274</u>	<u>1,514,214</u>	<u>\$ 1,516,028</u>	<u>\$ 1,814</u>
BUDGETED CASH BALANCE	<u>74,060</u>	<u>86,720</u>		
TOTAL REVENUE & CASH	<u>\$ 1,535,334</u>	<u>\$ 1,600,934</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,116,109	\$ 1,145,053	\$ 1,031,358	\$ 113,695
Support Services	-	-	-	-
Support Services Students	8,100	25,541	25,540	1
Support Services Instruction	2,850	3,557	2,413	1,144
Support Services General Administration	112,412	114,963	114,905	58
Support Services School Administration	92,811	90,867	88,444	2,423
Central Services	80,917	70,184	70,343	(159)
Operation and Maintenance of Plant	111,235	139,869	137,924	1,945
Student Transportation	10,900	10,900	10,900	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,535,334</u>	<u>\$ 1,600,934</u>	<u>\$ 1,481,827</u>	<u>\$ 119,107</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	6,584	7,065	6,584	(481)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>6,584</u>	<u>7,065</u>	<u>\$ 6,584</u>	<u>\$ (481)</u>
BUDGETED CASH BALANCE	<u>750</u>	<u>2,506</u>		
TOTAL REVENUE & CASH	<u>\$ 7,334</u>	<u>\$ 9,571</u>		
EXPENDITURES				
Current				
Instruction	\$ 7,334	\$ 9,571	\$ 3,640	\$ 5,931
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>\$ 7,334</u>	<u>\$ 9,571</u>	<u>\$ 3,640</u>	<u>\$ 5,931</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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 25,550	\$ 25,550	\$ 27,034	\$ 1,484
State Programs	-	-	-	-
Local Programs	16,500	16,500	10,864	(5,636)
TOTAL REVENUE	<u>42,050</u>	<u>42,050</u>	<u>\$ 37,898</u>	<u>\$ (4,152)</u>
BUDGETED CASH BALANCE	-	4,669		
TOTAL REVENUE & CASH	<u>\$ 42,050</u>	<u>\$ 46,719</u>		
EXPENDITURES				
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	42,050	46,719	42,110	4,609
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 42,050</u>	<u>\$ 46,719</u>	<u>\$ 42,110</u>	<u>\$ 4,609</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ 4,387	\$ 4,387
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 4,387</u>	<u>\$ 4,387</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
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	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 ANANSI CHARTER SCHOOL

EXHIBIT G-11

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 45,974	\$ 61,694	\$ 15,720
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>45,974</u>	<u>\$ 61,694</u>	<u>\$ 15,720</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 45,974</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	45,974	45,974	-
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>\$ 45,974</u>	<u>\$ 45,974</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 7,804	\$ 8,907	\$ 1,103
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>7,804</u>	<u>\$ 8,907</u>	<u>\$ 1,103</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>2,483</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 10,287</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	10,287	8,298	1,989
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>\$ 10,287</u>	<u>\$ 8,298</u>	<u>\$ 1,989</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--2012 GO BOND STUDENT LIBRARY FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,720	2,720	2,720	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,720</u>	<u>2,720</u>	<u>\$ 2,720</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,720</u>	<u>\$ 2,720</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	2,720	2,720	2,720	-
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>\$ 2,720</u>	<u>\$ 2,720</u>	<u>\$ 2,720</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--NM READS TO LEAD K-3

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	66,982	66,982	78,318	11,336
Local Programs	-	-	-	-
TOTAL REVENUE	<u>66,982</u>	<u>66,982</u>	<u>\$ 78,318</u>	<u>\$ 11,336</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 66,982</u>	<u>\$ 66,982</u>		
EXPENDITURES				
Current				
Instruction	\$ 66,982	\$ 66,982	\$ 65,119	\$ 1,863
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>\$ 66,982</u>	<u>\$ 66,982</u>	<u>\$ 65,119</u>	<u>\$ 1,863</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--PRIVATE DIRECT GRANTS

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>504</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 504</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	504	504	-
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>\$ 504</u>	<u>\$ 504</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-16

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

Cash flows from operating activities	
Cash received from customers	\$ 221,608
Donations and other income	16,699
Interest	754
Cash payments for supplies and maintenance	<u>(139,391)</u>
Net cash (used) by operating activities	<u>99,670</u>
Cash flows from noncapital financing activities	
Loan principal payments	(86,975)
Loan interest payments	(96,992)
Loan proceeds	-
Net cash provided by noncapital financing activities	<u>(183,967)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(22,559)</u>
Net cash provided by capital and related financing activities	<u>(22,559)</u>
Cash flows from investing activities	
Investments in marketable securities	(37,738)
Earnings from investments	<u>(329)</u>
Net cash provided by capital and related financing activities	<u>(38,067)</u>
Increase (decrease) in cash and cash equivalents	(144,923)
Cash and cash equivalents - beginning of year	<u>210,477</u>
Cash and cash equivalents - end of year	<u>\$ 65,554</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ (63,170)
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	91,851
Changes in assets and liabilities:	
Receivables	-
Inventories	-
Other assets	117,573
Accounts payable and accrued liabilities	(46,584)
Pension liabilities	-
Compensated Absences	<u>-</u>
Net cash (used) by operating activities	<u>\$ 99,670</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER SCHOOL

EXHIBIT H-1

STATEMENT OF NET POSITION

JUNE 30, 2019

	Taos Charter School	Friends of Taos Charter School	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 201,757	\$ 45,679	\$ 247,436
Investments	-	192,064	192,064
Accounts receivable	78,606	-	78,606
Due from other entities	79,101	-	79,101
Total current assets	359,464	237,743	597,207
Non-current assets:			
Capital assets, net	1,817,608	507,672	2,325,280
Total non-current assets	1,817,608	507,672	2,325,280
Total assets	2,177,072	745,415	2,922,487
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,138,947	-	1,138,947
Deferred outflows related to OPED	358,508	-	358,508
Total deferred outflows	1,497,455	-	1,497,455
LIABILITIES			
Current liabilities:			
Accrued payroll	106,239	-	106,239
Current portion of long term debt	-	-	-
Total current liabilities	106,239	-	106,239
Non-current liabilities:			
Non-current portion of long term debt	-	-	-
Net pension liability	4,154,831	-	4,154,831
Net OPED liability	1,168,838	-	1,168,838
Total non-current liabilities	5,323,669	-	5,323,669
Total liabilities	5,429,908	-	5,429,908
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Deferred inflows related to pensions	105,665	-	105,665
Deferred inflows related to OPED	302,007	-	302,007
Total deferred inflows	407,672	-	407,672
NET POSITION			
Net investment in capital assets	1,817,608	507,672	2,325,280
Restricted:			
Special Revenue	3,926	-	3,926
Capital Projects	223,970	-	223,970
Unrestricted	(4,208,557)	237,743	(3,970,814)
Total net position	\$ (2,163,053)	\$ 745,415	\$ (1,417,638)

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, 2019

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	\$ 2,294,228	\$ -	\$ 115,803	\$ -	\$ (2,178,425)	\$ -
Support Services	-	-	-	-	-	-
Support Services Students	143,632	-	114,522	-	(29,110)	-
Support Services Instruction	3,328	-	88	-	(3,240)	-
Support Services General Administration	124,585	-	2,664	-	(121,921)	-
Support Services School Administration	104,762	-	-	-	(104,762)	-
Central Services	81,218	-	-	-	(81,218)	-
Operation and Maintenance of Plant	143,740	-	-	-	(143,740)	-
Student Transportation	11,954	-	-	-	(11,954)	-
Other Support Services	-	-	-	-	-	-
Food Services Operations	78,914	10,810	33,451	-	(34,653)	-
Bond Interest Paid	-	-	-	-	-	-
Unallocated	-	11,727	17,840	296,564	326,131	-
Total governmental activities	\$ 2,986,361	\$ 22,537	\$ 284,368	\$ 296,564	(2,382,892)	\$ -
Component Unit:						
Friends of Taos Charter School	\$ 156,418	\$ 142,100	\$ 20,029	\$ -		5,711
General revenues:						
State equalization guarantee				1,555,551	-	
Grant & contributions not restricted				-	-	
Grants & contributions restricted				-	-	
Unrestricted investment earnings				-	5,322	
Miscellaneous income				100,550	-	
Total general revenues				1,656,101	5,322	
Change in net position				(726,791)	11,033	
Net position - beginning				(1,436,262)	734,382	
Restatements				-	-	
Net position - beginning as restated				(1,436,262)	734,382	
Net position - ending				\$ (2,163,053)	\$ 745,415	

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, 2019

	Operational	Instructional Materials	Food Services
ASSETS			
Cash and cash equivalents	\$ 53,465	\$ 261	\$ -
Accounts Receivable			
Federal	-	-	5,083
State	-	-	-
Inventories	-	-	-
Due from Other Funds	63,279	-	-
Due from Primary Government	-	-	-
TOTAL ASSETS	<u>\$ 116,744</u>	<u>\$ 261</u>	<u>\$ 5,083</u>
LIABILITIES AND OTHER CREDITS			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	4,901
Accrued Payroll	91,676	-	182
TOTAL LIABILITIES	<u>91,676</u>	<u>-</u>	<u>5,083</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	261	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	25,068	-	-
TOTAL FUND BALANCE	<u>25,068</u>	<u>261</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 116,744</u>	<u>\$ 261</u>	<u>\$ 5,083</u>

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

EXHIBIT H-3

Title I	IDEA-B Entitlement	IDEA-B Risk Pool	Title XIX Medicaid	2012 GO Bond Student Library Fund	NM Reads to Lead K-3
\$ -	\$ -	\$ -	\$ 2,832	\$ -	\$ -
-	-	-	1,947	-	-
-	-	-	-	-	9,599
-	-	-	-	-	-
-	-	-	-	-	-
151	1	-	-	-	-
<u>\$ 151</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,779</u>	<u>\$ -</u>	<u>\$ 9,599</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136	1	-	-	853	2,341
15	-	-	-	-	7,258
<u>151</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>853</u>	<u>9,599</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,779	(853)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,779	(853)	-
<u>\$ 151</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,779</u>	<u>\$ -</u>	<u>\$ 9,599</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2019

	Excellance in Teaching Awards	Truancy Initiative
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Accounts Receivable		
Federal	-	-
State	-	22,874
Inventories	-	-
Due from Other Funds	-	-
Due from Primary Government	-	-
TOTAL ASSETS	\$ -	\$ 22,874
LIABILITIES AND OTHER CREDITS		
Accounts Payable	\$ -	\$ -
Due to Other Funds	-	15,766
Accrued Payroll	-	7,108
TOTAL LIABILITIES	-	22,874
DEFERRED INFLOWS OF RESOURCES		
Unavallable Revenue	-	-
TOTAL DEFFERED INFLOWS	-	-
FUND BALANCE		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCE	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ -	\$ 22,874

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
\$ -	\$ -	\$ -	\$ 145,199	\$ 201,757
-	-	-	-	7,030
3,578	35,525	-	-	71,576
-	-	-	-	-
-	-	-	-	63,279
-	-	-	78,949	79,101
<u>\$ 3,578</u>	<u>\$ 35,525</u>	<u>\$ -</u>	<u>\$ 224,148</u>	<u>\$ 422,743</u>
\$ -	\$ -	\$ -	\$ -	\$ -
3,756	35,525	-	-	63,279
-	-	-	-	106,239
<u>3,756</u>	<u>35,525</u>	<u>-</u>	<u>-</u>	<u>169,518</u>
-	-	-	-	\$ -
-	-	-	-	-
-	-	-	-	\$ -
(178)	-	-	224,148	228,157
-	-	-	-	-
-	-	-	-	25,068
<u>(178)</u>	<u>-</u>	<u>-</u>	<u>224,148</u>	<u>253,225</u>
<u>\$ 3,578</u>	<u>\$ 35,525</u>	<u>\$ -</u>	<u>\$ 224,148</u>	<u>\$ 422,743</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, 2019

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

Fund Balances - total governmental funds	\$ 253,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,817,608
Deferred outflows related to pensions not reported in the funds	1,138,947
Deferred outflows related to OPEB plan not reported in the funds	358,508
Net pension liability not reported in the funds	(4,154,831)
Net OPEB liability not reported in the funds	(1,168,838)
Deferred inflows related to pensions not reported in the funds	(105,665)
Deferred inflows related to OPEB plan not reported in the funds	(302,007)
	<hr/>
Net position of governmental activities	<u>\$ (2,163,053)</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, 2019

	Operational	Instructional Materials	Food Services
REVENUE			
Federal Programs	\$ 1,145	\$ -	\$ 49,344
State Programs	-	7,192	-
State Equalization	1,555,551	-	-
Service Revenues	11,727	-	10,810
Other revenue sources	100,550	-	-
TOTAL REVENUES	<u>1,668,973</u>	<u>7,192</u>	<u>60,154</u>
EXPENDITURES			
Current			
Instruction	1,122,785	9,318	-
Support Services Students	29,110	-	-
Support Services Instruction	3,240	-	-
Support Services General Administration	121,921	-	-
Support Services School Administration	104,762	-	-
Central Services	81,218	-	-
Operation and Maintenance of Plant	143,740	-	-
Student Transportation	8,354	-	-
Food Services Operations	33,484	-	44,261
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>1,648,614</u>	<u>9,318</u>	<u>44,261</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	20,359	(2,126)	15,893
Other Financing Sources (Uses)			
Proceeds from Bonds	-	-	-
Transfers In (Out)	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	20,359	(2,126)	15,893
FUND BALANCE			
June 30, 2018	4,709	2,387	(15,893)
Restatements	-	-	-
June 30, 2018 as restated	<u>4,709</u>	<u>2,387</u>	<u>(15,893)</u>
FUND BALANCE June 30, 2019	<u>\$ 25,068</u>	<u>\$ 261</u>	<u>\$ -</u>

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

EXHIBIT H-5

Title I	IDEA-B Entitlement	IDEA-B Risk Pool	Title XIX Medicaid	2012 GO Bond Student Library Fund	NM Reads to Lead K-3
\$ -	\$ 44,442	\$ -	\$ 23,273	\$ -	\$ -
-	-	-	-	-	86,363
-	-	-	-	-	-
-	-	-	-	-	-
-	44,442	-	23,273	-	86,363
-	-	-	-	-	86,363
-	44,442	-	19,719	-	-
-	-	-	88	-	-
-	-	-	2,664	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	44,442	-	22,471	-	86,363
-	-	-	802	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	802	-	-
-	-	-	3,977	(853)	-
-	-	-	-	-	-
-	-	-	3,977	(853)	-
\$ -	\$ -	\$ -	\$ 4,779	\$ (853)	\$ -

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, 2019

	Excellance in Teaching Awards	Truancy Initiative
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	16,147	56,462
State Equalization	-	-
Service Revenues	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>16,147</u>	<u>56,462</u>
EXPENDITURES		
Current		
Instruction	16,147	6,101
Support Services Students	-	50,361
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>16,147</u>	<u>56,462</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, 2018	-	-
Restatements	-	-
June 30, 2018 as restated	<u>-</u>	<u>-</u>
FUND BALANCE June 30, 2019	<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
\$ -	\$ -	\$ -	\$ -	\$ 118,204
3,578	142,100	2,181	148,705	462,728
-	-	-	-	1,555,551
-	-	-	-	22,537
-	-	-	-	100,550
<u>3,578</u>	<u>142,100</u>	<u>2,181</u>	<u>148,705</u>	<u>2,259,570</u>
-	-	-	-	1,240,714
-	-	-	-	143,632
-	-	-	-	3,328
-	-	-	-	124,585
-	-	-	-	104,762
-	-	-	-	81,218
-	-	-	-	143,740
-	-	-	-	8,354
-	-	-	-	77,745
<u>3,756</u>	<u>142,100</u>	<u>2,181</u>	<u>205,073</u>	<u>353,110</u>
<u>3,756</u>	<u>142,100</u>	<u>2,181</u>	<u>205,073</u>	<u>2,281,188</u>
(178)	-	-	(56,368)	(21,618)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(178)</u>	<u>-</u>	<u>-</u>	<u>(56,368)</u>	<u>(21,618)</u>
-	-	-	280,516	274,843
-	-	-	-	-
-	-	-	<u>280,516</u>	<u>274,843</u>
<u>\$ (178)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,148</u>	<u>\$ 253,225</u>

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, 2019

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

Net change in fund balance - total governmental funds	\$ (21,618)
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	47,695
Depreciation	(68,584)
Pension related expense	(637,767)
OPED related expense	<u>(46,517)</u>
Change in Net Position	<u><u>\$ (726,791)</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-7

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees	\$ 15,000	\$ 15,000	\$ 11,727	\$ (3,273)
Interest Income	-	-	-	-
Private Donations	125,000	125,000	87,500	(37,500)
Rentals	1,500	12,260	12,260	-
State Equalization	1,543,814	1,555,551	1,555,551	-
Access Board (e-rate)	6,751	6,751	1,145	(5,606)
Refunds	-	290	790	500
TOTAL REVENUE	<u>1,692,065</u>	<u>1,714,852</u>	<u>\$ 1,668,973</u>	<u>\$ (45,879)</u>
BUDGETED CASH BALANCE	<u>100</u>	<u>4,709</u>		
TOTAL REVENUE & CASH	<u>\$ 1,692,165</u>	<u>\$ 1,719,561</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,140,641	\$ 1,127,927	\$ 1,031,109	\$ 96,818
Support Services	-	-	-	-
Support Services Students	43,828	46,119	29,110	17,009
Support Services Instruction	3,250	4,058	3,240	818
Support Services General Administration	122,915	123,116	121,921	1,195
Support Services School Administration	104,178	106,970	104,762	2,208
Central Services	88,500	81,890	81,218	672
Operation and Maintenance of Plant	135,660	154,533	143,740	10,793
Student Transportation	8,453	8,453	8,354	99
Other Support Services	33,000	33,000	-	33,000
Food Services Operations	11,740	33,495	33,484	11
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,692,165</u>	<u>\$ 1,719,561</u>	<u>\$ 1,556,938</u>	<u>\$ 162,623</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 TAOS CHARTER SCHOOL

EXHIBIT H-8

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	7,193	7,758	7,192	(566)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>7,193</u>	<u>7,758</u>	<u>\$ 7,192</u>	<u>\$ (566)</u>
BUDGETED CASH BALANCE	<u>670</u>	<u>2,387</u>		
TOTAL REVENUE & CASH	<u>\$ 7,863</u>	<u>\$ 10,145</u>		
EXPENDITURES				
Current				
Instruction	\$ 7,863	\$ 10,145	\$ 9,318	\$ 827
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>\$ 7,863</u>	<u>\$ 10,145</u>	<u>\$ 9,318</u>	<u>\$ 827</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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 35,000	\$ 46,934	\$ 44,261	\$ (2,673)
State Programs	-	-	-	-
Local Programs	5,000	8,679	10,810	2,131
TOTAL REVENUE	<u>40,000</u>	<u>55,613</u>	<u>\$ 55,071</u>	<u>\$ (542)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 40,000</u>	<u>\$ 55,613</u>		
EXPENDITURES				
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	40,000	55,613	44,079	11,534
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 40,000</u>	<u>\$ 55,613</u>	<u>\$ 44,079</u>	<u>\$ 11,534</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ 16,370	\$ 16,370
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 16,370</u>	<u>\$ 16,370</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
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	-	-	-	-
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-11

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 44,442	\$ 44,442	\$ 57,353	\$ 12,911
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>44,442</u>	<u>44,442</u>	<u>\$ 57,353</u>	<u>\$ 12,911</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 44,442</u>	<u>\$ 44,442</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	44,442	44,442	44,442	-
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>\$ 44,442</u>	<u>\$ 44,442</u>	<u>\$ 44,442</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-12

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ 15,281	\$ 15,281
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	-	-	<u>\$ 15,281</u>	<u>\$ 15,281</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
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	-	-	-	-
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-13

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 19,894	\$ 21,326	\$ 1,432
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>19,894</u>	<u>\$ 21,326</u>	<u>\$ 1,432</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>3,977</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 23,871</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	21,118	19,719	1,399
Support Services Instruction	-	88	88	-
Support Services General Administration	-	2,665	2,664	1
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>\$ 23,871</u>	<u>\$ 22,471</u>	<u>\$ 1,400</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--2012 GO BOND STUDENT LIBRARY FUND

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,840	2,840	3,574	734
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,840</u>	<u>2,840</u>	<u>\$ 3,574</u>	<u>\$ 734</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,840</u>	<u>\$ 2,840</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	2,840	2,840	-	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	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ -</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-15

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	86,363	86,363	92,249	5,886
Local Programs	-	-	-	-
TOTAL REVENUE	<u>86,363</u>	<u>86,363</u>	<u>\$ 92,249</u>	<u>\$ 5,886</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 86,363</u>	<u>\$ 86,363</u>		
EXPENDITURES				
Current				
Instruction	\$ 86,363	\$ 86,363	\$ 79,104	\$ 7,259
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>\$ 86,363</u>	<u>\$ 86,363</u>	<u>\$ 79,104</u>	<u>\$ 7,259</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--NM READS TO EXCELLENCE IN TEACHING AWARDS

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 16,147	\$ 16,147	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>16,147</u>	<u>\$ 16,147</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 16,147</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 16,147	\$ 16,147	\$ -
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>\$ 16,147</u>	<u>\$ 16,147</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-17

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	56,462	56,462	39,325	(17,137)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>56,462</u>	<u>56,462</u>	<u>\$ 39,325</u>	<u>\$ (17,137)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 56,462</u>	<u>\$ 56,462</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 6,101	\$ 6,101	\$ -
Support Services	-	-	-	-
Support Services Students	56,462	50,361	43,253	7,108
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>\$ 56,462</u>	<u>\$ 56,462</u>	<u>\$ 49,354</u>	<u>\$ 7,108</u>

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

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

EXHIBIT H-18

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

Cash flows from operating activities	
Cash received from customers	\$ 142,100
Donations and other income	20,029
Interest	4,568
Cash payments for supplies and maintenance	(131,715)
Net cash (used) by operating activities	<u>34,982</u>
Cash flows from financing activities	
Loan principal payments	-
Loan interest payments	-
Loan proceeds	-
Net cash provided by noncapital financing activities	<u>-</u>
Cash flows from investing activities	
Investments in marketable securities	(99,778)
Earnings from investments	(4,630)
Net cash provided by capital and related financing activities	<u>(104,408)</u>
Increase (decrease) in cash and cash equivalents	(69,426)
Cash and cash equivalents - beginning of year	<u>115,105</u>
Cash and cash equivalents - end of year	<u>\$ 45,679</u>
Reconciliation of net operating revenues (expenses) to net cash (used) by operations	
Operating Income (Loss)	\$ 11,033
Adjustments to reconcile operating income (loss) to net cash (used) by operations	
Depreciation	20,073
Changes in assets and liabilities:	
Receivables	-
Other assets	3,876
Net cash (used) by operating activities	<u>\$ 34,982</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, 2019

	<u>Vista Grande Charter School</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 276,344
Receivables	120,254
Total current assets	<u>396,598</u>
Non-current assets:	
Capital assets, net	160,864
Total non-current assets	<u>160,864</u>
Total assets	<u>557,462</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pensions	725,554
Deferred outflows related to OPEB	13,561
Total deferred outflows	<u>739,115</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accrued payroll	107,082
Current portion of long term debt	-
Total current liabilities	<u>107,082</u>
Non-current liabilities:	
Non-current portion of long term debt	-
Net pension liability	2,707,656
Net OPEB liability	648,775
Total non-current liabilities	<u>3,356,431</u>
Total liabilities	<u>3,463,513</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pensions	68,309
Deferred inflows related to OPEB	177,730
Total deferred inflows	<u>246,039</u>
<u>NET POSITION</u>	
Net investment in capital assets	160,864
Restricted:	
Special revenue	26,250
Capital projects	-
Unrestricted	<u>(2,600,089)</u>
Total net position	<u>\$ (2,412,975)</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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Instruction	\$ 1,243,328	\$ -	\$ 90,371	\$ -	\$ (1,152,957)
Support Services	-	-	43,067	-	43,067
Support Services Students	79,683	-	-	-	(79,683)
Support Services Instruction	2,788	-	-	-	(2,788)
Support Services General Administration	131,584	-	-	-	(131,584)
Support Services School Administration	24,245	-	-	-	(24,245)
Central Services	208,991	-	-	-	(208,991)
Operation and Maintenance of Plant	79,271	-	-	-	(79,271)
Student Transportation	1,243	-	-	-	(1,243)
Other Support Services	-	-	-	-	-
Food Services Operations	68,200	-	57,274	-	(10,926)
Unallocated	-	1,015	1,984	84,527	87,526
Total governmental activities	\$ 1,839,333	\$ 1,015	\$ 192,696	\$ 84,527	(1,561,095)
General revenues:					
					1,161,835
					-
					-
					-
					12,534
					<u>1,174,369</u>
					Change in net position (386,726)
					Net position - beginning (2,026,249)
					Restatements -
					<u>Net position - beginning as restated (2,026,249)</u>
					<u>Net position - ending \$ (2,412,975)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE HIGH SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2019

	Operational	Instructional Materials	Food Services	Title I
ASSETS				
Cash and cash equivalents	\$ 239,841	\$ 7,827	\$ -	\$ -
Accounts Receivable	-			
Federal	-	-	3,950	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	117,533	-	-	301
TOTAL ASSETS	<u>\$ 357,374</u>	<u>\$ 7,827</u>	<u>\$ 3,950</u>	<u>\$ 301</u>
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	3,950	301
Accrued Payroll	101,935	-	-	-
TOTAL LIABILITIES	<u>101,935</u>	<u>-</u>	<u>3,950</u>	<u>301</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	7,827	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	255,439	-	-	-
TOTAL FUND BALANCE	<u>255,439</u>	<u>7,827</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 357,374</u>	<u>\$ 7,827</u>	<u>\$ 3,950</u>	<u>\$ 301</u>

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

EXHIBIT I-3

IDEA- B Entitlement	Carl D Perkins Special Projects Current	USDA Equipment Assistance Program	Title XIX Medicaid 3/21 Years	2012 GO Bond Student Library	Truancy Initiative
\$ 2,426	\$ -	\$ -	\$ 1,359	\$ -	\$ -
-	28,134	-	-	-	-
-	-	-	-	-	43,936
-	-	-	-	-	-
301	-	-	-	-	125
<u>\$ 2,727</u>	<u>\$ 28,134</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ -</u>	<u>\$ 44,061</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
301	28,134	-	-	-	41,340
2,426	-	-	-	-	2,721
<u>2,727</u>	<u>28,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,061</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,359	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,359	-	-
<u>\$ 2,727</u>	<u>\$ 28,134</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ -</u>	<u>\$ 44,061</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE HIGH SCHOOL

COMBINING BALANCE SHEET--GOVERNMENTAL FUNDS

June 30, 2019

	Teachers Hard to Staff Initiative	State Directed Activities	Private Direct Grants	McCune Charitable Foundation
ASSETS				
Cash and cash equivalents	\$ -	\$ 5,516	\$ 46	\$ 19,329
Accounts Receivable				
Federal	-	-	-	-
State	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	125	-	-	-
TOTAL ASSETS	\$ 125	\$ 5,516	\$ 46	\$ 19,329
LIABILITIES AND OTHER CREDITS				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	125	-	-	-
Accrued Payroll	-	-	-	-
TOTAL LIABILITIES	125	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	5,516	46	19,329
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	-	5,516	46	19,329
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 125	\$ 5,516	\$ 46	\$ 19,329

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

EXHIBIT I-3
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ -	\$ -	\$ -	\$ -	\$ 276,344
-	-	-	-	32,084
10,551	33,683	-	-	88,170
-	-	-	-	-
-	-	-	-	118,385
<u>\$ 10,551</u>	<u>\$ 33,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,983</u>
\$ -	\$ -	\$ -	\$ -	\$ -
10,551	33,683	-	-	118,385
-	-	-	-	107,082
<u>10,551</u>	<u>33,683</u>	<u>-</u>	<u>-</u>	<u>225,467</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	34,077
-	-	-	-	-
-	-	-	-	-
-	-	-	-	255,439
-	-	-	-	289,516
<u>\$ 10,551</u>	<u>\$ 33,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,983</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, 2019

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

Fund Balances - total governmental funds	\$ 289,516
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	160,864
Deferred outflows related to pensions not reported in the funds	725,554
Deferred outflows related to OPEB not reported in the funds	13,561
Net pension liability not reported in the funds	(2,707,656)
Net OPEB liability not reported in the funds	(648,775)
Deferred inflows related to pensions not reported in the funds	(68,309)
Deferred inflows related to OPEB not reported in the funds	(177,730)
Net position of governmental activities	<u>\$ (2,412,975)</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, 2019

	Operational	Instructional Materials	Food Services	Title I
REVENUE				
Federal Programs	\$ -	\$ -	\$ 41,744	\$ 29,454
State Programs	-	3,048	-	-
State Equalization	1,161,835	-	-	-
Service Revenues	1,015	-	-	-
Other revenue sources	2,534	-	-	-
TOTAL REVENUES	1,165,384	3,048	41,744	29,454
EXPENDITURES				
Current				
Instruction	597,752	1,064	-	29,454
Support Services Students	36,616	-	-	-
Support Services Instruction	2,788	-	-	-
Support Services General Administration	131,584	-	-	-
Support Services School Administration	24,245	-	-	-
Central Services	208,991	-	-	-
Operation and Maintenance of Plant	79,271	-	-	-
Student Transportation	1,243	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	10,926	-	41,744	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	1,093,416	1,064	41,744	29,454
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	71,968	1,984	-	-
Other Financing Sources (Uses)				
Proceeds from Bonds	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	71,968	1,984	-	-
FUND BALANCE				
June 30, 2018	183,471	5,843	-	-
Restatements	-	-	-	-
June 30, 2018 as restated	183,471	5,843	-	-
FUND BALANCE June 30, 2019	\$ 255,439	\$ 7,827	\$ -	\$ -

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

EXHIBIT I-5

IDEA- B Entitlement	Carl D Perkins Special Projects Current	USDA Equipment Assistance Program	Title XIX Medicaid 3/21 Years	2012 GO Bond Student Library	Truancy Initiative
\$ 30,850	\$ 28,134	\$ 15,530	\$ -	\$ -	\$ -
-	-	-	-	-	43,936
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,850</u>	<u>28,134</u>	<u>15,530</u>	<u>-</u>	<u>-</u>	<u>43,936</u>
30,850	28,134	-	-	-	869
-	-	-	-	-	43,067
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,530	-	-	-
<u>30,850</u>	<u>28,134</u>	<u>15,530</u>	<u>-</u>	<u>-</u>	<u>43,936</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,359	-	-
-	-	-	-	-	-
-	-	-	<u>1,359</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, 2019

	Teachers Hard to Staff Initiative	State Directed Activities	Private Direct Grants	McCune Charitable Foundation
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Other revenue sources	-	-	-	10,000
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
EXPENDITURES				
Current				
Instruction	-	-	-	10,671
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>10,671</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	(671)
Other Financing Sources (Uses)				
Proceeds from Bonds	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	(671)
FUND BALANCE				
June 30, 2018	-	5,516	46	20,000
Restatements	-	-	-	-
June 30, 2018 as restated	<u>-</u>	<u>5,516</u>	<u>46</u>	<u>20,000</u>
FUND BALANCE June 30, 2019	<u>\$ -</u>	<u>\$ 5,516</u>	<u>\$ 46</u>	<u>\$ 19,329</u>

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

EXHIBIT I-5
CONTINUED

Bond Building	Public School Capital Outlay	SB-9	Ed. Tech Equipment Act	Total
\$ -	\$ -	\$ -	\$ -	\$ 145,712
17,160	67,367	-	-	131,511
-	-	-	-	1,161,835
-	-	-	-	1,015
-	-	-	-	12,534
<u>17,160</u>	<u>67,367</u>	<u>-</u>	<u>-</u>	<u>1,452,607</u>
-	-	-	-	698,794
-	-	-	-	79,683
-	-	-	-	2,788
-	-	-	-	131,584
-	-	-	-	24,245
-	-	-	-	208,991
-	-	-	-	79,271
-	-	-	-	1,243
-	-	-	-	-
-	-	-	-	68,200
17,160	67,367	-	26,865	111,392
<u>17,160</u>	<u>67,367</u>	<u>-</u>	<u>26,865</u>	<u>1,406,191</u>
-	-	-	(26,865)	46,416
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(26,865)	46,416
-	-	-	26,865	243,100
-	-	-	-	-
-	-	-	26,865	243,100
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,516</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, 2019

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

Net change in fund balance - total governmental funds	\$ 46,416
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	15,530
Depreciation	(19,531)
Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences	
	-
Pension related expense	(445,705)
OPEB related expense	16,564
Change in Net Position	<u>\$ (386,726)</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees	\$ -	\$ -	\$ 1,015	\$ 1,015
Interest Income	-	-	-	-
Private Donations	-	-	1,591	1,591
Refunds Prior Year	-	-	944	944
State Equalization	1,120,043	1,161,834	1,161,834	-
TOTAL REVENUE	<u>1,120,043</u>	<u>1,161,834</u>	<u>\$ 1,165,384</u>	<u>\$ 3,550</u>
BUDGETED CASH BALANCE	<u>84,852</u>	<u>183,471</u>		
TOTAL REVENUE & CASH	<u>\$ 1,204,895</u>	<u>\$ 1,345,305</u>		
EXPENDITURES				
Current				
Instruction	\$ 641,253	\$ 696,544	\$ 533,603	\$ 162,941
Support Services	-	-	-	-
Support Services Students	42,785	58,576	36,616	21,960
Support Services Instruction	1,600	1,600	2,788	(1,188)
Support Services General Administration	144,044	144,044	131,584	12,460
Support Services School Administration	33,153	33,153	24,244	8,909
Central Services	236,382	246,382	208,991	37,391
Operation and Maintenance of Plant	92,678	145,006	79,271	65,735
Student Transportation	2,500	4,500	1,243	3,257
Other Support Services	-	-	-	-
Food Services Operations	10,500	15,500	10,926	4,574
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,204,895</u>	<u>\$ 1,345,305</u>	<u>\$ 1,029,266</u>	<u>\$ 316,039</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	3,048	3,532	3,048	(484)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>3,048</u>	<u>3,532</u>	<u>\$ 3,048</u>	<u>\$ (484)</u>
BUDGETED CASH BALANCE	<u>4,232</u>	<u>4,232</u>		
TOTAL REVENUE & CASH	<u>\$ 7,280</u>	<u>\$ 7,764</u>		
EXPENDITURES				
Current				
Instruction	\$ 7,280	\$ 7,764	\$ 1,064	\$ 6,700
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>\$ 7,280</u>	<u>\$ 7,764</u>	<u>\$ 1,064</u>	<u>\$ 6,700</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, 2019

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 45,000	\$ 45,000	\$ 37,794	\$ (7,206)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>45,000</u>	<u>45,000</u>	<u>\$ 37,794</u>	<u>\$ (7,206)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 45,000</u>	<u>\$ 45,000</u>		
EXPENDITURES				
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	45,000	45,000	41,744	3,256
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 41,744</u>	<u>\$ 3,256</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 30,030	\$ 30,030	\$ 55,914	\$ 25,884
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>30,030</u>	<u>30,030</u>	<u>\$ 55,914</u>	<u>\$ 25,884</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 30,030</u>	<u>\$ 30,030</u>		
EXPENDITURES				
Current				
Instruction	\$ 30,030	\$ 30,030	\$ 29,454	\$ 576
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>\$ 30,030</u>	<u>\$ 30,030</u>	<u>\$ 29,454</u>	<u>\$ 576</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 35,247	\$ 44,635	\$ 9,388
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>35,247</u>	<u>\$ 44,635</u>	<u>\$ 9,388</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 35,247</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 35,247	\$ 28,424	\$ 6,823
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>\$ 35,247</u>	<u>\$ 28,424</u>	<u>\$ 6,823</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CARL PERKINS SPECIAL--CURRENT

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 50,000	\$ -	\$ (50,000)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>50,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 50,000	\$ 28,134	\$ 21,866
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>\$ 50,000</u>	<u>\$ 28,134</u>	<u>\$ 21,866</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--USDA EQUIPMENT ASSISTANCE

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ 15,765	\$ 15,530	\$ (235)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>15,765</u>	<u>\$ 15,530</u>	<u>\$ (235)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ -</u>	 <u>\$ 15,765</u>		
 EXPENDITURES				
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	-	15,765	15,530	235
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 15,765</u>	<u>\$ 15,530</u>	<u>\$ 235</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--TITLE XIX MEDICAID

Year Ended June 30, 2019

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

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-15

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	2,368	2,368	-	(2,368)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>2,368</u>	<u>2,368</u>	<u>\$ -</u>	<u>\$ (2,368)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,368</u>	<u>\$ 2,368</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	2,368	2,368	-	2,368
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>\$ 2,368</u>	<u>\$ 2,368</u>	<u>\$ -</u>	<u>\$ 2,368</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--TRUANCY INITIATIVE

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	49,470	46,000	15,131	(30,869)
Local Programs	-	-	-	-
TOTAL REVENUE	<u>49,470</u>	<u>46,000</u>	<u>\$ 15,131</u>	<u>\$ (30,869)</u>
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	<u>\$ 49,470</u>	<u>\$ 46,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,000	\$ 869	\$ 131
Support Services	-	-	-	-
Support Services Students	49,470	45,000	40,347	4,653
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>\$ 49,470</u>	<u>\$ 46,000</u>	<u>\$ 41,216</u>	<u>\$ 4,784</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--TEACHERS HARD TO STAFF INITIATIVE

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	12,369	12,369
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 12,369</u>	<u>\$ 12,369</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
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	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-18

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--STATE DIRECTED ACTIVITIES

Year Ended June 30, 2019

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

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

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS
 VISTA GRANDE HIGH SCHOOL

EXHIBIT I-19

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

Year Ended June 30, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>46</u>	<u>46</u>		
TOTAL REVENUE & CASH	<u>\$ 46</u>	<u>\$ 46</u>		
EXPENDITURES				
Current				
Instruction	\$ 46	\$ 46	\$ -	\$ 46
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>\$ 46</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ 46</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, 2019

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	30,000	10,000	(20,000)
TOTAL REVENUE	<u>-</u>	<u>30,000</u>	<u>\$ 10,000</u>	<u>\$ (20,000)</u>
BUDGETED CASH BALANCE				
	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 30,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 30,000	\$ 10,671	\$ 19,329
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>\$ 30,000</u>	<u>\$ 10,671</u>	<u>\$ 19,329</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, 2019

	<u>Agency Funds</u>
ASSETS	
Cash on Deposit	\$ 3,360
TOTAL ASSETS	<u>\$ 3,360</u>
LIABILITIES	
Due To Student Groups	\$ 3,360
TOTAL LIABILITIES	<u>\$ 3,360</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, 2019

	Balance 6/30/2018	ADDITIONS	DEDUCTIONS	Balance 6/30/2019
GENERAL	\$ 3,557	\$ 6,288	\$ 6,485	\$ 3,360
	<u>\$ 3,557</u>	<u>\$ 6,288</u>	<u>\$ 6,485</u>	<u>\$ 3,360</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.

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

Year Ended June 30, 2019

	Balance 6/30/2018	ADDITIONS	DEDUCTIONS	Balance 6/30/2019
Administration	\$ 57,070	\$ 38,265	\$ 43,871	\$ 51,464
Taos High School	326,863	410,230	436,578	300,515
Taos Middle School	46,437	57,990	53,715	50,712
Enos Elementary	39,585	61,784	50,948	50,421
Ranchos Elementary	34,384	36,705	37,066	34,023
Arroyos Del Norte Elementary	7,652	13,407	9,424	11,635
Total	<u>\$ 511,991</u>	<u>\$ 618,381</u>	<u>\$ 631,602</u>	<u>\$ 498,770</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, 2019

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Taos Municipal School's proportion of the net pension liability (asset)	0.45427%	0.45838%	0.46776%	0.48067%	0.51109%
Taos Municipal School's proportionate share of the net pension liability (asset)	\$ 54,018,749	\$ 50,941,916	\$ 33,662,038	\$ 31,134,276	\$ 29,161,411
Taos Municipal School's covered-employee payroll	\$ 12,695,576	\$ 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	425.49%	390.29%	251.97%	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	52.17%	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, 2019

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Anansi Charter School's proportion of the net pension liability (asset)	0.03198%	0.03111%	0.02948%	0.02555%	0.02245%
Anansi Charter School's proportionate share of the net pension liability (asset)	\$ 3,802,848	\$ 3,457,400	\$ 2,121,509	\$ 1,654,942	\$ 1,280,929
Anansi School's covered-employee payroll	\$ 893,858	\$ 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	425.44%	389.32%	251.98%	237.23%	207.01%
Plan fiduciary net position as a percentage of total pension liability	52.17%	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, 2019

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Taos Charter School's proportion of the net pension liability (asset)	0.03494%	0.03540%	0.03132%	0.03076%	0.03034%
Taos Charter School's proportionate share of the net pension liability (asset)	\$ 4,154,831	\$ 3,934,168	\$ 2,253,923	\$ 1,992,407	\$ 1,731,110
Taos Charter School's covered-employee payroll	\$ 976,834	\$ 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	425.34%	390.08%	251.95%	237.23%	200.99%
Plan fiduciary net position as a percentage of total pension liability	52.17%	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, 2019

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Vista Grande High School's proportion of the net pension liability (asset)	0.02277%	0.02299%	0.02082%	0.02113%	0.01738%
Vista Grande High School's proportionate share of the net pension liability (asset)	\$ 2,707,656	\$ 2,554,986	\$ 1,498,297	\$ 1,368,646	\$ 991,648
Vista Grande High School's covered-employee payroll	\$ 636,450	\$ 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	425.43%	390.30%	255.63%	237.23%	206.97%
Plan fiduciary net position as a percentage of total pension liability	52.17%	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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 1,848,826	\$ 1,764,686	\$ 1,814,377	\$ 1,856,944	\$ 1,899,093
Contributions in relation to the statutorily required contributions	1,848,826	1,764,686	1,814,377	1,856,944	1,899,093
Contribution deficiency (excess)	<u>\$ -</u>	<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 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, 2019

	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 129,188	\$ 124,247	\$ 123,441	\$ 117,031	\$ 100,944
Contributions in relation to the statutorily required contributions	129,188	124,247	123,441	117,031	100,944
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 140,310	\$ 135,743	\$ 140,190	\$ 124,347	\$ 121,548
Contributions in relation to the statutorily required contributions	140,310	135,743	140,190	124,347	121,548
Contribution deficiency (excess)	<u>\$ -</u>	<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.

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

JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 94,246	\$ 88,466	\$ 90,992	\$ 75,804	\$ 83,419
Contributions in relation to the statutorily required contributions	94,246	88,466	90,992	75,804	83,419
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

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, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

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, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

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, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

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, 2019

	<u>2019*</u>
Taos Municipal School's proportion of the net OPEB liability	0.29732%
Taos Municipal School's proportionate share of the net OPEB liability	\$ 12,928,529
Taos Municipal School's covered-employee payroll	\$ 12,756,862
Taos Municipal School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	101.35%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%

*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, 2019

	<u>2019*</u>
Anansi Charter School's proportion of the net OPEB liability	0.02093%
Anansi Charter School's proportionate share of the net OPEB liability	\$ 910,111
Anansi Charter School's covered-employee payroll	\$ 898,026
Anansi Charter School's proportionate share of the net OPEB liability as a percetange of it's covered-employee payroll	101.35%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%

*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, 2019

	<u>2019*</u>
Taos Charter School's proportion of the net OPEB liability	0.02688%
Taos Charter School's proportionate share of the net OPEB liability	\$ 1,168,838
Taos Charter School's covered-employee payroll	\$ 1,153,318
Taos Charter School's proportionate share of the net OPEB liability as a percentange of it's covered-employee payroll	101.35%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%

*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, 2019

	<u>2019*</u>
Vista Grande High School's proportion of the net OPEB liability	0.01492%
Vista Grande High School's proportionate share of the net OPEB liability	\$ 648,775
Vista Grande High School's covered-employee payroll	\$ 640,160
Vista Grande High School's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	101.35%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%

*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, 2019

	<u>2019*</u>
Contractually required contribution	\$ 464,612
Contributions in relation to the contractually required contribution	458,939
Contribution deficiency (excess)	<u>\$ 5,673</u>
Taos Municipal School's covered-employee payroll	\$ 12,756,862
Contributions as a percentage of covered-employee payroll	3.60%

*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, 2019

	<u>2019*</u>
Contractually required contribution	\$ 32,707
Contributions in relation to the contractually required contribution	32,307
Contribution deficiency (excess)	<u>\$ 400</u>
Anansi Charter School's covered-employee payroll	\$ 898,026
Contributions as a percentage of covered-employee payroll	3.60%

*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, 2019

	<u>2019*</u>
Contractually required contribution	\$ 42,004
Contributions in relation to the contractually required contribution	41,492
Contribution deficiency (excess)	<u>\$ 512</u>
Taos Charter School's covered-employee payroll	\$ 1,153,318
Contributions as a percentage of covered-employee payroll	3.60%

*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, 2019

	<u>2019*</u>
Contractually required contribution	\$ 23,315
Contributions in relation to the contractually required contribution	23,030
Contribution deficiency (excess)	<u>\$ 285</u>
Vista Grande High School's covered-employee payroll	\$ 640,160
Contributions as a percentage of covered-employee payroll	3.60%

*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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RHCA)

JUNE 30, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
ANANSI CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RHCA)

JUNE 30, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
TAOS CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RHCA)

JUNE 30, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS
VISTA GRANDE HIGH SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RHCA)

JUNE 30, 2019

Changes in benefit provisions - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods - There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5

BANK SUMMARY

JUNE 30, 2019

Taos Municipal Schools:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund	* \$ 7,605,455	\$ (360,312)	\$ 7,245,143
	Checking	Activities	* 519,480	(20,710)	498,770
Total Centinel Bank			<u>8,124,935</u>	<u>(381,022)</u>	<u>7,743,913</u>
US Bank	Checking	Multi Fund	2,450,975	(629,672)	1,821,303
Total US Bank			<u>2,450,975</u>	<u>(629,672)</u>	<u>1,821,303</u>
NMFA	Rserve	Ed Tech Equip Act	1,254,409	-	1,254,409
Total NMFA			<u>1,254,409</u>	<u>-</u>	<u>1,254,409</u>
Total all Accounts			<u>\$ 11,830,319</u>	<u>\$ (1,010,694)</u>	<u>\$ 10,819,625</u>

* Interest Bearing

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5
 CONTINUED

BANK SUMMARY

JUNE 30, 2019

Anansi Charter School:

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
US Bank	Checking	Multi Fund	*	\$ 105,753	\$ (6,402)	\$ 99,351
Total all Accounts				<u>\$ 105,753</u>	<u>\$ (6,402)</u>	<u>\$ 99,351</u>
				*	Interest Bearing	

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5
 CONTINUED

BANK SUMMARY

JUNE 30, 2019

Taos Charter School:

<u>Bank</u>	<u>ACCT TYPE</u>	<u>FUND</u>		<u>BANK BALANCE</u>	<u>OUTSTANDING (CHECKS) DEPOSITS</u>	<u>NET CASH BALANCE</u>
US Bank	Checking	Multi Fund	*	\$ 203,830	\$ (2,073)	\$ 201,757
Total all Accounts				<u>\$ 203,830</u>	<u>\$ (2,073)</u>	<u>\$ 201,757</u>

* Interest Bearing

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 5
 CONTINUED

BANK SUMMARY

JUNE 30, 2019

Vista Grande High School:

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	OTHER ADJUSTMENT	NET CASH BALANCE
Centinel Bank	Checking	Multi Fund	\$ 291,782	\$ (58,314)	\$ 37,786	\$ 271,254
	Checking	Activities	8,450	-	-	8,450
Total all Accounts			<u>\$ 300,232</u>	<u>\$ (58,314)</u>	<u>\$ 37,786</u>	<u>\$ 279,704</u>

* Interest Bearing

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE 6

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2019

Taos Municipal Schools:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Cintinel Bank	\$ 8,124,935	\$ 250,000	\$ 7,874,935	\$ 3,937,468	\$ 5,275,412	\$ 2,599,523
US Bank	2,450,975	250,000	2,200,975	1,100,488	2,500,000	(299,025)
NMFA *	1,254,409	*	*	*	*	*
Total	<u>\$11,830,319</u>	<u>\$ 500,000</u>	<u>\$10,075,910</u>	<u>\$ 5,037,955</u>	<u>\$ 7,775,412</u>	<u>\$ 2,300,498</u>

Collateral	CUSIP #.	Amount	Matures
FHLB	313376C94	\$ 2,040,412	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>5,275,412</u>	
FHLB	LOC# 520014	2,500,000	12/2/2019
Total Collateral at US Bank		<u>2,500,000</u>	
Total Collateral all Accounts		<u>\$ 7,775,412</u>	

* - The amount held at the NMFA totaling \$1,254,409 is collateralized within the NMFA guidelines. This information is not available by the individual Agency but the financial statements for the NMFA are available by writing to New Mexico Finance Authority, 207 Shelby Street, Santa Fe, New Mexico 87501.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 6
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2019

Anansi Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 105,753	\$ 105,753	\$ -	\$ -	\$ 114,885	\$ -
Total	\$ 105,753	\$ 105,753	\$ -	\$ -	\$ 114,885	\$ -

Collateral	CUSIP #.	Amount	Matures
FHLMC FHARM 1B4844	3128JQHW1	\$ 114,885	7/1/2040
Total Collateral at US Bank		\$ 114,885	

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE 6
 CONTINUED

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2019

Taos Charter School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
US Bank	\$ 203,830	\$ 203,830	\$ -	\$ -	\$ -	\$ -
Total	\$ 203,830	\$ 203,830	\$ -	\$ -	\$ -	\$ -

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, 2019

Vista Grande High School:

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Centinel Bank	\$ 300,232	\$ 250,000	\$ 50,232	\$ 25,116	\$ 75,000	\$ -
Total	\$ 300,232	\$ 250,000	\$ 50,232	\$ 25,116	\$ 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, 2019

Taos Municipal Schools:

	<u>OPERATIONAL</u>	<u>TRANSPORTATION</u>
Audited Net Cash		
June 30, 2018	\$ 3,291,608	\$ 42
Investments & cash on hand/Loans	-	-
TOTAL CASH BALANCE		
June 30, 2018	3,291,608	42
Add: Prior year void checks	-	-
2018-2019 Revenue	18,624,589	864,252
Transfers In & Adjustments	1,947,429	502
	<hr/>	<hr/>
TOTAL AVAILABLE CASH	23,863,626	864,796
Less: 2018-2019 Expenditures	18,580,717	864,267
Returned Checks	-	-
Transfers Out & Adjustments	2,485,212	27
	<hr/>	<hr/>
	21,065,929	864,294
NET CASH, JUNE 30, 2019	<hr/>	<hr/>
	2,797,697	502
TOTAL CASH, JUNE 30, 2019	<hr/> <hr/>	<hr/> <hr/>
	\$ 2,797,697	\$ 502

SCHEDULE 7

INSTRUCTIONAL MATERIALS	FOOD SERVICES	ATHLETICS	FEDERAL PROJECTS	LOCAL/STATE ACCOUNT	BOND BUILDING
\$ 102,688	\$ 1,129	\$ 17,137	\$ 540,777	\$ 144,263	\$ -
-	-	-	-	-	-
102,688	1,129	17,137	540,777	144,263	-
-	-	-	-	-	-
78,816	1,480,170	82,689	2,353,842	870,243	410,464
-	207,337	-	1,255,427	256,179	2,468
181,504	1,688,636	99,826	4,150,046	1,270,685	412,932
21,414	1,505,862	69,963	2,809,865	846,938	412,932
-	-	-	-	-	-
-	180,700	-	848,059	346,737	-
21,414	1,686,562	69,963	3,657,924	1,193,675	412,932
160,090	2,074	29,863	492,122	77,010	-
\$ 160,090	\$ 2,074	\$ 29,863	\$ 492,122	\$ 77,010	\$ -

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2019

Taos Municipal Schools (continued)

	SCO LOCAL	SCO STATE
Audited Net Cash		
June 30, 2018	\$ 21,000	\$ -
Investments & cash on hand/Loans	-	-
TOTAL CASH BALANCE		
June 30, 2018	21,000	-
Add: Prior year void checks	-	-
2018-2019 Revenue	-	104,000
Transfers In & Adjustments	-	-
TOTAL AVAILABLE CASH	21,000	104,000
Less: 2018-2019 Expenditures	-	-
Returned Checks	-	-
Transfers Out & Adjustments	-	104,000
	-	104,000
NET CASH, JUNE 30, 2019	21,000	-
TOTAL CASH, JUNE 30, 2019	\$ 21,000	\$ -

SCHEDULE 7
Continued

SB-9	SB-9 LOCAL	ED TECH EQUIPMENT ACT	DEBT SERVICE	ED TECH DEBT SERVICE	ACTIVITY
\$ -	\$ 1,584,198	\$ 591,616	\$ 2,856,433	\$ 668,426	\$ 511,991
-	-	-	-	-	-
-	1,584,198	591,616	2,856,433	668,426	511,991
-	-	-	-	-	-
57,699	2,412,144	1,254,617	3,174,243	597,499	618,381
115,297	1	-	3,875	-	-
172,996	3,996,343	1,846,233	6,034,551	1,265,925	1,130,372
115,297	2,205,838	422,824	3,165,333	604,685	631,602
-	-	-	-	-	-
57,699	-	-	-	3,875	-
172,996	2,205,838	422,824	3,165,333	608,560	631,602
-	1,790,505	1,423,409	2,869,218	657,365	498,770
\$ -	\$ 1,790,505	\$ 1,423,409	\$ 2,869,218	\$ 657,365	\$ 498,770

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2019

Anansi Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2018	\$ 152,883	\$ 2,506	\$ 4,669	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2018	152,883	2,506	4,669	-
Add: Prior year void checks	-	-	-	-
2018-2019 Revenue	1,516,028	6,584	37,898	66,081
Transfers In & Adjustments	27,362	-	-	-
TOTAL AVAILABLE CASH	1,696,273	9,090	42,567	66,081
Less: 2018-2019 Expenditures	1,481,827	3,640	42,110	45,974
Returned Checks	-	-	-	-
Transfers Out & Adjustments	139,022	-	-	20,107
	1,620,849	3,640	42,110	66,081
NET CASH, JUNE 30, 2019	75,424	5,450	457	-
Cash On hand	-	-	-	-
TOTAL CASH, JUNE 30, 2019	\$ 75,424	\$ 5,450	\$ 457	\$ -

SCHEDULE 7
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 2,483	\$ -	\$ 504	\$ -	\$ -	\$ -	69,218
-	-	-	-	-	-	-
2,483	-	504	-	-	-	69,218
-	-	-	-	-	-	-
8,907	81,038	-	21,195	106,848	2,914	129,824
-	2,078	-	3,542	35,616	4,262	-
11,390	83,116	504	24,737	142,464	7,176	199,042
8,298	67,839	504	24,737	142,464	7,176	184,113
-	-	-	-	-	-	-
-	15,277	-	-	-	-	1
8,298	83,116	504	24,737	142,464	7,176	184,114
3,092	-	-	-	-	-	14,928
-	-	-	-	-	-	-
<u>\$ 3,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,928</u>

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2019

Taos Charter School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>
Audited Net Cash				
June 30, 2018	\$ 10,945	\$ 2,387	\$ -	\$ -
Investments & cash on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June 30, 2018	10,945	2,387	-	-
Add: Prior year void checks	-	-	-	-
2018-2019 Revenue	1,668,973	7,192	55,070	89,004
Transfers In & Adjustments	75,736	-	4,901	152
TOTAL AVAILABLE CASH	1,755,654	9,579	59,971	89,156
Less: 2018-2019 Expenditures	1,556,938	9,318	44,079	44,442
Returned Checks	-	-	-	-
Transfers Out & Adjustments	145,251	-	15,892	44,714
	1,702,189	9,318	59,971	89,156
NET CASH, JUNE 30, 2018	53,465	261	-	-
Cash On hand	-	-	-	-
TOTAL CASH, JUNE 30, 2018	\$ 53,465	\$ 261	\$ -	\$ -

SCHEDULE 7
Continued

FEDERAL DIRECT	STATE FLOWTHROUGH	LOCAL/ STATE	BOND BUILDING	PSCO	SB-9	SB-9 LOCAL
\$ 3,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,300
-	-	-	-	-	-	-
3,977	-	-	-	-	-	205,300
-	-	-	-	-	-	-
21,327	-	151,295	-	106,575	2,573	144,971
-	-	18,959	3,756	35,525	-	-
25,304	-	170,254	3,756	142,100	2,573	350,271
22,472	-	144,605	3,756	142,100	2,181	205,072
-	-	-	-	-	-	-
-	-	25,649	-	-	392	-
22,472	-	170,254	3,756	142,100	2,573	205,072
2,832	-	-	-	-	-	145,199
-	-	-	-	-	-	-
<u>\$ 2,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,199</u>

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2019

Vista Grande High School:

	<u>OPERATIONAL</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>FEDERAL FLOWTHROUGH</u>	<u>FEDERAL DIRECT</u>
Audited Net Cash					
June 30, 2018	\$ 134,377	\$ 5,843	\$ -	\$ -	\$ 1,359
Investments & cash on hand/Loans	-	-	-	-	-
TOTAL CASH BALANCE					
June 30, 2018	134,377	5,843	-	-	1,359
Add: Prior year void checks	-	-	-	-	-
2018-2019 Revenue	1,165,384	3,048	37,794	116,079	-
Transfers In & Adjustments	172,926	-	3,950	30,560	-
 TOTAL AVAILABLE CASH	 1,472,687	 8,891	 41,744	 146,639	 1,359
Less: 2018-2019 Expenditures	1,029,266	1,064	41,744	101,542	-
Returned Checks	-	-	-	-	-
Transfers Out & Adjustments	203,580	-	-	42,671	-
	1,232,846	1,064	41,744	144,213	-
 NET CASH, JUNE 30, 2019	 239,841	 7,827	 -	 2,426	 1,359
Cash On hand	-	-	-	-	-
 TOTAL CASH, JUNE 30, 2019	 <u>\$ 239,841</u>	 <u>\$ 7,827</u>	 <u>\$ -</u>	 <u>\$ 2,426</u>	 <u>\$ 1,359</u>

SCHEDULE 7
Continued

<u>STATE FLOWTHROUGH</u>	<u>LOCAL/ STATE</u>	<u>BOND BUILDING</u>	<u>PSCO</u>	<u>SB-9</u>	<u>ED. TECH EQUIPMENT ACT</u>	<u>ACTIVITY</u>
\$ 5,516	\$ 20,046	\$ -	-	\$ -	\$ 26,865	\$ 3,557
-	-	-	-	-	-	-
5,516	20,046	-	-	-	26,865	3,557
-	-	-	-	-	-	-
27,500	10,000	6,609	102,522	4,364	-	6,288
41,216	-	10,551	33,684	-	-	-
74,232	30,046	17,160	136,206	4,364	26,865	9,845
-	-	-	-	-	-	-
41,216	10,671	17,160	67,367	-	26,865	6,485
-	-	-	-	-	-	-
27,500	-	-	68,839	4,364	-	-
68,716	10,671	17,160	136,206	4,364	26,865	6,485
-	-	-	-	-	-	-
5,516	19,375	-	-	-	-	3,360
-	-	-	-	-	-	-
<u>\$ 5,516</u>	<u>\$ 19,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,360</u>

SCHEDULE OF JOINT POWERS AGREEMENTS

JUNE 30, 2019

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

Participants: Town of Taos and Taos Municipal Schools

Responsible Party: The Town of Taos agreed to construct athletic facilities on land owned by Taos Municipal Schools and to maintain the property. The facilities will be made available to the District at no cost other than maintaining insurance on the property. The facilities shall be made available for public use. Scheduling and charges for use of others will be agreed to by the Town and the District. The District shall own the land, and the Town shall own the improvements.

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

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

Audit Responsibility: Town of Taos and Taos Municipal Schools.

Fiscal Agent: Town of Taos and Taos Municipal Schools.

COMPLIANCE SECTION

Woodard Cowen & Co.

Certified Public Accountants

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

Brian S. Colón, Esq.
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, 2019, 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 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Taos Municipal School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Taos Municipal School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Taos Municipal School District's internal control.

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

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

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in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies identified as 2019-001, 2019-002, 2019-003, 2019-001 TCS and 2019-002 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 2019-004, 2019-005, 2019-001 ACS, 2019-002 ACS, 2019-003 TCS, 2019-004 TCS, 2019-001 VGHS and 2019-002 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 12, 2019

FEDERAL FINANCIAL ASSISTANCE

Woodard, Cowen & Co.

Certified Public Accountants

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

Brian S. Colón, Esq.
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, 2019. 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.

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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, 2019.

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 12, 2019

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements		Unmodified
Significant Deficiencies on GAGAS	2019-001, 2019-002, 2019-003, 2019-001 TCS and 2019-002 TCS	
Material Noncompliance		None
Questioned Cost		None
Type A & Type B dollar threshold		\$750,000
Entity Risk		Low Risk
Major Federal Programs	National School Lunch Program Commodity Supplemental Food	CFDA #10.555 CFDA#10.565
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, 2019

II. FINANCIAL STATEMENT FINDINGS

2019-001 Per Diem (significant deficiency)

- Condition: A per diem reimbursement request included an invoice for 3 nights stay for a total of \$432.94, however the initial requisition and the actual reimbursement request was shown as 2 nights stayed for a total of \$432.94. There was a manipulation of documents to get reimbursed for a third unapproved night stay.
- Criteria: Where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under Rule 2.42.2.9 NMAC.
- Cause: A blatant violation of district policy and state statutes regarding expenditures and per diem reimbursements. We were unable to determine if it was made by the employee, the employee's supervisor or both.
- Effect: Misuse and possible loss of District funds can occur with errors, irregularities or fraud.
- Recommendation: The District needs to provide additional training to employees regarding travel and per diem requests and reimbursements along with evaluating the review process for payment by the business office of per diem reimbursements. The District should also follow up on this instance and require reimbursement to the District for the overpayment of approved travel by the employee.
- Response: TMSD Finance Department has provided all district staff with a revised "Travel Reimbursement Request Form" with specific instructions stating that the amount to be reimbursed should only be completed by the Finance Department. In addition, the District Administrators/Directors have been asked to review all requests thoroughly before approving the requests for payments. The Finance Specialist, the Assistant Business Manager, and the Finance Director will review the reimbursements requests before payments are processed. TMS will adhere to the internal controls established by the TMSD Board of Education and Finance Department. The district did follow up on the instance and reimbursement was received from the staff member for the overpayment.

Time Frame: Was completed immediately when District learned of the incident.

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

2019-002 Purchase Orders (significant deficiency)

- Condition: The District had purchase orders either prepared after the date of the invoice or that were for a lesser amount than what was spent. Of 120 invoices tested, 9 or 8%, amounting to \$ 625, 992 of \$ 5,114,058 (12%) were dated prior to the purchase order and 2 or 2%, amounting to \$ 951 of \$ 5,114,058 (<.01%) were for less than the amount spent
- 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 District'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 District 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: TMSD Finance Department provided the district staff with the purchasing procedures at the beginning of the school year. Recently an email was sent again to all staff with specific details outlining the processes in place and reminding staff that purchases made without an approved purchase order will be considered a donation to the district and they will be responsible for payment. TMSD will continue to remind staff and train staff that they must adhere to the districts policies and procedures.

Time Frame: To be completed by 12/31/19

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

2019-003 Accounting procedures/controls (significant deficiency)

Condition: The District had numerous errors in the revenues and expenditures, especially dealing with grant monies and between different special revenue funds. Expenditures were posted and a request for reimbursement was submitted in the amount of \$ 21,525 for fund 24145 and the monies were received and deposited. The expenditures were then moved to fund 24160 to correct a posting error. A new request for reimbursement was made and the monies received and deposited. The District owes \$21,525 for fund 24145 back to PED. The District had received a refund during the year in Title I for \$5,417 which it has not yet returned to PED. There were other expenditures and revenues posted in wrong funds dealing with the OBMS grant funds. These were all corrected before the end of the audit fieldwork.

Criteria: Good internal control structures are to be designed to help lower risks of errors, irregularities and fraud within the accounting function per the New Mexico Public Education Manual of Procedures

Cause: The District's procedures for internal reviews of posting of transactions and follow up reviews of those postings as well as review and comparison of system reports to the OBMS reporting failed during the year. This is primarily due to many new staff in the business office and the need for additional training of new staff members.

Effect: Not having internal control procedures in place that are working properly will lead to a much higher risk of errors, irregularities and the possibility of fraud.

Recommendation: The District should consider additional training of employees regarding the procedures for posting all transactions into the Visions system. There needs to be an evaluation of job descriptions and access to various parts of the processing of transactions. The finance director needs to ensure that there are procedures to check the information recorded for accuracy of amounts and especially correct funds. This can be through various cross checking by staff and reviews of reporting daily or at least weekly by the finance director.

Response: TMSD has internal control procedures in place which will be revisited and changes will be made where necessary. Cross training and additional training is key and will be provided. Journal entries will only be authorized by the Finance Director before processing of any transactions and weekly cross checking will take place. Access to programs in Visions has been updated and limited to specific job descriptions and/or responsibilities.

Time Frame: To be completed by 12/31/19

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS – Taos Charter School

2019-001 (2014-029) TCS Purchase Orders (significant deficiency)

Condition: The Charter School had purchase orders either prepared after the date of the invoice or were revised after the date of the invoice. Of 80 invoices tested, 8 or 10% were either originally issued or revised after the invoice date. This amounted to \$13,101 of \$82,732 or 15% 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. They should also consider evaluating controls regarding the modification or revisions to purchase orders. Additional training or a policy allowing the business manager to add a small percentage increase in the original purchase order to cover unexpected/inestimable costs, such as freight, postage, fees etc., might be considered.

Response: Processes at the school level were reviewed to identify the cause of the actions or lack of action that led to this finding. Last year we put in place a second reviewer (Governing Council Member) after the director/CPO to review PO's. In theory, this should have stopped improper PO dates. We will review the PO's that the auditor has identified as deficient and determine what failures in procedure led to this finding. Once identified, the school will provide training 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. The school's audit/finance committee is working on updating and revising financial policies and procedures as part of their annual review.

Time Frame: To be completed by 11/22/19

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS – Taos Charter School

2019-002 TCS Activity Funds (significant deficiency)

Condition: During the reading of the minutes it was learned that the Charter School has an Activity fund bank account and runs various activity funds through that account. These funds have not been carried in the Charter School books or records and revenues and expenditures have not been subjected to the requirements for controls over activity funds required for schools.

Criteria: The New Mexico Manual of Procedures for Public School Finance requires that trust and agency fund records, which would include any activity funds, be kept in same manner as the operational accounts. Internal controls should be in place including use of requisitions and purchase orders.

Cause: The Charter School had not disclosed to the auditor that the bank account existed and was unaware that the activity funds were required to be accounted for and included in the audited financial statements of the Charter School.

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

Recommendation: The Charter School should allow the external business manager to set up and operate the activity funds with the same internal controls as operational funds, and following required laws and policies and procedures to have adequate reconciled balances and complete records as to increases and decreases in each of the activities within the agency fund.

Response: In accordance with the auditor's recommendation, the Charter School will allow the external business manager to set up and operate the activity funds (fund 23000) with the same internal controls as operational funds, and following required laws and policies and procedures to have adequate reconciled balances and complete records as to increases and decreases in each of the activities within the agency fund.

Time Frame: To be completed by 12/6/19

Persons Responsible: Business Manager and Taos Charter School management.

III. FEDERAL AWARD FINDINGS

None

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

JUNE 30, 2019

IV. PRIOR YEAR FINDINGS

PRIMARY GOVERNMENT

FS 2018-001 (2010-009) Capital Assets
OM 2018-002 Overspent Budgets
OM 2018-003 Cash Deposits

Resolved
Resolved
Resolved

COMPONENT UNIT ANASI CHARTER SCHOOL

None

COMPONENT UNIT FRIENDS OF ANANSI CHARTER SCHOOL

None

COMPONENT UNIT TAOS CHARTER SCHOOL

FS 2018-001 (2014-029) TCS Purchase Orders

Revised and Repeated

COMPONENT UNIT FRIENDS OF TAOS CHARTER SCHOOL

None

COMPONENT UNIT VISTA GRANDE HIGH SCHOOL

FS 2018-001 VGHS Cash Receipts

Resolved

FEDERAL AWARDS FINDINGS

None

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

SCHEDULE OF 12-6-5 NMSA 1978 FINDINGS

JUNE 30, 2019

OTHER FINDINGS

2019-004 Activity fund expenditure (other matter)

Condition: An expenditure, in the amount of \$600, was made to an individual whose name did not appear on the requisition, purchase order or invoice. It was determined that the individual the check was written to, was the owner of the business which was listed in the other documents.

Criteria: Accounting controls and procedures would dictate the when disbursements are made to pay for goods and services, those disbursements should be to the entity or individual named on the requisition, purchase order and invoice as outlined in the NM Public School Manual of Procedures.

Cause: Failure to follow District policies regarding disbursements of funds.

Effect: Not following established control procedures can create a situation of higher risk of errors, irregularities and potential fraud.

Recommendation: The District should have a control in place in the finance department that requires a person to compare the checks to the names and amounts on the invoices and compare them to the purchase order. Staff should be retrained on how this control works and who should be making those reviews of documents.

Response: TMS will request a new W9 and make sure requisitions, invoices, and checks are all in sync when vendors want payments to be made to them as owners. The Finance Department will appoint an individual in the department to compare the checks to the names and amounts on the invoices and compare them to the purchase order. Staff will be trained on how this control works and making sure the review of all documents are accurate and follow policies and procedures set in place.

Time Frame: To be completed by 12/31/19

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS

2019-005 Cash Deposits (other non-compliance)

Condition: 2 of 25 (8%) activity deposits totaling \$370 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. Management has provided additional training and stressed the importance of getting monies collected in timely. The District made great progress over the prior year but still have some work to go.

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 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 over activity funds to see if they need to be changed to help ensure the District personnel meet the requirements of the statutes.

Response: TMS Finance Department provided documentation received from the State Auditor's Office to all staff with regards to the depositing of all funds to a financial institution within the 24-hour rule. In addition, it was also addressed at a Leadership Meeting with all site administrators emphasizing the importance of complying with the regulation 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 all staff will be sent out again via email.

Time Frame: To be completed by 12/31/19

Persons Responsible: Business Manager

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Anansi Charter School

2019-001 ACS Purchase Orders (other non-compliance)

Condition: 9 of 80 (11%) purchase orders tested, amounting to \$7,106 of \$104,964, had a modification made after the date of the invoice or the date the service was performed.

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. Modifications or Revisions to purchase orders should be made before the expenditure occurs.

Cause: The Charter School's policies and procedures were ignored, circumvented or erroneously missed with respect to the modification of purchase orders.

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 evaluating controls regarding the modification or revisions to purchase orders. Additional training or a policy allowing the business manager to add a small percentage increase in the original purchase order to cover unexpected/unestimatable costs, such as freight, postage, fees etc., might be considered.

Response: The Anansi Charter School will add a control step to improve its monitoring of spending under one purchase order for a vendor who provides ongoing services such as cleaning supplies, classroom and office supplies, snow removal, and contracted maintenance. The administrative assistant will track the current Purchase Order's approved amount and will request a modification to the purchase order prior to spending when making an additional purchase from a vendor's purchase order.

Responsible Persons: Director, Admin. Assistant, Business Manager

Implementation Timeline: December 2019

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Anansi Charter School

2019-002 ACS Grant Reimbursements (other matters)

- Condition: The Charter School requested reimbursement for \$3,940 in fund 27114 New Mexico Reads to Leads K-3. This fund is a cost reimbursement fund. The amount requested included payroll liabilities of \$ 1,862 which had not yet been actually paid. These funds should be accounted for and requested based on the cash basis. Including payroll liabilities in the expenditures is considered modified accrual basis.
- Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 1– Budget Planning, Preparation & Maintenance. 6.20.2.11. D. NMAC Basis of accounting: In accordance with GASB 34, school districts shall use a full accrual basis of accounting in the preparation of annual financial statements and Cash Basis of accounting for budgeting and reporting.
- Cause: The Charter School's external business manager is keeping the books on modified accrual basis of accounting. The books should be kept on the same basis as the required basis for budgeting and reporting. However, the expenditures being used for reporting for the reimbursement requests are including amounts not actually paid on the cash basis but are accrued as a liability.
- Effect: The Charter School is receiving cost reimbursement grant funds prior to the expense being paid out. This violation could affect future grant funding from both the federal and state funds.
- Recommendation: The external business manager should either actually pay the payroll liability when it accrues which makes it a cash expense or wait to claim those liabilities on a reimbursement request after the expense is actually paid based on cash basis of accounting.
- Response: Management is in disagreement with this finding as this is a common practice statewide. Payroll liabilities are created from final payrolls in June for liabilities that will not be paid until July and August. With normal systematic processes that exist on most financial accounting systems, the expenditure is incurred at this time as well. Requests for reimbursement (RfRs) require the expenditure report and any payroll or invoice backup to match to the expenditures listed. There is no requirement for reporting of cash position for RfRs. Furthermore, the PED's 920F Cash Report, required to be submitted by each school district and charter school on a quarterly basis at minimum, includes a line for Payroll Liabilities (Line 8). The PED itself recognizes there are instances in which a pure cash basis of accounting is inadequate and requires some modification on its own reports.
- Persons Responsible: Business Manager
- Implementation Timeline: N/A
- Auditors Rebuttal: The statutes clearly state that the budgets and reporting should be maintained on the cash basis of accounting. In order to do this properly the books must be maintained on the cash basis. Expenditure reports from the books should be cash basis and these should be used to request reimbursements from grants. The PED nor Charter have the authority to change state statutes.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Taos Charter School

2019-003 TCS HR Documentation (other matter)

Condition: During the tests of payroll files we noted that 1 of 7 (14%) of the files had incomplete documentation verifying the voluntary deductions made from gross pay.

Criteria: NMAC 6.20.2.18 1978 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: The Charter School employees have disregarded the internal policies and procedures and the state and federal statutes regarding employee file documentation.

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

Recommendation: Additional training of personnel in charge of the payroll files should be made available to those staff. There are external trainings made available within the state to help public schools get their payroll files into compliance with requirements. The Charter should look into this type of training and make decisions about possibly using these avenues.

Response: TCS management will improve its internal file auditing procedures by seeking guidance, mentoring, and/or training from Vista Grande High School administration, as they were identified by our auditor as having exemplary employee files. A checklist for personnel files to be used at the beginning of every year for old employees and will be used when setting for new hires.

Time Frame: To be completed by 1/24/20

Person(s) Responsible: Taos Charter School Management

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Taos Charter School

2019-004 TCS Grant Reimbursements (other matters)

- Condition: The Charter School requested reimbursement for \$9,599 in fund 27114 New Mexico Reads to Leads K-3. The amount requested included payroll liabilities of \$ 7,259 which had not yet been actually paid. The Charter also requested for reimbursement \$22,874 in fund 27141 Truancy Initiative. The amount requested included payroll liabilities of \$7,108 which had not yet been actually paid. Both of these funds are cost reimbursement funds. These funds should be accounted for and requested based on the cash basis. Including payroll liabilities in the expenditures is considered modified accrual basis.
- Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 1– Budget Planning, Preparation & Maintenance. 6.20.2.11. D. NMAC Basis of accounting: In accordance with GASB 34, school districts shall use a full accrual basis of accounting in the preparation of annual financial statements and Cash Basis of accounting for budgeting and reporting.
- Cause: The Charter School's external business manager is keeping the books on modified accrual basis of accounting. The books should be kept on the same basis as the required basis for budgeting and reporting. However, the expenditures being used for reporting for the reimbursement requests are including amounts not actually paid on the cash basis but are accrued as a liability.
- Effect: The Charter School is receiving cost reimbursement grant funds prior to the expense being paid out. This violation could affect future grant funding from both the federal and state funds.
- Recommendation: The external business manager should either actually pay the payroll liability when it accrues which makes it a cash expense or wait to claim those liabilities on a reimbursement request after the expense is actually paid based on cash basis of accounting.
- Response: Management is in disagreement with this finding. Payroll liabilities are created from final payrolls in June for liabilities that will not be paid until July and August. With normal systematic processes that exist on most financial accounting systems, the expenditure is incurred at this time as well. Requests for reimbursement (RfRs) require the expenditure report and any payroll or invoice backup to match to the expenditures listed. There is no requirement for reporting of cash position for RfRs. Furthermore, the PED's 920F Cash Report, required to be submitted by each school district and charter school on a quarterly basis at minimum, includes a line for Payroll Liabilities (Line 8). The PED itself recognizes there are instances in which a pure cash basis of accounting is inadequate and requires some modification on its own reports.
- Time Frame: To be completed by NA
- Person(s) Responsible: Taos Charter School contracted business manager
- Auditors Rebuttal: The statutes clearly state that the budgets and reporting should be maintained on the cash basis of accounting. In order to do this properly the books must be maintained on the cash basis. Expenditure reports from the books should be cash basis and these should be used to request reimbursements from grants. The PED nor Charter have the authority to change state statutes.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Vista Grande High School

2019-001 VGHS Overspent Budgets (other non-compliance)

Condition: The following budget was over spent for the year ended June 30, 2019:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>FUNCTION</u>	<u>AMOUNT</u>
31900	Ed tech equipment act	4000	\$ 166

Criteria: 22-8-11(B) NMSA 1978, states "No school board officer or employees of a school district shall make any expenditure or incur any obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures".

Cause: The Charter School did not monitor the budgetary process as controls would prescribe. Reports are available in the accounting software to monitor this on a monthly basis; however, those reports were not being used to make the necessary BAR request to prevent this overspent budget.

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

Recommendation: It is imperative that the Charter School follow their internal controls for the monitoring process of budgets on a monthly basis to ensure that the budgets are not in violation of the law. Management should implement a corrective action plan that would ensure that these budgets are monitored on a regular basis and review the Charter's control procedures to see if changes are necessary.

Response: Management agrees with the finding and will implement quarterly reviews of budget.

The responsible parties: Administration and Finance Director.

Timeline for Correction: January 2020.

STATE OF NEW MEXICO
TAOS MUNICIPAL SCHOOLS

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

JUNE 30, 2019

OTHER FINDINGS – Vista Grande High School

2019-002 VGHS Grant Reimbursements (other matters)

- Condition: The Charter School requested and received reimbursement for \$30,850 in fund 24106 IDEA-B Entitlement of which \$2,426 was for accrued payroll liabilities that had not yet been paid, creating a year end cash balance of \$2,426. This fund is a cost reimbursement fund and should never carry a cash balance. The Charter also requested reimbursement for \$43,935 in fund 27141 Truancy Initiative. The amount requested included payroll liabilities in the amount of \$ 2,720 which had not yet been actually paid. These funds should be accounted for and requested based on the cash basis. Including payroll liabilities in the expenditures is considered modified accrual basis not cash basis.
- Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 1– Budget Planning, Preparation & Maintenance. 6.20.2.11. D. NMAC Basis of accounting: In accordance with GASB 34, school districts shall use a full accrual basis of accounting in the preparation of annual financial statements and Cash Basis of accounting for budgeting and reporting.
- Cause: The Charter School's external business manager is keeping the books on modified accrual basis of accounting. The books should be kept on the same basis as the required basis for budgeting and reporting. However, the expenditures being used for reporting for the reimbursement requests are including amounts not actually paid on the cash basis but are accrued as a liability.
- Effect: The Charter School is receiving cost reimbursement grant funds prior to the expense being paid out. This violation could affect future grant funding from both the federal and state funds.
- Recommendation: The external business manager should either actually pay the payroll liability when it accrues which makes it a cash expense or wait to claim those liabilities on a reimbursement request after the expense is actually paid based on cash basis of accounting.
- Response: Management understands the finding. Management is currently reviewing the best way to correct the finding.
- The responsible party: Finance Director.
- Timeline for correction is by June 30, 2020.

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Federal Expenditures(\$)
U.S. Department of Education			
Passthrough NM Public Education Department			
Special Education Cluster (IDEA-B)			
Entitlement	84.027	NM PED,24106	\$ 642,692
Competitive	84.027	NM PED,24108	2,686
Results Plan	84.027	NM PED,24132	16,653
Preschool	84.173	NM PED,24109	20,843
Total Special Education Cluster (IDEA-B)			682,874
Other Programs			
Title I Grants to Local Educational Agencies	84.010	NM PED,24101	700,498
Title I Direct Student Services	84.010A	NM PED,24193	531,860
Carl Perkins Secondary Current	84.048	NM PED,24174	39,504
Rural Education	84.358	NM PED,24160	88,456
English Language Acquisition State Grants	84.365	NM PED,24153	15,480
Improving Teacher Quality State Grants	84.367	NM PED,24154	106,404
Striving Readers	84.371C	NM PED,24145	250,956
Student Support and Academic Enrichment	84.424	NM PED,24189	34,633
Indirect costs		11000-44107	1,158
Indirect costs		11000-44205	70,429
Total Other Programs			1,839,378
Total Passthrough NM Public Education Department			2,522,252
Direct Grants			
Impact Aid	84.041		58,535
Indian Education Grants to Local Educational Agencies	84.060	NM PED,25184	55,232
Total Direct Grants			113,767
Total Department of Education			2,636,019
US Department of Health & Human Services			
Passthrough NM Public Education Department			
CDC - Support for Improving Health & Academic Success	93.981	NM PED,24130	4,956
Total Passthrough NM Public Education Department			4,956
Total Department of Health & Human Services			4,956

STATE OF NEW MEXICO
 TAOS MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Continued

Year Ended June 30, 2019

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Federal Expenditures(\$)
United States Department of Agriculture			
<1>National School Lunch Program	10.555	NM PED,21000	1,137,689
<1>Commodity Supplemental Food Program	10.565	NM PED,21000	95,446
Fresh Fruit and Vegetable Program	10.582	NM PED,24118	48,150
Schools and Roads - Grants to States	10.665		166,972
Total United States Department of Agriculture			<u>1,448,257</u>
Total Expenditures of Federal Awards			<u>\$ 4,089,232</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, 2019

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 12, 2019 at Taos Municipal Schools. Present were:

Taos Municipal School District

Dr. Lillian Torrez

James Sanborn

Whitney Goler

Susie Martinez

Evangeline S. Romero

Christine Valencia

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

Anansi Charter School

Michele Hunt

Amy L Trevino

Mike Vigil II (by teleconference)

Director
Governing Council Member
Business Manager

Friends of Anansi Charter School Foundation

L. Serena Brown

Board Member – Friends of Anansi Charter School Foundation

Taos Charter School

Jeremy Jones

Necia Ethridge

Mike Vigil II (by teleconference)

Director
Governing Council, President
Business Manager

Friends of Taos Charter School Foundation

Whitney Goler

Treasurer - 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